OFFERING MEMORANDUM

sabesp

Nova Securitisation S.à r.l.

*(a private limited liability company (*société à responsabilité limitée*) incorporated in the Grand Duchy of Luxembourg)*

U.S.$850,000,000 aggregate principal amount of 5.750% Blue Senior Secured Notes due 2031

U.S.$500,000,000 aggregate principal amount of 6.500% Blue Senior Secured Notes due 2036

Nova Securitisation S.à r.l, a Luxembourg private limited liability company (*société à responsabilité limitée*), incorporated on December 18, 2025, as an unregulated securitization company (*société de titrisation non réglementée*) within the meaning of, and governed by, the Luxembourg Securitization Law, having its registered office at 46a, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg ("Luxembourg"), registered with the Luxembourg Register of Commerce and Companies under number B303758 (the "Issuer"), is offering (i) U.S.$850 million in aggregate principal amount of 5.750% Blue Senior Secured Notes due 2031(the "2031 Notes") and (ii) U.S.$500 million in aggregate principal amount of 6.500% Blue Senior Secured Notes due 2036 (the "2036 Notes" and, together with the 2031 Notes, the "Notes").

The 2031 Notes will bear interest at the rate of 5.750% per annum. The Issuer will pay interest on the 2031 Notes on February 3 and August 3 of each year. The first such payment will be made on August 3, 2026. The 2031 Notes will mature on February 3, 2031. The 2036 Notes will bear interest at the rate of 6.500% per annum. The Issuer will pay interest on the 2036 Notes on February 3 and August 3 of each year. The first such payment will be made on August 3, 2026. The 2036 Notes will mature on February 3, 2036.

The net proceeds obtained from the sale of the Notes will be used by the Issuer to acquire as an asset, pursuant to a participation agreement (the "Participation Agreement") among the Issuer, UMB Bank, N.A., as participation administrative agent (the "Participation Administrative Agent"), and Inter-American Investment Corporation (the "Lender" or "IDB Invest"), a 100% participation interest (the "Participation") in a U.S.$1,350 million blue senior unsecured loan, which may be advanced in one or more tranches (any such tranche, the "Term Loan B"), made by the Lender to Companhia de Saneamento Básico do Estado de São Paulo – SABESP, a corporation (*sociedade anônima*) organized under the laws of the Federative Republic of Brazil ("SABESP," "Company," or the "Borrower"), pursuant to a loan agreement (the "Loan Agreement") between, among others, the Lender and the Borrower. Pursuant to the Loan Agreement, the Lender will advance a U.S.$1,500 million in aggregate principal amount of a senior unsecured loan to the Borrower (the "Term Loan A," and together with the Term Loan B, the "Loans"). Substantially concurrently with the issuance of the Notes, the Lender will lend to the Borrower U.S.$150 million in aggregate principal amount of Term Loan A (the "A Loan First Disbursement"), U.S.$850 million in aggregate principal amount of Term Loan B-1 ("Initial B-1 Loan") and U.S.$500 million in aggregate principal amount of Term Loan B-2 (the "Initial B-2 Loan" and, together with the Initial B-1 Loan, the "Initial B Loan"). Pursuant to the Participation Agreement, the net proceeds received from the sale of (i) the 2031 Notes will be used to purchase the Participation in the Initial B-1 Loan and (ii) the 2036 Notes will be used to purchase the Participation in the Initial B-2 Loan, in each case, that will be disbursed by the Lender to the Borrower (pursuant to the Loan Agreement) simultaneously with, and using the proceeds from, the issuance of such Notes. The Term Loan A will not be subject to the Participation Agreement. The Loans under the Loan Agreement will constitute general senior unsecured obligations of the Borrower and will rank *pari passu* in right of payment with all of the Borrower's existing and future senior unsecured indebtedness, except for liabilities preferred under mandatory provisions of Brazilian law. Under the Loan Agreement, in connection and concurrently with the occurrence of an Original Lender Payoff Event (as defined herein), the Borrower will have the right to require the Issuer to become a lender under the Loan Agreement (such right, the "Step-in Rights" and such event, the "Step-in Event"). The Step-in Event will not require the consent of the Noteholders. See "*The Loan Agreement and the Loans —Step-in Right.*"

The Notes will be issued pursuant to a base indenture to be dated as of the Issue Date (the "Base Indenture") by and between the Issuer and UMB Bank, N.A., as indenture trustee (the "Trustee"), collateral agent (the "Collateral Agent"), Participation Administrative Agent, registrar, transfer agent and paying agent, as supplemented by a supplemental indenture to be dated as of the Issue Date (the "Base Indenture" as so supplemented, the "Indenture"), by and between the Issuer, the Collateral Agent and the Trustee. The Notes will be limited recourse senior obligations of the Issuer, secured by the Notes Collateral (as defined herein). The principal asset of the Issuer will be the Participation. The Notes will be secured by a first-priority security interest in substantially all of the Issuer's assets, including each of the Issuer's bank accounts; and the Issuer's rights, title and interest (but not its obligations) under the Participation Agreement (the "Notes Collateral" and the agreements securing such Notes Collateral, the "Notes Security Documents").

If the Issuer receives notice from the Borrower or the Lender that the Borrower is exercising its right to make a voluntary prepayment of the Term Loan B with respect to all or any portion of the Initial B-1 Loan or the Initial B-2 Loan, the Issuer will redeem all or a portion of the 2031 Notes or 2036 Notes, respectively (an "Optional Note Redemption"). In such case, the aggregate principal amount of 2031 Notes or 2036 Notes to be redeemed will be equal to the aggregate principal amount of the Initial B-1 Loan or Initial B-2 Loan to be prepaid, and the redemption date of Notes shall be the same as the date of the prepayment of the related tranche of the Term Loan B. To the extent the Notes are redeemed prior to the applicable Par Call Date (such date, with respect to the 2031 Notes, January 3, 2031 (which is the date that is one month prior to the maturity of the 2031 Notes), and with respect to the 2036 Notes, November 3, 2035 (which is the date that is three months prior to the maturity of the 2036 Notes)), the redemption price (expressed as a percentage of principal amount and rounded to three decimal places) will be equal to the greater of: (i) 100% of the principal amount of the Notes to be redeemed, and (ii) (a) the sum of the present values of each remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the Notes matured on the applicable Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus the Applicable Discount (such discount, with respect to the 2031 Notes, 35 basis points, and, with respect to the 2036 Notes, 40 basis points) *less* (b) interest accrued to the redemption date, *plus*, in each case, accrued and unpaid interest thereon to (including additional interest, if any), and any Notes Additional Amounts, on the principal amount of the Notes to the date of redemption. To the extent the Notes are redeemed on or after the applicable Par Call Date, the redemption price (expressed as a percentage of principal amount and rounded to three decimal places) will be equal to 100% of the principal amount of the Notes to be redeemed, plus, in each case, accrued and unpaid interest thereon to (including additional interest, if any), and any Notes Additional Amounts, on the principal amount of the Notes to the date of redemption. See "*Description of the Notes—Redemption and Purchase—Optional Redemption; Loan B Voluntary Prepayment*."

The Notes are also subject to redemption in full at a redemption price of 101.000% of the principal amount of such Notes, plus accrued and unpaid interest (including Note Additional Amounts, if any) to, but excluding, the redemption date, following certain other events under the Loan Agreement.

There is currently no trading market for the Notes. The Issuer has applied to list the Notes on the official list of the Luxembourg Stock Exchange (the "LuxSE"), to approve this Offering Memorandum as a prospectus for the purposes of Part IV of the Luxembourg law on prospectus for securities dated July 16, 2019, as amended (the "Prospectus Law"), and for the Notes to be admitted to trading on the Euro MTF Market of the LuxSE (the "Euro MTF"). The Euro MTF is not a regulated market as defined by Article 4, paragraph 1, point 21 of the Markets in Financial Instruments Directive (Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 (recast)). The listing on the official list and the admission to trading on the Euro MTF are not to be taken as an indication of the merits of the Issuer or the Notes. The Notes will not be admitted to trading prior to the settlement date. See "*Listing and General Information*." Notices required to be given to the holders of the Notes shall be given (so long as the Notes are listed on the LuxSE and the rules of that stock exchange so require) on the website of the LuxSE (www.luxse.com).

Investing in the Notes involves risks. See "*Risk Factors*" under "Item 3. Key Information—D. Risk Factors" of SABESP's annual report on Form 20-F for the year ended December 31, 2024, which is incorporated by reference in this Offering Memorandum, and under "*Risk Factors*" in this Offering Memorandum to read the discussion of material risks you should consider before investing in the Notes.

Issue Price (2031 Notes): 99.465% *plus* accrued interest, if any, from February 3, 2026
Issue Price (2036 Notes): 99.096% *plus* accrued interest, if any, from February 3, 2026

The Notes have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and may not be offered or sold in the United States or to U.S. persons as defined in Regulation S of the Securities Act ("Regulation S"), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only to (a) certain qualified institutional buyers ("QIBs"), in accordance with Rule 144A of the Securities Act ("Rule 144A") who are also (i) Qualified Purchasers (as defined herein) within the meaning of Section 2(a)(51) and Rules 2a51-1, 2a51-2 and 2a51-3 under the Investment Company Act (as defined herein) and (ii) Eligible Purchasers (as defined herein), and (b) outside the United States to non-U.S. Persons (within the meaning of Regulation S of the Securities Act) who are also Eligible Purchasers. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemptions from the provisions of Section 5 of the Securities Act provided by Rule 144A and the exemption from the Investment Company Act provided by Section 3(c)(7) thereof. For a description of certain restrictions on transfer of the Notes, see "T*ransfer Restrictions*." We expect to deliver the Notes to purchasers in book-entry form through The Depository Trust Company ("DTC"), and its participants, including Euroclear Bank S.A./N.V. ("Euroclear"), and Clearstream Banking S.A. ("Clearstream"), on or about February 3, 2026.

Global Coordinator and Joint-Bookrunner	*Global Coordinator and Joint-Bookrunner*	*Global Coordinator, Joint-Bookrunner, Blue Structuring Agent an Development Finance Structuring Agent*
Goldman Sachs & Co. LLC	**Itaú BBA**	**J.P. Morgan**

The date of this Offering Memorandum is February 3, 2026.

NOTICE TO INVESTORS

You should rely only on the information contained and incorporated by reference in this Offering Memorandum. None of the Issuer, the Lender, Sabesp or the Initial Purchasers are authorized to give any information or to represent anything not contained in this Offering Memorandum. You must not rely on any unauthorized information or representations. This Offering Memorandum is an offer to sell only the Notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Offering Memorandum is current only as of its date. In this Offering Memorandum, unless otherwise specified or the context otherwise requires, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Unless otherwise indicated or the context otherwise requires, all references in this Offering Memorandum to:

(1) "SABESP," the "Company," the "Borrower," or similar terms refer to Companhia de Saneamento Básico do Estado de São Paulo – SABESP and its consolidated subsidiaries;

(2) "Issuer" refers to Nova Securitisation S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg on December 18, 2025, as an unregulated securitization company (*société de titrisation non réglementée*) within the meaning of, and governed by, the Luxembourg Securitization Law (as defined further below), with its registered office at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg, registered in the Luxembourg Register of Commerce and Companies under number B303758, as the issuer of the Notes;

(3) "Lender" or "IDB Invest" refers to the Inter-American Investment Corporation, an international organization established by the Agreement Establishing the Inter-American Investment Corporation among its member countries;

(4) "Initial Purchasers" refers to Goldman Sachs & Co. LLC, Itau BBA USA Securities, Inc., and J.P. Morgan Securities LLC;

(5) "Loan Agreement" means the loan agreement dated on or prior to the Issue Date among the Borrower, the Lender and UMB Bank, N.A., as paying agent, which establishes (i) the Term Loan A and (ii) the Term Loan B;

(6) "Participation Administrative Agent" means UMB Bank, N.A.;

(7) "Participation Agreement" means the participation agreement entered into on or prior to the Issue Date among the Issuer, the Lender and the Participation Administrative Agent pursuant to which the Lender grants to the Issuer a participation interest in all of the rights and remedies of the Lender under the Loan Agreement with respect to the Term Loan B and all proceeds thereof and rights and related interests with respect thereto;

(8) "Term Loan A" means the up to U.S.$200 million senior unsecured loan made by the Lender to the Borrower pursuant to the Loan Agreement;

(9) "Term Loan B" means the up to U.S.$1,800 million senior unsecured loan made by the Lender to the Borrower pursuant to the Loan Agreement, which may be issued in no more than four (4) tranches (any such tranche, denominated Term Loan B), including (A) an initial term loan in an aggregate principal amount of U.S.$850 million (the "Initial B-1 Loan"), and (B) an initial term loan in an aggregate principal amount of U.S.$500 million (the "Initial B-2 Loan"); and

(10) "Loan" means each of Term Loan A and Term Loan B made by the Lender to the Borrower pursuant to the Loan Agreement, and collectively, "Loans."

In addition, capitalized terms used but not otherwise defined in this Offering Memorandum have the meanings given to them in Sabesp's Annual Report on Form 20-F for the fiscal year ended December 31, 2024, filed with the U.S. Securities and Exchange Commission (the "SEC"), on April 30, 2025 and any amendments thereto, if any.

You are authorized to use this Offering Memorandum solely for the purpose of considering the purchase of the Notes described in the Offering Memorandum. The Issuer, Sabesp and other sources identified herein have provided the information contained in this Offering Memorandum. Neither the Lender nor the Initial Purchasers named herein make any representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Lender or the Initial Purchasers.

The Issuer is relying on exemptions from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The Notes offered are subject to restrictions on transferability and resale and may not be transferred or resold in the United States, except as permitted under the Securities Act and applicable U.S. state securities laws pursuant to registration or exemption from them. By purchasing the Notes, you will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading "*Transfer Restrictions.*" You should understand that you may be required to bear the financial risks of your investment in the Notes for an indefinite period of time.

The Issuer has prepared this Offering Memorandum for use solely in connection with the proposed offering of the Notes outside of Brazil. This Offering Memorandum has been delivered and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes.

The anticipated use of a part of the net proceeds from the Term Loan B may directly or indirectly enable potential development impacts and further one or more of the SDGs (defined below) described in the section entitled "*Sustainable Development Impact*." Sabesp's anticipated expansion efforts and plans to improve its services and reduce negative impact may contribute to the implementation of the United Nations Sustainable Development Goals set by the United Nations General Assembly in 2015 for the year 2030 (the "SDGs") as set forth in the section entitled "*Sustainable Development Impact*."

While Sabesp's sustainable development strategy includes the pursuit of incremental positive impacts through expansion efforts and service improvement plans and reduction of negative effects of its operations, these do not establish enforceable obligations of the Issuer or Sabesp. Neither the Issuer nor Sabesp are under an obligation to ensure the use of proceeds is aligned with certain environmentally focused SDGs, nor does Sabesp have an obligation to apply the net proceeds from the Term Loan B or an amount equivalent to the proceeds of the Term Loan B to enable sustainable development outcomes as set forth in the section entitled "*Sustainable Development Impact*."

The section entitled "*Sustainable Development Impact*" of this Offering Memorandum has been prepared, in part, based on certain forward-looking statements and projections provided by Sabesp. Any such statements and projections reflect various estimates and assumptions by Sabesp concerning anticipated results. No representations or warranties are made by J.P. Morgan Securities LLC (the "Development Finance Structuring Agent") or by any other initial purchaser or any of their respective affiliates, as to the accuracy of any such statements or projections. Whether or not any such forward-looking statements or projections are in fact achieved will depend upon future events some of which may not be within the control of Sabesp. See "*Forward-Looking Statements*." Accordingly, actual results may vary from the projected results and such variations may be material. Furthermore, such outcomes may not be realized within any specified period or at all as originally anticipated by the Issuer and Sabesp. No fiduciary duties are owed to any party by the Development Finance Structuring Agent.

Sabesp has committed to annual monitoring and reporting on social and environmental benefits under the Loan Agreement. This reporting policy is not a contractual obligation of Sabesp, and Sabesp may decide to change its reporting policy or not comply with the policy at any time.

Furthermore, no assurance is given by Sabesp, the Issuer or the Development Finance Structuring Agent or by any other initial purchaser or affiliate thereof that investing in the Notes or the use of proceeds by Sabesp will satisfy, whether in whole or in part, any present or future investor expectations or requirements with respect to development impact financing, including related sustainability criteria or goals. See "*Sustainable Development Impact*" and "*Risk Factors—Risks Relating to the sustainability features of the Notes and Loan— The Notes may not be a suitable investment for all investors seeking exposure to "sustainable development finance" assets.*"

No independent verification as to the accuracy or completeness or lack thereof of the section entitled "*Sustainable Development Impact*" of this Offering Memorandum has been done by the Development Finance Structuring Agent or any Initial Purchaser or affiliate thereof or any other party, including the company's independent auditors.

The information contained in the section entitled "*Sustainable Development Impact*" of this Offering Memorandum (a) is not a substitute for an investor's independent evaluation and analysis and (b) should not be considered as a recommendation by the Development Finance Structuring Agent, any Initial Purchaser or affiliate thereof, Sabesp or the Issuer that any transactions or related projects described in the section entitled "*Sustainable Development Impact*" of this Offering Memorandum may achieve any particular development finance criteria or requirement to which it may be subject.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Neither this Offering Memorandum nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer, Sabesp, the Lender or any of the Initial Purchasers that any recipient of this Offering Memorandum or any other information supplied in connection with the Notes should subscribe for or purchase any Notes. Each investor contemplating subscribing for or purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and Sabesp. This Offering Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer, Sabesp, the Lender, any Initial Purchaser or the Trustee (as defined herein) to subscribe or purchase, any of the Notes in any jurisdiction where such offer is not permitted. The distribution of this Offering Memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law. The Issuer and the Initial Purchasers require persons in whose possession this Offering Memorandum comes to inform themselves about and to observe any such restrictions. This Offering

Memorandum does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful. None of the Issuer, Sabesp, the Lender or any Initial Purchaser represents that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or any Initial Purchaser that is intended to permit a public offering of any Notes or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

The Issuer has prepared this Offering Memorandum solely for use in connection with the proposed offering of the Notes, and it may only be used for that purpose. The Issuer and the Initial Purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes offered by this Offering Memorandum.

In making an investment decision, you must rely on your own examination of the Issuer and Sabesp and the terms of this offering and the Notes, including the merits and risks involved.

The Issuer and the Initial Purchasers are not making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes under any investment law or similar laws or regulations. You should not consider any information in this Offering Memorandum to be advice whether legal, business, accounting or tax. You should consult your own attorney or other professional for any legal, business, accounting or tax advice regarding an investment in the Notes.

There is currently no public market for the Notes. The Issuer has applied to list the Notes on the official list of the LuxSE and to have the Notes admitted to trading on the Euro MTF. The Notes will not be admitted to trading prior to the settlement date. None of the Initial Purchasers named herein or any of their agents are making any representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to past, present or future. The Initial Purchasers accept no liability in relation to the information contained in this Offering Memorandum or any information included by the Issuer or Sabesp. UMB Bank, N.A., as trustee, collateral agent, participation administrative agent, paying agent, registrar, and transfer agent (collectively, the "Trustee") assumes no responsibility for the accuracy or completeness of the information contained in this Offering Memorandum or the related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes described in this Offering Memorandum are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"), (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a "qualified investor" as defined in the Prospectus Regulation (including all relevant implementing measures in each relevant member state). Consequently, no key information document required by Regulation (EU) No. 1,286/2014, as amended (the "PRIIPs Regulation"), for offering, selling or distributing the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This Offering Memorandum has been prepared on the basis that any offer of notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes.

PROHIBITION OF SALES TO U.K. RETAIL INVESTORS

The Notes described in this Offering Memorandum are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is neither: (i) a professional client, as defined in point (8) of article 2(1) of regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; nor (ii) a qualified investor as defined in paragraph 15 of schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no key information document required by regulation (EU) No. 1,286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPS Regulation"), for offering or selling the securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

The above selling restrictions are in addition to any other selling restrictions set forth in this Offering Memorandum.

MIFID PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of the product approval process of the Issuer and Sabesp (each, a "Manufacturer") the target market assessment in respect of the Notes described in this Offering Memorandum has led to the conclusion that (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II, and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes, or a distributor, should take into consideration the manufacturers' target market assessment; however, and without prejudice to the Issuer's obligations in accordance with MiFID II, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS WITHIN BRAZIL

The Notes have not been, and will not be, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*) ("CVM"), and may not be placed, distributed, offered or sold in the Brazilian capital markets, and therefore the offering will not be made by any means that would constitute a public offering under Brazilian Law, including CVM Resolution No 160/2022, as amended, except in circumstances that do not constitute a public offering, placement or unauthorized distribution of securities in such market as per Brazilian laws and regulations, subject to the Eligible Purchasers criteria set out herein. Documents relating to the offering of the Notes, as well as information contained therein, may not be supplied to the public in Brazil, nor be used in connection with any offer for subscription or sale of the Notes to the public in Brazil, as the offering is not a public offering of securities in Brazil. Eligible Purchasers authorized and wishing to offer or acquire the Notes within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

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ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a private limited liability company (*société à responsabilité limitée*) organized and existing under the laws of Luxembourg. Its registered office is at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg. It is registered with the Luxembourg trade and companies register under number B303758 as an unregulated securitization company (*société de titrisation non réglementée*) within the meaning of, and governed by, the Luxembourg Securitization Law.

The Issuer and each of its managers and officers reside outside the United States (principally in Luxembourg). All of the Issuer's assets (other than its share capital of €12,000 deposited in the Issuer's share capital account) have been pledged for the benefit of the holders pursuant to the Notes Security Documents (as defined in "*Description of the Notes*"). However, all or a portion of the assets of the Issuer may be located outside the United States. As a result, it may not be practicable for the Trustee or investors in the Notes to effect service of process within the United States or other jurisdictions outside Luxembourg upon such persons or entities or to enforce against them in U.S. courts judgments predicated upon the civil liability provisions of the laws of jurisdictions other than the jurisdictions in which such persons or entities are located, including any judgments predicated upon the civil liability provisions of the federal securities laws of the United States or any applicable securities laws of any State of the United States.

Under the terms and conditions of the Notes, the Issuer will (1) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, The City of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the Notes and (2) name an agent for service of process in the Borough of Manhattan, The City of New York.

The Issuer has been advised by their Luxembourg counsel, Clifford Chance, *société en commandite simple* admitted to the Luxembourg bar ("Clifford Chance Luxembourg"), that the United States and Luxembourg are currently not bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters.

ENFORCEMENT OF JUDGEMENTS

Luxembourg

Pursuant to the general provisions of Luxembourg procedural law for the enforcement of foreign judgments originating from countries which (a) are not bound by Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), and (b) are not parties to any other international convention and in particular, but not limited to, Section 678 of the Luxembourg new code of civil procedure, a party who obtains a valid, binding and final judgment in any court of competent jurisdiction in the State of New York with respect to the Notes (the "Foreign Judgment") may initiate enforcement proceedings in Luxembourg (*exequatur*) and the District Court (*Tribunal d'Arrondissement*) may authorize the enforcement in Luxembourg of the relevant foreign judgment without re-examination of the merits (although there is no clear statutory prohibition of such review), if it is satisfied that:

(i) the Foreign Judgment is enforceable (*exécutoire*) in the State of New York;

(ii) the indirect jurisdiction (*compétence*) of the New York court is substantiated, in particular, on the basis of sufficient connecting links with the jurisdiction of such courts and in the absence of any exclusive jurisdiction of the Luxembourg courts;

(iii) the principles of fair trial and due process have been complied with and in particular the Foreign Judgment was granted following proceedings where the counterparty had the opportunity to appear, and if appeared, to present a defence; and

(iv) the Foreign Judgment does not contravene Luxembourg international public policy has not been obtained fraudulently and is not incompatible with an existing decision by a national court;

Furthermore, in an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may refuse to apply the designated law and notably if:

(i) the choice of such law was not made bona fide; or

(ii) if the foreign law was not pleaded and proved; or

(iii) if pleaded and proved, such foreign law would be contrary to mandatory Luxembourg laws or manifestly incompatible with Luxembourg public policy or public order rules. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought. Also, an exequatur may be refused in respect of punitive damages.

In the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than Euro, a Luxembourg court would have power to give a judgment expressed as an order to pay a currency other than Euro.

Federative Republic of Brazil

Sabesp is incorporated under the laws of Brazil. All of Sabesp's directors and officers are Brazilian residents. Sabesp's assets are located in Brazil. As a result, it may not be possible or it may be difficult for you to effect service of process upon Sabesp or these other persons within the United States or to enforce judgments obtained in United States courts against the Issuer or Sabesp, including those predicated upon the civil liability provisions of the federal securities laws of the United States.

The Issuer and Sabesp have been advised by their Brazilian counsel, Lobo de Rizzo, that, subject to specific requirements described below, a final conclusive judgment for civil liabilities rendered by any court in the United States in respect of the Notes would be recognized by Brazilian courts (to the extent they have jurisdiction) without reconsideration of the merits of the original lawsuit, upon recognition by the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*). Decisions on interlocutory measures may likewise be enforced in Brazil in accordance with applicable laws. Recognition will occur, according to Article 963 of the Law No. 13,105 of March 16, 2015, as amended (the "Brazilian Code of Civil Procedure"), if the foreign decision:

- complies with all formalities necessary for its enforcement under the laws of the place where it was issued;
- is issued by a competent court after proper service of process on the relevant party (and, if the relevant party is located in Brazil, service of process has been made in accordance with Brazilian law) or the absence of the relevant party (*revelia*) is duly certified;
- is final and therefore not be subject to appeal (*res judicata*) in the jurisdiction where it was awarded, and is legally allowed to be enforced;
- such judgment does not conflict with a previous final and unappealable judgment issued in Brazil on the same matter and involving the same parties, cause of action and claim;
- is not contrary to Brazilian national sovereignty or public policy or morality or violate human dignity (as provided in Article 17 of the Law of Introduction to the Rules of Brazilian Law in Article 963, VI, of the Brazilian Civil of Civil Procedure and in Article 216-F of the Brazilian Superior Court of Justice's Regiment);
- is effective in the country where the decision was issued;
- does not contravene the exclusive jurisdiction of Brazilian courts (as provided in Article 23 and 964 of the Brazilian Code of Civil Procedure); and
- is apostilled by a competent authority of the State from which the document emanates according to the Hague Convention of 5 October 1961 Abolishing the Requirement of Legalization for Foreign Public Documents or, if such State is not signatory of the Hague Convention, it must be duly authenticated by a competent Brazilian consulate or as otherwise provided by an international treaty to which Brazil is a signatory, and it must be accompanied by a sworn translation into Portuguese, unless an exemption is provided by an international treaty to which Brazil is a signatory.

The judicial recognition process may be time-consuming and may also give rise to difficulties in enforcing the foreign decision in Brazil. There can be no assurance that recognition will be obtained in a timely manner or that Brazilian courts will enforce a monetary judgment for violation of the federal securities laws of the United States or other jurisdictions outside Brazil with respect to the Notes.

In the case of arbitration, the relevant award can be recognized in Brazil under the New York Convention (1958), which has been signed by both the United States and Brazil.

Sabesp has also been advised that:

- urgent interim measures may also be enforced in Brazil, by letters rogatory, if they meet the same requirements listed above;
- civil actions may be brought before Brazilian courts based on the federal securities laws of the United States or other jurisdiction outside Brazil and that, subject to applicable law, Brazilian courts may enforce liability arising from such actions against Sabesp or its directors and officers (provided that provisions of the federal securities laws of the United States or other jurisdiction outside Brazil do not contravene Brazilian public policy, good morals, human dignity or national sovereignty and provided further that Brazilian courts can assert jurisdiction over the particular action). However, the application of a foreign body of law by Brazilian courts may be difficult, as Brazilian courts consistently base their decisions on domestic law or refrain from applying a foreign body of law for a number of reasons. Although

remote, there is a risk that Brazilian courts, considering a relevant case-by-case rationale, may dismiss a petition to apply a foreign body of law and may adopt Brazilian laws to adjudicate the case. In any case, Sabesp cannot assure that Brazilian courts will confirm their jurisdiction to rule on such matter, which will depend on the connection of the case to Brazil and, therefore, must be analyzed on a case-by-case basis; and

- the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant in Brazil is governed and limited by provisions of Brazilian law to the extent that assets are located in Brazil.

A plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil or is outside Brazil during the course of litigation in Brazil and who does not own real estate property in Brazil must post a bond to guarantee the payment of the defendant's legal fees and court expenses, including attorney fees, except in the case of (i) exemptions from an international agreement or treaty to which Brazil is signatory; (ii) an action for enforcement of an extrajudicial instrument (*título executivo extrajudicial*), which may be enforced in Brazilian courts without review on the merits; (iii) enforcement of a judgment, including foreign judgments and arbitral awards that have been duly recognized by the Brazilian Superior Court of Justice; and (iv) counterclaims, as established according to Article 83 of the Brazilian Code of Civil Procedure.

The parties have entered into this transaction based on Procedural Agreements, and are aware of the provisions of Sections 190 and 191 of the Brazilian Code of Civil Procedure.

If proceedings are brought before the Brazilian courts seeking to enforce obligations against us, payment must be made in *reais*. Any judgment rendered in Brazilian courts in respect of any payment obligations would be expressed in *reais*.

INSOLVENCY PROCEEDINGS

European Union

Luxembourg, where the Issuer is organized, is a Member State of the EU. As such, it is subject to Regulation (EU) 2015/848 of the European Parliament and of the Council dated May 20, 2015 on insolvency proceedings (recast) (the "EU Insolvency Regulation"), which entered into force on June 26, 2015, and applies to insolvency proceedings opened after June 26, 2017.

Pursuant to the EU Insolvency Regulation, the court which has jurisdiction to open "main insolvency proceedings" in relation to a company is the court of the member state of the EU ("Member State") (other than Denmark) where the company concerned has its "centre of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "centre of main interests" is a question of fact on which the courts of the different Member States may have differing, and even conflicting, views.

The term "centre of main interests" is not a static concept and may change from time to time. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any company or legal person has its "centre of main interests" in the Member State in which it has its registered office, Article 3(1) of the EU Insolvency Regulation states that the "centre of main interests" of a debtor shall be the place where the debtor conducts the administration of its interests on a regular basis and "which is ascertainable by third parties." In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company's creditors are established may all be relevant in the determination of the place where the company has its "centre of main interests."

The rebuttable presumption that a company has its "centre of main interests" in the Member State in which it has its registered office will only apply if the registered office has not been moved to another Member State within a three-month period prior to the request for the opening of insolvency proceedings. Specifically, it may be possible to rebut this presumption if the company's central administration is located in a Member State other than that of its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other Member State. In this regard, special consideration is usually given to creditors and their perception as to where a debtor conducts the administration of its interests.

The EU Insolvency Regulation has mostly implemented the existing case law of the European Court of Justice regarding the assessment of the place of the company's center of main interests into the text of the law. Compared to this case law it has, however, increased the requirements for a shift of the center of main interest shortly prior to the filing for insolvency. In the event of a shift in the center of main interests, this may require informing the creditors of the new location from which the debtor is carrying out its activities in due course (e.g., by drawing attention to the change of address in commercial correspondence or otherwise making the new location public through other appropriate means).

If the center of main interests of a company is and remains located in the state (other than Denmark) in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Main insolvency proceedings opened in one Member State under the EU Insolvency Regulation are to be recognized and to produce their effects (subject to some exceptions) in all the other Member States (other than

Denmark), although "secondary proceedings" may be opened in another Member State (other than Denmark), in the circumstances described below. If the company does not have an "establishment" in any other Member State, no court of any other Member State has jurisdiction to open secondary proceedings in respect of such company under the EU Insolvency Regulation.

According to Article 2(10) of the EU Insolvency Regulation, an "establishment" means any place of operations where a debtor carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets. A "place of operations" is likely to be construed as a place from which economic activities are conducted on the market using human resources which requires a minimum level of organization so that a purely occasional place of operations is unlikely to be classified as an "establishment," rather a certain level of stability of such operations is necessary. In its judgment dated October 20, 2011, rendered under the Old EU Insolvency Regulation (the "Old EU Insolvency Regulation"), the European Court of Justice confirmed that the creation of an "establishment" within the meaning of the Old EU Insolvency Regulation requires the existence of a structure which is designated for the performance of business activities with a minimum level of organization and a certain degree of stability.

The courts of a Member State (other than Denmark) have jurisdiction to open "territorial proceedings" (before the opening of main insolvency proceedings) or "secondary proceedings" (after the opening of main insolvency proceedings) only in the event that a debtor has an "establishment" in the territory of such other Member State (not being the Member State in which such debtor has its center of main interest).

The effects of "territorial proceedings" or "secondary proceedings" are restricted to the assets of the debtor situated in the territory of the Member State where the proceedings are opened. The determination of whether a person has an "establishment" and where it is situated is also a question of fact and is not a static concept. As such, an establishment could be created and may change from time to time.

The EU Insolvency Regulation provides for cooperation between (i) insolvency practitioners (listed in the EU Insolvency Regulation) of the insolvency proceedings (main insolvency proceedings and secondary insolvency proceedings), (ii) jurisdictions and (iii) jurisdictions and insolvency practitioners, and for specific cooperation, communication and coordination measures in order to ensure the efficient administration of insolvency proceedings relating to different companies forming part of the same group. As from June 26, 2018, the Member States are obliged to establish and maintain a register of insolvency proceedings and, as from June 26, 2019, the European Commission shall establish a decentralized system for the interconnection of such insolvency registers.

On June 20, 2019, the Preventive Restructuring Directive was adopted. The Preventive Restructuring Directive aims to provide key principles for all Member States to implement an effective preventive restructuring framework. The Preventive Restructuring Directive sets out minimum standards to be applied by the Member States (i.e., minimum harmonization) but leaves a large degree of discretion regarding the implementation of certain other features. Most notably, the Preventive Restructuring Directive provides for a framework pursuant to which (a) a stay of individual enforcement actions by creditors against debtors must be introduced by Member States' national legislation, (b) all creditor claims shall be grouped into separate classes, each of which shall reflect a commonality of interests (at a minimum, creditors of secured and unsecured claims shall be treated in separate classes), (c) creditor claims may be restructured in a restructuring plan by majority vote with a majority of not more than 75% of the amount of the claims in each class and, where applicable, a majority in number and (d) a cross-class cram-down is introduced whereby a restructuring plan may, under certain conditions, be adopted and bind dissenting creditors even if the creditors of one or more classes do not consent to the restructuring plan with the required majority. The transposition of the Preventive Restructuring Directive into national legislation may also provide priority ranking to new financing granted in the context of the restructuring.

Luxembourg

Pursuant to Luxembourg insolvency laws, the ability to receive payment under the Notes may be more limited than as would be the case under other applicable bankruptcy laws.

Under Luxembourg law, the following types of proceedings (together referred to as insolvency proceedings) may be initiated against (i) if the EU Insolvency Regulation applies, entities which have their COMI or an establishment in Luxembourg (in case of an establishment, in respect of secondary proceedings only and assuming that the COMI is located in a member state other than Denmark and Luxembourg) or (ii) in all other cases (except specific sector-related proceedings, such as in respect of credit institutions and insurers), entities which have their central administration in Luxembourg:

(i) bankruptcy proceedings (*faillite*), which may be requested by the company (*aveu de faillite*), any of its creditors, the courts ex officio or by the public prosecutor. Following a request, the Luxembourg courts having jurisdiction may open bankruptcy proceedings if a Luxembourg company: (A) is in a state of cessation of payments (*cessation des paiements*) and (B) has lost its commercial creditworthiness (*ébranlement de crédit*). The main effect of the proceedings is the sale of the assets and allocation of the proceeds of that sale between creditors taking into account the ranking of their claim, as well as the suspension of all measures of enforcement against the company except, subject to certain limited exceptions, for enforcement by secured creditors and the payment of those creditors in accordance with the ranking of their claims upon realization of the assets;

(ii) in addition, the managers or directors of a Luxembourg company that ceases its payments (i.e. is unable to pay its debts as they become due with normal means of payment) must within a month of them having become aware of the company's cessation of payments, file a petition for bankruptcy (*faillite*) with the court clerk of the district court of the company's registered office. If the managers or directors fail to comply with this obligation they may be held (A) liable to the company or any third parties, on the basis of principles of managers'/directors' liability, for any loss suffered and (B) criminally liable for simple bankruptcy (*banqueroute simple*) in accordance with Article 438 of the Luxembourg commercial code upon request of the company, the Luxembourg Economy minister or the Luxembourg Middle Classes minister can appoint a company conciliator (*conciliateur d'entreprise*) to assist the company in the preparation and conclusion of an amicable agreement with the creditors, or (ii) obtain the creditors' consent on a reorganization plan, or (iii) achieve a business/asset transfer;

(iii) judicial reorganization proceedings (*procédures de réorganisation judiciaire*) may be opened if (i) an application by the company for such proceeding has been made to the Luxembourg court registry and (ii) the company is in imminent or ultimate peril (*mise en péril de l'entreprise*). The Luxembourg court will review the application within fifteen days. Once opened, a judicial representative (*représentant judiciaire*), if requested and useful, can be appointed. The opening of such proceeding starts the stay on payments which cannot exceed four months with possible extensions up to a total of twelve months subject to certain conditions;

(iv) reorganization by amicable agreement proceedings (*réorganisation par accord amiable*) aims at obtaining the agreement of certain creditors (at least two) on a plan elaborated by the company to reorganize all or parts of the assets or the business of the company. Such plan once validated by the creditors may be approved by the Luxembourg commercial court, which will become enforceable, after verifying that it allows the reorganization of part or all of the Luxembourg company assets or activities. The plan can only provide for an implementation period of 5 years. Upon its approval, the plan shall be binding on all creditors and its approval ends the amicable agreement proceeding. The key benefit lies in the fact that such an arrangement will not be affected by the subsequent opening of bankruptcy and thus the risk of clawback action during the hardening period is excluded.

(v) in addition to these proceedings, Holders' ability to receive payment on the Notes may be affected by a decision of a Luxembourg court to grant a stay on payments (*sursis de paiement*) or to put a Luxembourg company into judicial liquidation (*liquidation judiciaire*) or administrative dissolution without liquidation (*dissolution administrative sans liquidation*). Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or violation of the law of 10 August 2015 on commercial companies, as amended (the "1915 Companies Law"). Administrative dissolution without liquidation (dissolution administrative sans liquidation) is managed by the administrator of the Luxembourg trade and companies register at the request of the public prosecutor against companies and shall only apply provided three cumulative conditions are met: (i) the company must have no assets, (ii) the company must have no employees and (iii) the company must pursue activities contrary to criminal law or which seriously contravene the provisions of the Luxembourg commercial code or the 1915 Companies Law (including the laws governing authorizations to do business).

Such liquidation proceedings will generally follow similar rules as those applicable to Luxembourg bankruptcy proceedings.

The liability of the Issuer will, in the event of a liquidation of the company following bankruptcy or judicial liquidation proceedings, rank lower in priority than the cost of liquidation (including any debt incurred for the purpose of such liquidation) and any claims that are preferred under Luxembourg law. Preferential claims under Luxembourg law include, among others:

(i) remuneration owed to employees, if any (last six months' wages amounting to a maximum of six times the social salary (minimum wage) under Luxembourg law);

(ii) employees' (if any) contributions to social security;

(iii) certain amounts owed to the Luxembourg revenue administrations;

(iv) employer's contribution to social security (if any); and

(v) value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise Agency.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured and non-preferred creditors, except after enforcement and to the extent a sur*plus* is realized.

During insolvency proceedings, all enforcement measures by unsecured creditors are suspended save as provided for in the Luxembourg law of 5 August 2005 on financial collateral arrangements. Other than as described above, the ability of certain secured creditors to enforce their security interest may also be limited. A reorganization order requires the prior approval by more than 50% of the creditors representing more than 50% of the relevant Luxembourg company's liabilities in order to take effect.

Save with respect to financial collateral arrangements falling within the scope of the Luxembourg law of 5 August 2005 on financial collateral arrangements, Luxembourg insolvency laws may also affect transactions entered into or payments made by a

Luxembourg company during the preference period (*période suspecte*) which is a maximum of six months *plus* ten days preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date. In particular:

(i) pursuant to Article 445 of the Luxembourg commercial code, specified transactions (such as, in particular, the granting of a security interest for antecedent debts; payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; the sale of assets without consideration or with substantially inadequate consideration) entered into during the preference period (or the ten days preceding it) must be set aside or declared null and void, if so requested by the insolvency receiver;

(ii) pursuant to Article 446 of the Luxembourg commercial code, payments made for matured debts as well as other transactions concluded for consideration during the preference period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt party's cessation of payments;

(iii) pursuant to article 447 of the Luxembourg commercial code, the bankruptcy receiver may challenge and initiate nullity actions against mortgages and privileges that have been granted either ten days prior to or after the date of the cessation of payments if more than 15 days have elapsed between the granting of the mortgage or privilege and its registration; and

(iv) pursuant to Article 448 of the Luxembourg commercial code and Article 1167 of the Luxembourg civil code (*action paulienne*), the insolvency receiver (acting on behalf of the creditors) has the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

In principle, a bankruptcy order rendered by a Luxembourg court does not result in the automatic termination of contracts except for *intuitu personae* contracts, that is, contracts for which the identity of the company or its solvency were crucial (such as employment agreements and powers of attorney). The contracts, therefore, subsist after the bankruptcy order. However, the bankruptcy receiver may choose to terminate certain contracts to avoid worsening the financial situation of the company. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate. The bankruptcy judgment provides for a period of time during which creditors must file their claims with the clerk's office of the Luxembourg district court sitting in commercial matters.

Therefore, insolvency proceedings may have a material adverse effect on a Luxembourg company's business and assets and such Luxembourg company's respective obligations under the Notes. For the avoidance of doubt, the statements above do not apply in the case of an administrative dissolution without liquidation (*dissolution administrative sans liquidation*).

Finally, international aspects of Luxembourg bankruptcy, may be subject to the EU Insolvency Regulation. In particular, rights in rem over assets located in another jurisdiction where the EU Insolvency Regulation will not be affected by the opening of insolvency proceedings, without prejudice however to the applicability of rules relating to the voidness, voidability or unenforceability of legal acts detrimental to all the creditors (subject to the application of Article 16 of the EU Insolvency Regulation).

Federative Republic of Brazil

Insolvency proceedings affecting creditors are (i) relief for mediation previous to the filing of an insolvency proceeding; (ii) judicial reorganization (*recuperação judicial*), (ii) out-of-court reorganization (*recuperação extrajudicial*) (iii) bankruptcy liquidation (*falência*) and (v) proceedings to recognize a foreign insolvency proceeding (*reconhecimento de processo estrangeiro*).

Relief for mediation previous to the filing of an insolvency proceeding

Federal Law No. 11,101/2005 (as amended from time to time, the "Brazilian Bankruptcy Law") provides for a relief for mediation purposes that may be granted in case the *periculum in mora* and *fumus boni iuris* are factually proven. If granted, the relief stays all enforcement and constraint measures against debtor's assets for 60 consecutive days. Debtor can, at its own discretion, file for one of the other insolvency proceedings available under Brazilian Bankruptcy Law.

Judicial reorganization proceeding

The judicial reorganization may only be requested by the debtor (voluntary petition). An individual entrepreneur or a business corporation may file for judicial reorganization provided that the legal requirements are satisfied and that the documents required by law are duly submitted. Debtor usually remains in the management of the company under judicial or out-of-court reorganization proceedings as the Brazilian Bankruptcy Law provides for the replacement of management only in cases of fraud or willful conduct.

Among the various key provisions of Brazilian Bankruptcy Law relating to judicial reorganization proceedings, the most significant are those providing more control over the reorganization process to the creditors.

Under Brazilian Bankruptcy Law, the acceptance by the court of the judicial reorganization proceeding stays the course of all collection lawsuits filed or constraint measures against the debtor and suspends the statute of limitations for a period of 180 consecutive days (the "Stay Period"). Such period may, exceptionally and one time only, be extended by courts for another 180 consecutive days, as long as the delay is not attributed to the debtor.

As a general rule, all existing claims prior to the filing of a judicial reorganization are subject to the proceeding, even if they are not due at the filing date (pursuant to Article 49 of Brazilian Bankruptcy Law). Credits (a) secured by fiduciary assignment/lien (*cessão/alienacão fiduciária*); (b) arising from an advance of foreign exchange agreements (*adiantamento de contrato de câmbio*) ("ACC"); and (c) tax claims, are not subject to the judicial reorganization proceeding. Also, the judicial reorganization does not affect the obligations undertaken within clearinghouses or financial settlement service providers, which are subject to set-off, in accordance with their respective regulations.

Although not subject to the judicial reorganization, foreclosure of collateral in the form of essential capital goods, granted in the form of fiduciary assignment lien may be subject to certain restrictions during the Stay Period, as provided for in the Brazilian Bankruptcy Law. For instance, (a) Article 49, §3 restricts the foreclosure of assets that are deemed to be essential to carry out the debtor's activities and (b) Article 49, §5 establishes that any credit rights and receivables pledged on behalf of creditors shall be deposited into a judicial account and shall not be withdrawn during the Stay Period. In some circumstances, Brazilian courts have also impaired creditors' ability to seizure and sell the collateral granted as fiduciary lien (either in a legal proceeding predicated on a default under the Notes and guarantees or during a judicial reorganization after the expiration of the Stay period), if such collateral is deemed essential to the continuation of the borrower's operations and business activities. A legal proceeding to discuss this matter may last for several years. If the court accepts such defense in a legal proceeding against us outside of the context of a judicial reorganization (which is less common), we will have to post a bond to secure such legal proceeding consisting of other assets. We may not have other assets in sufficient value to offer in lieu of the Collateral.

Other secured creditors may be impaired to enforce its collateral in case their claims are subject to the proceeding, which is the case of pledges and mortgages in judicial reorganization. These types of collateral are not bankruptcy-remote and the relevant creditor may be subject to the proceeding paid either in the terms of the reorganization plan.

The debtor must present a judicial reorganization plan within 60 consecutive days counted from the issuance of the decision that accepted the judicial reorganization proceeding (according to Article 53 of Brazilian Bankruptcy Law).

The judicial reorganization plan must be approved by the following classes of creditors present (in attendance of) a creditors' meeting (or by the submission of adhesion forms): (i) labor creditors (to be approved by a majority of voting creditors present at the meeting); (ii) secured creditors (to be approved by a majority of both by headcount and credit value present at the meeting); (iii) unsecured creditors (including a majority of both credit value and voting creditors present at the meeting); (iv) microenterprises, small-sized companies creditors (to be approved by a majority of voting creditors present at the meeting). These thresholds consider the creditors/claims attending the general creditors' meeting.

Claims denominated in foreign currency shall remain as such, unless otherwise provided in the judicial reorganization plan. In any event, on the eve of the general meeting of creditors convened to vote on the Plan, all claims shall be converted into Brazilian Reais (national currency) exclusively for purposes of voting and quorum calculation.

In addition, the judicial reorganization plan can be approved in a "cramdown" proceeding (pursuant to Article 58, §1 of Brazilian Bankruptcy Law) even though it was rejected in the general meeting of creditors if it: (i) was approved by the vote of creditors that represent more than 50% of the total claims present in the creditors' meeting, regardless of the class of creditors; (ii) was rejected by only one class of creditors; and (iii) within the rejecting class, it was accepted by more than one-third of the claims and/or headcount, as applicable (thresholds according to general rule for approval). The cramdown will only be possible if the plan does not provide differentiated treatment for creditors that belong to the class that has rejected the plan in the general creditors meeting.

Following the approval of the plan (either by the general creditors' meeting or via cram down), the court shall confirm the judicial reorganization plan. If the judicial reorganization plan is not approved in a creditors' meeting and the cramdown requirements are not met, the creditors are allowed to present an "alternative" judicial reorganization plan within 30 days, counted from the date of the general creditors' meeting that rejected the judicial reorganization plan (Articles 6, §4-A and 56, §4º of the Brazilian Bankruptcy Law). Such plan must follow certain specific requirements provided by law (pursuant to Article 56, §§4, 5 and 6 of Brazilian Bankruptcy Law).

The approval of a judicial reorganization plan novates all obligations subject to the proceeding and it is mandatory for the debtor and all creditors subject to it. The parties are free to negotiate how judicial reorganization is implemented, including, for instance, the reduction of liability and priority of repayment, considering that, however, as a general rule, debtors have to treat creditors in the same class in an equitable fashion, as Brazilian Bankruptcy Law is grounded on the *par conditio creditorum* principle. Debtors may carry out corporate actions to facilitate recovery. Examples include spin-offs, mergers, transfers or leases, conclusion of collective labor agreements, sale of assets, issue of debentures, replacement of guarantees and other analogous measures (according to Article 50 of Brazilian Bankruptcy Law). In addition, under the Brazilian Bankruptcy Law, the acquirer of assets of the debtor will not be held liable for any liabilities (including tax and labor liabilities) of the debtor selling the assets. This rule is applicable in a case of the sale of branches or isolated production units and, in addition, may apply to the sale of the whole business in case it is sold meeting the requirements set forth for the sale of "isolated productive units."

The debtor will remain under judicial reorganization for a period of up to two years, during which time failure on the part of the debtor to comply with any obligations set forth in the judicial reorganization plan can result in the conversion of the judicial reorganization into a liquidation proceeding

Out-of-court reorganization

An out-of-court reorganization (*recuperação extrajudicial*) consists of a private settlement between the debtor and its creditors which must be submitted to the Brazilian court in order to become enforceable against all the creditors belonging to the class(es)/subclass(es) of creditors subject to the proceeding.

The out-of-court reorganization may affect participating or non-participating creditors if the claims of the non-participating creditors are dealt with in the reorganization plan that is duly signed by creditors representing more than a half of each class of claims treated therein (pursuant to Article 163 of the Brazilian Bankruptcy Law).

Claims arising from tax matters cannot be restructured through out-of-court reorganization proceedings. Obligations undertaken within clearinghouses or financial settlement service providers are likewise not affected by the filing or approval of an out of court reorganization plan. Also, to restructure labor claims, a collective negotiation with the labor union of the respective professional category shall occur.

The case may be filed with the support of only one-third (1/3) of creditors of each adherent group, and the debtor will have a time-period of 90 consecutive days to obtain the support of the remaining creditors to reach the approval threshold (50% of claims of each). Bankruptcy court may grant the stay of all enforcement proceedings, constraint measures and the suspension of the statute of limitations if the threshold for approval is met by debtor in the filling date (Stay Period). The stay period does not affect creditors who are not subject to the out-of-court reorganization proceeding. Once approved, the plan will apply to all creditors who adhered to it and will be binding on all creditors included within its scope, whether or not such creditors executed the extrajudicial reorganization plan. Creditors may challenge the plan or the quorum, but there are no specific legal provisions related to "proofs of claims" (*habilitação de crédito*) for an out-of-court reorganization.

Bankruptcy Liquidation

Bankruptcy liquidation is a procedure carried out in the collective interest of the creditors of a certain debtor and culminates with a court liquidation, in which the main purpose is to wind up and sell the assets of the debtor in order to satisfy the credits held by each creditor pursuant to a priority ranking. Once the bankruptcy liquidation is decreed, business activities will be terminated (except if otherwise court recognizes that the maintenance of the activities may increase creditors recovery rate) and a trustee, which will be in charge of bankruptcy estate's affairs, is appointed by court.

In the event of bankruptcy of Sabesp, all of its debt obligations denominated in foreign currency will be converted into *reais* at the prevailing exchange rate on the date of declaration of the bankruptcy by the court (pursuant to Article 77 of the Brazilian Bankruptcy Law). In addition, companies in Brazil may only remit funds out of Brazil and/or convert such funds into hard currency in strict compliance with foreign exchange rules, and there can be no assurance that such companies would have the ability to convert Brazilian *reais* into U.S. dollars or any other currency, nor that such companies would be able to remit such funds out of Brazil.

In addition, if the value of Sabesp's assets is insufficient to pay its creditors, no interest accrues on claims, except interest on debentures and secured claims, which can be paid with the proceeds resulting from the sale of the underlying security (pursuant to Article 124, sole paragraph, of the Brazilian Bankruptcy Law). Furthermore, except in case of assets granted in fiduciary lien/assignment (in which the relevant creditor will have the right to file a restitution claim), the product arising out from the sale of assets granted in pledge and mortgage will not be used to pay the relevant credit and will be distributed pursuant to the order established by the Brazilian Bankruptcy Law.

Moreover, if Sabesp is declared bankrupt, its obligations under the Loan will be subordinated to the statutory preferences established by the Brazilian Bankruptcy Law. According to Brazilian Bankruptcy Law, in case of bankruptcy liquidation, payments of any amounts due by the debtor shall follow the following priority ranking, occur through a waterfall scheme, according to Article 83 of the Brazilian Bankruptcy Law:

Super priority claims (Article 84 of the Brazilian Bankruptcy Law):

(i) administrative expenses incurred that are necessary to the administration of the liquidation proceeding and labor claims of salary nature overdue in the 3 months prior to the liquidation order, up to a limit of 5 minimum monthly wages per creditor, which shall be paid as soon as cash is made available;

(ii) debtor-in-possession (DIP) financing claims granted during a prior judicial reorganization proceeding; and

(iii) claims subject to restitution in cash to a creditor, such as:

  (a) the amount equivalent to the value of the assets, which were not owned by the debtor, but were under its possession at the time of the liquidation order, *provided* that such assets ceased to exist;

  (b) amounts given to the debtor in national currency resulting from advance to exchange agreements for export (ACC);

  (c) amounts given to the debtor in good faith in the event of revocation or ineffectiveness of the relevant agreement;

  (d) taxes that may be withheld by payor, subject to third party discounts, and subject to subrogation, and amounts received by the collecting agents and not yet delivered to the public treasury;

  (e) amounts owed to the judicial administrator and its assistants, members of the creditor's committee, labor claims and claims arising from work-related accidents related to services rendered after the bankruptcy has been ordered;

  (f) obligations resulting from valid acts carried out during the judicial reorganization, including those related to the payment of suppliers of services or goods who supported the debtor during the reorganization, or after the liquidation order;

  (g) amounts provided to the estate by creditors during the liquidation proceeding;

  (h) expenses related to the disposal of assets and the liquidation proceeding;

  (i) courts fees in proceedings to which the debtor was the losing party; and

  (j) tax claims originated from facts occurred after the liquidation order.

Regular Pre-Petition Claims (Article 83 of the Brazilian Bankruptcy Law):

  (a) labor-related claims up to 150 minimum monthly wages (as determined by the Federal Government of Brazil) per creditor plus claims for damages arising from labor-related accidents;

  (b) secured credits (up to the value of the collateral) which does not apply to collateral granted in the form of fiduciary assignments, such as credits secured by pledges and mortgages;

  (c) tax claims regardless of their nature and time of constitution (except for tax fines);

  (d) unsecured credits (including labor-related claims in excess of the amount mentioned in clause (i) above and claims of secured creditors with a value exceeding that of the collateral);

  (e) contractual penalties and fines for breach of criminal or administrative law (including tax-related fines);

  (f) subordinated credits, as defined by law or pursuant to the relevant agreement or the claims of shareholders and officers without an employment bond; and

  (g) interest overdue following the liquidation order.

The foregoing priority is established by law and may not be modified by a court.

There are certain credits that are senior to or excluded from the priority order above, such as: (a) cash restitution related to the fiduciary assignment/lien (*cessão/alienação fiduciária*), (b) judicial administrator's fees, (c) obligations resulting from valid legal acts performed during the judicial reorganization, or after the decree of liquidation, (d) sums provided to the state by the creditors, (e) expenses with collection, management, asset realization and distribution of the proceeds, as well as court costs of the bankruptcy liquidation proceeding, (f) court costs with respect to lawsuits and enforcement proceedings in which the estate is defeated, and (g) taxes relating to generating facts occurring after the decree of the liquidation, with due regard for the order established in Article 83 of the Brazilian Bankruptcy Law and will be paid with preference before the creditors listed above.

Pursuant to Article 85 of the Brazilian Bankruptcy Law, creditors secured by fiduciary assignment/lien (*cessão/alienação fiduciária*) may claim for restitution of the asset over which the security has been constituted, and such restitution claim is also available to owners of assets in possession of the debtor, as well as to sellers of goods to the debtor, where the sale occurred within 15 days prior to the bankruptcy liquidation request and the assets have not been transferred to a third party; cash restitution is additionally available with respect to debts arising from an advance against foreign exchange contracts (ACC) pursuant to Article 86, II of the aforementioned law.

In addition, obligations assumed before any clearings systems pursuant to Article 193 of Brazilian Bankruptcy Law, amongst other specific cases established in Brazilian Bankruptcy Law, are not affected by the bankruptcy liquidation.

Recognition of a foreign insolvency proceeding

The Brazilian Bankruptcy Law also provides for the recognition of foreign insolvency proceedings (such as a proceeding under chapter 11 of the U.S. Bankruptcy Code), which could be recognized as a foreign main proceeding (*processo estrangeiro principal*) or a foreign non-main proceeding (*processo estrangeiro não principal*) based on whether the center of main interest of the debtor is located where the insolvency proceeding was filed.

The court of the main establishment of the debtor in Brazil will have the jurisdiction to rule on the recognition of a foreign insolvency proceeding. The recognition of a foreign main proceeding will automatically apply a stay of enforcement proceedings against the debtor, a stay of statute of limitations against the debtor and the ineffectiveness of any transfer on debtor's asset without court authorization. The stay is not applicable to creditors that are not subject to the reorganization proceeding and to lawsuits that discuss illiquid claims.

The automatic stay does not apply to foreign non-main insolvency proceedings, but the foreign representative can request, and the Brazilian court can grant, at its discretion, the necessary measures to secure debtor and creditor's interests. Preliminary injunctions may be applicable to protect the bankruptcy estate or its administration until the recognition of a foreign insolvency proceeding. After the recognition, the foreign representative of the main or secondary proceeding may request other measures to the Brazilian bankruptcy court, such as hearing, collecting of evidence, information about assets and file lawsuit to protect/recover the bankruptcy estate's assets. The bankruptcy estate's foreign representative may request the recognition of foreign insolvency proceeding and its measures directly to the Brazilian bankruptcy court. Foreign creditors will have in principle the same rights of the Brazilian creditors.

Any insolvency proceeding in Brazil can only be requested if the debtor has assets or activities in Brazil. The Brazilian bankruptcy court shall seek to cooperate and coordinate its decisions with the foreign proceeding, including in the termination of the proceeding.

The recognition proceeding does not require that the foreign insolvency proceeding is concluded, nor that the judgements rendered in such proceeding are recognized by the Superior Court of Justice to be enforced by lower Brazilian courts.

INCORPORATION BY REFERENCE

This Offering Memorandum incorporates by reference specific documents that Sabesp has filed with the SEC, which are considered part of this Offering Memorandum. Information that Sabesp files subsequently with the SEC will automatically update and supersede this information. The documents listed below are incorporated by reference, and any future documents that Sabesp files (other than information in the documents or filings that is deemed to have been furnished and not filed) with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act, until the termination of the offering of the Notes covered by this Offering Memorandum.

The following documents are incorporated by reference into this Offering Memorandum:

- Sabesp's annual report on Form 20-F for the year ended December 31, 2024, filed with the SEC on April 30, 2025, save for Item 18. Financial Statements, as amended on September 2, 2025 through the filing of a Form 20-F/A (together, the "2024 Form 20-F");

- the report on Form 6-K furnished to the SEC on May 7, 2025, prepared in compliance with Brazilian Generally Accepted Accounting Principles ("BR GAAP") and IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), containing Sabesp's individual and consolidated financial statements as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024; and

- the report on Form 6-K furnished to the SEC on June 13, 2024, prepared in compliance with Brazilian GAAP and IFRS as issued by the IASB, containing Sabesp's individual and consolidated financial statements as of December 31, 2023 and 2022 and for each of the two years in the period ended December 31, 2023;

You may obtain a copy of the documents referred to above that are incorporated by reference at no cost by writing or calling Sabesp at the following address or telephone number:

Rua Costa Carvalho, 300
Zip code: 05429-900 São Paulo, SP, Brazil
Email: dri@sabesp.com.br
Telephone: +55 (11) 3388 8000

The documents incorporated by reference herein will be published on the LuxSE website (www.luxse.com).

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Offering Memorandum to the extent that a statement contained in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified and superseded, to constitute a part of this Offering Memorandum.

AVAILABLE INFORMATION

For so long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which the Issuer is neither subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser or subscriber of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser or subscriber the information required to be delivered to such persons pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

Copies of the Indenture, the Participation Agreement and the Loan Agreement (each, as defined in this Offering Memorandum) may be obtained without charge from the Trustee by writing to it at its address on the back cover page of this Offering Memorandum.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes certain forward-looking statements, including statements regarding the Issuer's or Sabesp's intents, beliefs or current expectations or those of their officers with respect to, among other things, financing plans, trends affecting financial condition or results of operations and the impact of future plans and strategies. These forward-looking statements are subject to risks, uncertainties and contingencies including, but not limited to, the following:

- general economic, political, demographic, health and other conditions in Brazil and in other countries, including, as a result of the changes in administration in the United States, the military conflict between Russia and Ukraine, as well as the conflicts in the Middle East, the recent escalation of tensions and military operations involving Venezuela, the imposition of sanctions, tariffs and trade embargos and their impacts on the global economy and potential contagion to other countries or regions;
- fluctuations in inflation, interest rates and exchange rates and employment levels in Brazil;
- the changes to Sabesp's business and management as a result of its Privatization and any related legislative, regulatory or political developments;
- any judicial or other challenges to Sabesp's Privatization (as defined herein);
- Sabesp's ability to comply with the targets established by the Concession Agreement for URAE-1 (as defined herein);
- any increase in defaults by Sabesp's customers;
- the regulations issued by the São Paulo State Public Regulatory Agency (*Agência Reguladora de Serviços Públicos do Estado de São Paulo*, or "ARSESP") regarding several aspects of Sabesp's business, including resetting and adjusting Sabesp's tariffs;
- changes in applicable laws and regulations, as well as the enactment of new laws and regulations, including those relating to environmental, tax and employment matters in Brazil;
- risks relating to Sabesp's material properties, including difficulties in obtaining or renewing existing licenses, authorizations, approvals and permits to build, expand and/or operate its business facilities and challenges to Sabesp's ownership and possession of its material properties;
- the impacts on Sabesp's business of probable increases in the frequency of extreme weather conditions, including droughts and intensive rain and other climatic events;
- Sabesp's ability to continue to use certain reservoirs under current terms and conditions;
- Sabesp's ability to serve its customers satisfactorily;
- competition in the sector, changes in demand for Sabesp's services, pressures on price formation and introduction of new services by Sabesp's competitors;
- availability of Sabesp's water supply, springs and storage systems;
- the impact on Sabesp's business of conscious water usage, such as lower water consumption practices, as adopted by its customers during the water crisis, which can impact Sabesp's business and its operating results;
- the size and growth of Sabesp's customer base and its consumption habits;
- any measures that Sabesp may be required to take to ensure the provision of water to its customers;
- the potential impact of the enactment of national reference standards that should be taken into account by subnational sanitation regulatory agencies (municipal, intermunicipal, district and state) in their regulatory performance, since the New Legal Framework for Basic Sanitation (as defined herein) determined that the National Water and Sanitation Agency (*Agência Nacional de Águas e Saneamento Básico*, or "ANA") is the regulatory authority of the sanitation sector at national level;
- Sabesp's ability to comply with the requirements regarding water and sewage service levels included in its agreements with municipalities, especially as a result of the changes brought by the New Legal Framework for Basic Sanitation, which established that the Universalization Targets must be met by 2033, and which were brought forward to 2029 for Sabesp pursuant to State Law No. 17,853/2023;

- the municipalities' ability to terminate Sabesp's existing concession agreements prior to their expiration date and Sabesp's ability to renew such agreements;
- Sabesp's ability to collect amounts owed to it by the State of São Paulo (its former controlling shareholder), states, the federal government and municipalities;
- Sabesp's capital expenditure program and other liquidity and capital resources requirements;
- Sabesp's management's expectations and estimates relating to its future financial performance;
- Sabesp's level of debt and limitations on its ability to incur additional debt in amounts sufficient to comply with the new Universalization Targets (as defined herein);
- Sabesp's ability to access financing with favorable terms in the future;
- the costs Sabesp incurs in complying with environmental laws and any penalties for failure to comply with these laws;
- the outcome of Sabesp's pending or future legal proceedings;
- the impact of widespread health developments, such as COVID-19, and their effects on Sabesp's operating revenues and financial condition;
- power shortages, rationing of energy supply or significant changes in energy tariffs; and
- other risk factors as set forth under "Item 3.D. Risk Factors" of Sabesp's 2024 Form 20-F.

The words "believe," "may," "estimate," "continue," "anticipate," "plan," "intend," "expect" and similar words are intended to identify forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this Offering Memorandum might not occur. Sabesp's actual results could differ substantially from those anticipated in its forward-looking statements. Forward-looking statements speak only as of the date they were made, and Sabesp does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law. Any such forward-looking statements are not an indication of future performance and involve risks.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

The Issuer's Financial Information

The Issuer is a private limited liability company (*société à responsabilité limitée*) organized and existing under the laws of Luxembourg, incorporated on December 18, 2025, and registered with the Luxembourg Trade and Companies Register under number B303758 as an unregulated securitization company (*société de titrisation non réglementée*) within the meaning of, and governed by, the Luxembourg Securitization Law.

This Offering Memorandum does not include any financial statements of the Issuer. The Issuer has no material business operations and has not engaged in any material transactions other than the transactions described herein. The Issuer has no prior operating experience other than in connection with the issuance of the Notes and the arrangements with respect thereto, and upon the completion of this Offering will have no material liabilities or assets, other than its rights under the Participation Agreement as further described under "*Description of the Issuer*."

Sabesp's Financial Information in this Offering Memorandum

Sabesp maintains its books and records in *reais*. Sabesp's audited individual and consolidated financial statements (i) as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 (the "2024 Consolidated Financial Statements") and (ii) as of December 31, 2023 and 2022 and for each of the two years in the period ended December 31, 2023 (the "2023 Consolidated Financial Statements," together with the 2024 Consolidated Financial Statement, the "Consolidated Financial Statements") have been prepared in compliance with Brazilian GAAP and IFRS as issued by the IASB, including the interpretations issued by the IFRS Interpretations Committee (IFRIC® Interpretations) or by its preceding body, Standing Interpretations Committee (SIC® Interpretations) and the requirements of the CVM.

Sabesp's individual and consolidated financial statements as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 were audited by BDO RCS Auditores Independentes SS Ltda. ("BDO"), Sabesp's prior independent auditor, in accordance with Brazilian Standards on Auditing and International Standards on Auditing ("BR GAAS," and "ISAs," respectively). Sabesp's audited financial statements for the year ended December 31, 2022 were audited by Grant Thornton Auditores Independentes Ltda. ("GT"), Sabesp's prior independent auditor, in accordance with ISAs.

Sabesp's unaudited individual and consolidated interim financial information as of September 30, 2025 and for the three and nine-month periods ended September 30, 2025 (the "Interim Consolidated Financial Statements"), included in this Offering Memorandum have been prepared in accordance with Accounting Pronouncement CPC 21 Interim Financial Reporting, and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)(currently referred by the IFRS Foundation as "IFRS Accounting Standards"), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Sabesp's Interim Consolidated Financial Statements were the subject of a review conducted in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively)., by Ernst & Young Auditores Independentes S/S Ltda. ("EY").

Change in Auditor of Sabesp

On May 12, 2025, Sabesp approved the engagement of EY as its independent auditing firm responsible for auditing its annual financial statements and reviewing its quarterly financial information, replacing BDO.

Filings with the United States Securities and Exchange Commission

Sabesp is a reporting company under Section 13 or Section 15(d) of the Exchange Act and files and/or furnishes periodic reports with the SEC.

Pursuant to SEC regulations, Sabesp's management, including its Chief Executive Officer and Chief Financial Officer, evaluate the effectiveness of Sabesp's disclosure controls and procedures, including the effectiveness of its internal control over financial reporting. As a result of Sabesp's management's evaluation of the effectiveness of its disclosure controls and procedures in 2024, management determined that these controls and procedures were not effective due to material weaknesses in Sabesp's internal control over financial reporting. In the event Sabesp is unable to remediate these material weaknesses, the reliability of Sabesp's financial reporting and the preparation of its financial statements may be materially affected, which may materially affect Sabesp and its reputation. Notwithstanding Sabesp's management's assessment that its disclosure controls and procedures were not effective and that there were material weaknesses as identified above, Sabesp believes that its financial statements incorporated by reference or included in this Offering Memorandum fairly present its financial position, results of operations and cash flows for the years and periods covered thereby in all material respects. For additional information regarding the material weakness in Sabesp's internal controls over financial reporting, see "Item 3.D - Risk Factors—Risk Relating to Sabesp's Business—If Sabesp does not remedy the material weakness in Sabesp's internal controls, the reliability of Sabesp's financial statements may be materially affected" and "Item 15—Controls and Procedures—Management's Report on Internal Control over the Preparation of Financial Reports" in Sabesp's 2024 Form 20-F.

Currency and Other Information

In this Offering Memorandum, the terms "real" and "reais" and the symbol "R$" refer to the Brazilian real, the legal currency of Brazil. The terms "U.S. dollar" and the symbol "U.S.$" refer to U.S. dollars, the legal currency of the United States of America. The terms "euro" and "euros" and the symbol "€" refer to the euro, the legal currency of the member states of the European Union that have adopted the euro as their lawful currency. The term "Brazil" refers to the Federative Republic of Brazil and the phrase "Brazilian Government" refers to the federal government of Brazil. The term "Luxembourg" refers to the Grand Duchy of Luxembourg. The term "E.U." refers to the European Union. References to "billions" are to thousands of millions and to "km" are to kilometers. The term "MWh" refers to megawatt hours.

This Offering Memorandum contains translations of various real amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations by Sabesp that the real amounts actually represent the U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated. Unless otherwise indicated, Sabesp has translated the real amounts using a rate of R$5.3186 to U.S.$1.00, the U.S. dollar selling rate as of September 30, 2025 published by the Central Bank

Rounding

Certain figures in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

Glossary

A glossary of certain terms used in this Offering Memorandum and Sabesp's 2024 Form 20-F is included in Sabesp's 2024 Form 20-F which is incorporated by reference in this Offering Memorandum.

Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures

A non-IFRS or non-Brazilian GAAP financial measure is any financial measure that is presented other than in accordance with all relevant accounting standards under IFRS or Brazilian GAAP. To provide investors and others with additional information regarding Sabesp's financial and operating performance, Sabesp discloses in this Offering Memorandum the following non-IFRS and non-Brazilian GAAP financial measures:

- EBITDA, LTM EBITDA;
- Adjusted EBITDA, LTM Adjusted EBITDA, Adjusted EBITDA Margin, LTM Adjusted EBITDA Margin;
- Adjusted Net Operating Revenue, LTM Adjusted Net Operating Revenue; and
- Gross Debt, Net Debt, Net debt/LTM Adjusted EBITDA, and Total Capital

Sabesp's computation of EBITDA, LTM EBITDA, Adjusted EBITDA, LTM Adjusted EBITDA, Adjusted Net Operating Revenue, LTM Adjusted Net Operating Revenue, Adjusted EBITDA Margin, LTM Adjusted EBITDA Margin, Gross Debt, Net Debt, Net Debt/LTM Adjusted EBITDA, and Total Capital may not be comparable to other similarly titled measures computed by other companies because other companies may calculate these measures differently. Sabesp uses certain non-GAAP financial measures to analyze its operational and financial performance, as well as a basis for certain management decisions, including in connection with its analysis of its financial and operating performance and its evaluation of its liquidity. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with IFRS or Brazilian GAAP. These measures are not audited or reviewed by Sabesp's independent auditors. Investors are urged to review the reconciliations of the non-GAAP financial measures presented herein. See "*Summary Financial and Other Information—Other Financial Data (unaudited).*"

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") and LTM EBITDA

Sabesp calculates EBITDA pursuant to CVM Resolution No. 156, dated June 23, 2022, or CVM Resolution No. 156, as profit for the period/year *plus* income tax and social contribution expenses (current and deferred), plus net financial result *plus* depreciation and amortization.

Sabesp calculates EBITDA for the twelve-month period ended September 30, 2025, or LTM EBITDA, as EBITDA for the year ended December 31, 2024 *plus* EBITDA for the nine-month period ended September 30, 2025 *less* EBITDA for the nine-month period ended September 30, 2024.

Sabesp's management believes that disclosure of EBITDA provides useful information to investors, financial analysts and the public in their review of Sabesp's operating performance and their comparison of Sabesp's operating performance to the operating performance of other companies in the same industry and other industries. This is because EBITDA is generally perceived as a more objective and comparable measure of operating performance. For example, interest expense is dependent on the capital structure and credit rating of a company. However, debt levels, credit ratings and, therefore, the impact of interest expense on earnings vary significantly between companies. Similarly, the tax positions of individual companies can vary because of their differing abilities to take advantage of tax benefits and the different jurisdictions in which they transact business. Finally, companies differ in the age and method of acquisition of productive assets, and thus the relative costs of those assets, as well as in the depreciation method (straight-line, accelerated or units of production), which can result in considerable variation in depreciation and amortization expenses between companies. Therefore, for comparison purposes, Sabesp's management believes that EBITDA is useful as an objective and comparable measure of operating profitability because it excludes these elements of earnings that do not provide information about the current operations of existing assets.

Adjusted EBITDA and LTM Adjusted EBITDA

Sabesp calculates Adjusted EBITDA as EBITDA for the period *less* (i) construction margin and (ii) financial asset revenue, net.

Sabesp calculated Adjusted EBITDA for the twelve-month period ended September 30, 2025, or LTM Adjusted EBITDA, as Adjusted EBITDA for the year ended December 31, 2024, *less* Adjusted EBITDA for the nine-month period ended September 30, 2024, *plus* Adjusted EBITDA for the nine-month period ended September 30, 2025.

Neither Adjusted EBITDA nor LTM Adjusted EBITDA has a standardized meaning and may not be comparable to Adjusted EBITDA, LTM Adjusted EBITDA or similarly titled measures as used by other companies. Moreover, each of Adjusted EBITDA and LTM Adjusted EBITDA has limitations as an indicator of profitability, since neither Adjusted EBITDA nor LTM Adjusted EBITDA considers certain costs in connection with Sabesp's business, which could adversely affect Sabesp's profits, such as its financial results, taxes, depreciation and amortization, as well as other items recorded in Sabesp's income statement and described above. This calculation of Adjusted EBITDA and LTM Adjusted EBITDA is not the same calculation of Adjusted EBITDA and LTM Adjusted EBITDA used to measure compliance with covenants included in Sabesp's financing agreements and debenture issuances.

Following the change in Sabesp's management in September 2024, Sabesp no longer considers "Other operating expenses/(income)" as part of its Adjusted EBITDA calculation. Accordingly, for comparability, Sabesp reflected the same change in methodology for the nine-month period ended September 30, 2024.

Adjusted Net Operating Revenue and LTM Adjusted Net Operating Revenue

Adjusted Net Operating Revenue is calculated as Net Operating Revenue *less* (i) construction revenue and (ii) financial asset revenue, net.

Sabesp calculated Adjusted Net Operating Revenue for the twelve-month period ended September 30, 2025, or LTM Adjusted Net Operating Revenue, as Adjusted Net Operating Revenue for the year ended December 31, 2024, *less* Adjusted Net Operating Revenue for the nine-month period ended September 30, 2024, *plus* Adjusted Net Operating Revenue for the nine-month period ended September 30, 2025.

Adjusted Net Operating Revenue and LTM Adjusted Net Operating Revenue are considered a non-GAAP financial measures and are not a measures recognized by Brazilian Accounting Practices or IFRS, nor should it be considered in isolation or as an alternative to net operating revenue, as a measure of operational performance, or as an alternative to operational cash flows, or as a measure of liquidity. It does not have a standardized meaning and may not be comparable to similar measures used by other companies.

Adjusted EBITDA Margin and LTM Adjusted EBITDA Margin

Adjusted EBITDA Margin is calculated as Adjusted EBITDA *divided* by Adjusted Net Operating Revenue.

Sabesp calculated Adjusted EBITDA Margin for the twelve-month period ended September 30, 2025, or LTM Adjusted EBITDA Margin, as Adjusted EBITDA Margin for the year ended December 31, 2024, *less* Adjusted EBITDA Margin for the nine-month period ended September 30, 2024, *plus* Adjusted EBITDA Margin for the nine-month period ended September 30, 2025.

Adjusted EBITDA Margin and LTM Adjusted EBITDA Margin are considered a non-GAAP financial measures and are not a measures recognized by Brazilian Accounting Practices or IFRS, nor should it be considered in isolation or as an alternative to profit for the period/year, as a measure of operational performance, or as an alternative to operational cash flows, or as a measure of liquidity. It does not have a standardized meaning and may not be comparable to similar measures used by other companies.

Gross Debt, Net Debt, Net Debt/LTM Adjusted EBITDA and Total Capital

Gross Debt is calculated as current borrowings and financing *plus* non-current borrowings and financing.

Net Debt is calculated as Gross Debt *less* (i) cash and cash equivalents, and (ii) financial investments.

Net Debt is a non-GAAP measure Sabesp uses to monitor the short-term and long-term effects of its debt on its business and to ensure compliance with financial leverage ratios.

Net debt/LTM Adjusted EBITDA is calculated as Net Debt *divided* by LTM Adjusted EBITDA.

Total Capital is calculated as total equity *plus* Net Debt.

Gross Debt, Net Debt, Net Debt/LTM Adjusted EBITDA and Total Capital are considered a non-GAAP financial measures and are not measures recognized by Brazilian Accounting Practices or IFRS. Sabesp's definition of Gross Debt, Net Debt, Net debt/LTM Adjusted EBITDA and Total Capital may not be comparable to similar measures used by other companies and are not measures of cash flow, liquidity or resources available for debt service.

For a reconciliation of Gross Debt, Net Debt, Net debt/LTM Adjusted EBITDA and Total Capital to the IFRS Accounting Standards financial measure for nine-month period ended September 30, 2025, and the years ended December 31, 2024, 2023 and 2022, see "*Summary Financial and Other Information—Other Financial Data (unaudited).*"

Third-Party Information

The information set forth in this Offering Memorandum, and the documents incorporated by reference herein, with respect to the market environment, market developments, growth rates, trends and competition in the markets and segments in which Sabesp operates are based on market studies and on information published by the Brazilian Government, the State of São Paulo, the Central Bank, ARSESP and other regulators.

Market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward-looking and speculative. This Offering Memorandum and the documents incorporated by reference herein also contain estimates made by Sabesp based on third-party market data, which in turn is based on published market data or figures from publicly available sources.

Although Sabesp has no reason to believe that any of this information or these sources are inaccurate in any material respect, it has not verified the figures, market data or other information on which third parties have based their studies. Therefore, neither the Issuer nor Sabesp assumes responsibility for the accuracy of the information from third-party studies presented in this Offering Memorandum or for the accuracy of the information on which such third-party estimates are based. Where information has been sourced from a third party, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Memorandum, and the documents incorporated by reference herein, also contains estimates of market data and information derived therefrom which cannot be gathered from publications by market research institutions or any other independent sources. Such information is based on Sabesp's internal estimates. In many cases, there is no publicly available information on such market data, for example from industry associations, public authorities, or other organizations and institutions. Sabesp believes that these internal estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which Sabesp operates as well as its position within this industry. Although Sabesp believes that its internal market observations are reliable, such estimates are not reviewed or verified by any external sources. In addition, such estimates reflect various assumptions made by Sabesp that may or may not prove accurate, as well as the exercise of a substantial degree of judgment by management as to the scope and presentation of such information. No representations or warranties can be made concerning the accuracy of Sabesp's estimates of market data and the information presented therefrom. These may deviate from market data estimates made by competitors or future statistics provided by market research institutes or other independent sources. Sabesp cannot assure you that its market data estimates, or the assumptions, are accurate or correctly reflect the state and development of, or its position in, the industry.

None of the publications, reports or other published industry sources referred to in this Offering Memorandum were commissioned by Sabesp or prepared at its request. Sabesp has not sought or obtained the consent of any of these sources to include such market data in this Offering Memorandum.

Persons Responsible

The information contained in this Offering Memorandum is the responsibility of the directors of the Issuer. For more information see "*Description of the Issuer.*" The information contained in this Offering Memorandum is, to the best knowledge of the directors of the Issuer, in accordance with the facts, and makes no omission likely to affect its import.

SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum or incorporated by reference into this Offering Memorandum. This summary is not complete and does not contain all the information you should consider before investing in the Notes. You should carefully read this entire Offering Memorandum and the documents incorporated by reference herein before investing, including the section entitled "Risk Factors," and Sabesp's Consolidated Financial Statements incorporated by reference and Sabesp's Interim Consolidated Financial Statements and their related notes included elsewhere in this Offering Memorandum.

Overview

Sabesp is the largest sanitation company in Brazil and the third largest globally by market capitalization according to publicly available data from the main companies operating in the sector as of January 12, 2026. As of September 30, 2025, Sabesp provided water and sewage services under long-term concessions to a broad range of residential, commercial and industrial consumers, as well as various public entities. Sabesp operates in 375 municipalities in the State of São Paulo, Brazil's leading state by gross domestic product ("GDP"), which accounted for approximately 31.2% of the country's annual GDP as of December 31, 2024, according to data published by IBGE. As of September 30, 2025, Sabesp provided water services to approximately 29.9 million people across 9.5 million active water connections and sewage services to approximately 27.0 million people across 8.2 million active sewage connections. In 2023, Sabesp alone accounted for approximately 30% of the total sanitation investments made in Brazil, as disclosed in Sabesp's sustainability report.

Sabesp's corporate purpose is to render basic sanitation services, aimed at the universalization of basic sanitation in the State of São Paulo. Sabesp's primary activities comprise water supply, sanitary sewage services, urban rainwater management and drainage services, urban cleaning services and solid waste management services. Sabesp's related activities include the planning, operation, maintenance of systems for the production, storage, conservation commercialization of energy and the commercialization of services, products, benefits and rights that directly or indirectly arise from Sabesp's assets, operations and activities.

Sabesp's largest concession agreement, entered into between Sabesp, the Unidade Regional de Serviços de Abastecimento de Água Pótável e Esgotamento Sanitário - URAE 1 – Sudeste and ARSESP on May 24, 2024, came into force on July 23, 2024, following the consummation of its Privatization (as defined herein) (the "Concession Agreement for URAE-1"), covers 371 municipalities in the State of São Paulo, including the municipality of São Paulo. These 371 municipalities accounted for approximately 99.1% of Sabesp's gross operating revenues from sanitation services (excluding revenues relating to the construction of concession infrastructure) as of September 30, 2025. The Concession Agreement for URAE-1 provides for concession operation until 2060.

Sabesp continued providing sanitation services to four municipalities (*Miguelópolis*, *Quintana Nova Guataporanga* and *Olímpia*) under existing individual concessions agreements with the relevant aforementioned municipalities, which were entered into before its Privatization. These concession agreements will expire between 2027 and 2053 and accounted for 0.2% of Sabesp's gross operating revenues from sanitation services (excluding revenues relating to the construction of concession infrastructure) as of September 30, 2025. Sabesp also supplied water and sewage treatment services on a wholesale basis to two municipalities in the São Paulo metropolitan region (*Mogi das Cruzes* and *São Caetano do Sul*).

Since December 2023, Sabesp also operates water and sewage services in Olímpia, a municipality located in the State of São Paulo, through its wholly owned subsidiary Sabesp Olimpia S.A. This agreement with the municipality of Olímpia is the first bidding process Sabesp won individually under the Federal Law No. 14,026/2020, enacted in Brazil in July 2020, which reformed the regulatory structure governing water supply, sewage services, urban drainage, and solid waste management ("New Legal Framework for Basic Sanitation"), and not through a partnership. In addition, Sabesp has partnerships with three private companies for water and sewage services: *Águas de Castilho*, *Águas de Andradina* and *Sesamm – Serviços de Saneamento de Mogi Mirim S.A*. (sewage-only).

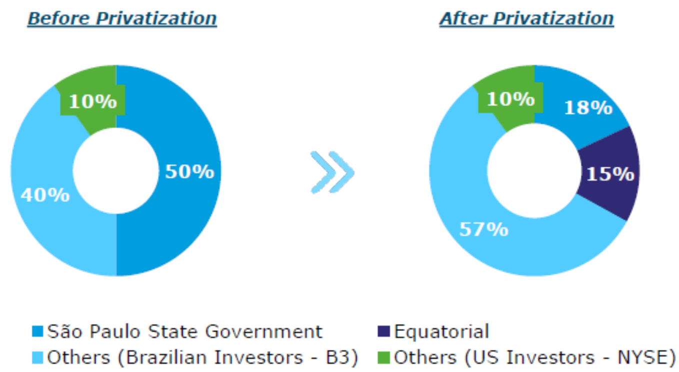
Tariffs are the primary form of remuneration for the services provided by Sabesp under the Concession Agreement for URAE-1, intended to remunerate the investment effectively made and incorporated into the concession's asset base. There are two tariffs: the application tariff, which represents the amount charged to and paid by the customer to Sabesp, and the equilibrium tariff, which represents the amount owed to Sabesp under the Concession Agreement for URAE-1, as determined by ARSESP in the equilibrium tariff and its related tariff table. Any difference between the application tariff and the equilibrium tariff is covered by FAUSP, created in July 2024 as part of Sabesp's Privatization to support certain tariff reductions for consumers. Tariff adjustments for Sabesp's services follow the guidelines established by regulatory standards including the Concession Agreement for URAE-1 and its schedules. These guidelines establish procedural steps and the terms for the annual adjustments, which are to be conducted by ARSESP.

Sabesp also engages in the electric power generation sector through minority partnerships, including *Paulista Geradora de Energia*, which utilizes the hydraulic potential of the Cantareira System. It sells 4.1 MW from the *PGE Guaraú* plant (since March 2023), 2.9 MW from the *PGE Cascata* plant (since April 2024). *Cantareira SP Energia*, currently in the pre-operational phase, is focused on the development, production, and commercialization of photovoltaic energy. Since December 2022, Sabesp holds a 20% equity stake in *Barueri Energia Renovável SA*, a plant designed to process municipal solid waste from *Barueri* and nearby municipalities. It is expected to commence operations in February 2027.

Privatization

On December 8, 2023, the State of São Paulo enacted State Law No. 17,853/2023, providing the authorization for Sabesp's proposed privatization and its general guidelines. In addition to authorizing Sabesp's privatization, the law also brought forward the target for providing drinking water to 99% of the population and sewage collection and treatment for 90% of the population (the "Universalization Targets") for the State of São Paulo from 2033 to 2029.

On July 22, 2024, the State of São Paulo closed a secondary offering of 220.47 million of Sabesp's common shares (including common shares represented by ADRs), effectively reducing their interest in Sabesp from 50.26% to 18.00% and completing Sabesp's privatization process (the "Privatization"). As part of this process, the State of São Paulo conducted a public competitive process pursuant to which it sold 15% of Sabesp's total share capital through a priority offering to a "reference investor." The final reference investor was Equatorial S.A. (formerly Equatorial Participações e Investimentos IV S.A.) (the "Reference Investor"). The chart below shows Sabesp's capital structure before its Privatization and after its Privatization, as of September 30, 2025.



Source: Company

See "*Presentation of Financial and Other Information—Privatization*" in Sabesp's 2024 Form 20-F for further details.

Strengths

Sabesp believes that its competitive strengths are as follows:

- ***Leading Water and Sewage Service Provider in Brazil and One of the Largest Globally:*** Sabesp is the largest sanitation company in Brazil and the third largest globally by market capitalization according to publicly available data from the main companies operating in the sector as of January 12, 2026, with a net operating revenue 1.9 times larger than the second largest national peer according to publicly available data from the main companies operating in the sector, supplying water to approximately 29.9 million people and providing sewage collection to approximately 27.0 million people across 375 municipalities in the State of São Paulo. Sabesp's operations cover approximately 67% of the urban population and 58% of all municipalities in the state, including in the metropolitan area of São Paulo, Brazil's primary economic hub. Until 2029, Sabesp estimates that five of its plants (Barueri, ABS, Parque Novo Mundo, São Miguel and Suzano) will account for 63% of all sewage treatment in the State of São Paulo, increasing its sewage treatment capacity by 37%. Sabesp believes that its long-term concession agreements, which run through 2060, provide it with stable, predictable revenue streams and a platform for continued growth and value creation.

- ***Prime concession geography, located in the State of Brazil with the highest GDP:*** Sabesp operates in 375 municipalities in the State of São Paulo, serving approximately 63% of the urban population in the state. São Paulo is Brazil's leading state by GDP representing approximately 31% of the country's annual GDP as of December 31, 2024, according to IBGE (*Instituto Brasileiro de Geografia e Estatística*). São Paulo also has the largest GDP *per capita* in the country with R$70.5 thousand *per capita*, versus the national average of R$49.6 thousand *per capita* according to BNDES as of December 31, 2022.

- ***Predictable cash flow generation and Strong Profitability:*** Sabesp's long-term concession agreements run through 2060, which contributes to the stability and visibility of its service demand. In addition, 60.9% of Sabesp's customer base consists of residential customers, which supports stable consumption patterns and mitigates the credit risk associated with exposure to a small number of large customers. These factors provide Sabesp with stable and predictable revenue streams and a strong platform for continued growth and value creation. Sabesp's results of operations demonstrate strong profitability. Sabesp recorded a profit for the period of R$5,776.6 million and R$8,144.6 million for the nine-month periods ended September 30, 2025 and 2024, respectively. Sabesp's EBITDA was R$10,385.8 million for the nine-month period ended September

30, 2025, and R$18,187.1 million, R$9,136.6 million and R$7,096.0 million for the periods ended December 31, 2024, 2023 and 2022, respectively. In addition, Sabesp's Adjusted EBITDA Margin was 58.5% for the nine-month period ended September 30, 2025, and 45.1%, 45.1% and 40.6% for the years ended December 31, 2024, 2023 and 2022, respectively.

- ***Clear and Predictable Regulatory Model with Strong Incentives for Efficiency and Universalization:*** Sabesp believes that its new regulatory framework, introduced in 2021, which brought forward the Universalization Targets, with higher investment requirements and increased flexibility for service providers, as part of Sabesp's Privatization, is among the most innovative in the Brazilian utilities sector, with a regulatory model based on investments remuneration. Sabesp believes that its new regulatory framework incentivizes operational efficiency, cost discipline, and accelerated capital deployment, with defined mechanisms for cost recovery and risk mitigation. Tariff adjustments are now more closely linked to investments and quality improvements, supporting Sabesp's ambitious goal of advancing universal access to water and sewage services in the State of São Paulo from 2023 to 2029. Sabesp believes that the stability and transparency of this regulatory environment underpins its growth potential. With the current Universalization Target, Sabesp intends to increase investments until 2029, reaching approximately R$83.2 billion in investments from 2023 to 2029. Sabesp specifically intends to direct these investments to increase the coverage of treated water, improve their operational efficiency, increase the number of households connected to their sewage network, and increase the treatment of collected sewage.

- ***Robust Investment Program to Expand Capacity, Strong Financial Profile, and Visible Growth and Margin Expansion:*** To meet the Universalization Targets and support continued operational excellence, Sabesp has launched a comprehensive capital expenditure plan totaling R$67.8 billion for the 2024-2029 period, more than doubling their average annual investment rate from recent years. Key projects include large-scale network expansions and, modernizations of water and sewage systems across the São Paulo metropolitan and coastal regions. As of September 30, 2025, Sabesp recorded net operating revenue of R$26,815.6 million, capital expenditures of R$10,430.3 million (which is composed of investments in contract asset, intangible assets and property, plant, and equipment), and Adjusted EBITDA of R$9,617.5 million. Sabesp's Net debt/LTM Adjusted EBITDA was 2.0x as of September 30, 2025, supported by what Sabesp believes to be prudent balance sheet management and a diversified funding base.

- ***Sabesp is a "True Corporation" Driving Transformational Change and Strong Corporate Governance:*** Following the successful conclusion of Sabesp's Privatization, Sabesp has evolved from a state-controlled entity to a private listed pure-sanitation utility company. Sabesp's governance model has high standards of transparency and accountability, including robust board independence, and new dividend and sustainability policies. Shareholders are limited to a 30% voting share and a poison pill is triggered if one shareholder or a group of shareholders reaches a 30% stake. Following Sabesp's Privatization, the State of São Paulo's stake was reduced from 50% to 18% through a widely subscribed offering, which also marked the entry of Equatorial S.A. as a reference shareholder with a 15% voting interest, further reinforcing Sabesp's commitment to strong corporate governance practices. Additionally, Sabesp has four statutory committees composed of board members and external members: (i) the Audit Committee; (ii) the Eligibility and Compensation Committee; (iii) the Sustainability and Corporate Responsibility Committee; and (iv) the Related Party Transactions Committee.

- ***Experienced Management and Board Ready to Drive Strategic Transformation:*** Sabesp's management team and board of directors have a combined experience of over 280 years across regulated sectors, infrastructure, and corporate governance, positioning Sabesp to execute on its strategic priorities and deliver long-term sustainable growth. Sabesp believes that its transition to a private, performance-oriented company has further strengthened its organizational capabilities, with clear accountability, operational excellence programs, and a renewed focus on customer service and innovation. Sabesp has also recently adopted share performance plans to even better align management and corporate goals. Sabesp's sustainability team reports to the Executive Board and to the Sustainability and Corporate Responsibility Committee, which is linked to the Board of Directors. The integrated work of these teams helps Sabesp implement what it believes are robust sustainable governance practices. Sabesp has also implemented specific efficiency measures including: (i) a corporate restructuring intended to optimize Sabesp's leadership and people management, through a voluntary termination plan, restructuring of leadership positions, implementation of new technologies and processes such as SAP S/4 HANA, an integrated enterprise-resource-planning platform that streamlines and automates financial, operational and administrative processes, as well as other investments in IT infrastructure; (ii) revenue optimization initiatives, with the termination of existing discounts and submission of a new discount policy applicable to certain consumers, as well as a request to the State of São Paulo for the compensation of regulatory capital expenditures gaps; (iii) operational expenditures, implementing a zero-based budgeting system, optimizing Sabesp's metering systems and modernizing Sabesp's collection facilities, as well as diversifying Sabesp's energy matrix; and (iv) a liability management policy, in connection with a new hedging policy, a minimum cash policy and debt management initiatives.

- ***Sustainable Leadership and Commitment to Positive Impact:*** Sabesp is recognized as a benchmark in sustainable practices in the Brazilian utilities sector, with a comprehensive ESG practices. In recognition of this Sabesp received the Gold Seal of the Brazilian GHG Protocol Program for its greenhouse gas emissions inventories and in 2023 and 2024. For the year 2025, Sabesp was also recognized by CDP with a "B" score, indicating that Sabesp has reached a "management level" in respect to climate change impacts and is able to take coordinated actions to address climate issues. Sabesp became the first listed company to obtain the "B3 Green Shares" classification, certified by S&P Global Ratings, and joined the "ISE B3," the corporate sustainability index of the B3, which measures the performance of companies committed to recognized sustainability practices. In addition, in recent years, Sabesp has served as a private-sector partner to the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), supporting the development of an activity roadmap for the Resilience Frontiers Initiative within the Adaptation Division, as well as assisting the Secretariat in fulfilling its mandates related to the implementation of the Paris Agreement. Sabesp's sustainable initiatives include reporting to the Executive Board and to the Sustainability and Corporate Responsibility Committee, as well as transparent disclosures under international standards such as GRI, SASB, and TCFD (now overseen by the IFRS Foundation and integrated into IFRS S1 and S2). These efforts reinforce what Sabesp believes is its role as a driving force for positive environmental and social impact in Brazil. Sabesp believes that, by providing sanitation, it contributes significantly to the preservation and conservation of the environment as well as the improvement of public health and quality of life. Sabesp believes that it plays a critical role in ensuring access to clean water and sanitation services in the municipalities where it operates, simultaneously influencing environmental and social development within communities. Sabesp has established programs to provided safe water supply, reducing water loss and health risks in vulnerable communities. With the goal of providing universal sanitation by 2029, Sabesp is working alongside municipalities to accelerate land regularization, ensuring that residents have access to sanitation services, social tariffs, and greater dignity. In the twelve-month period ended September 30, 2025, Sabesp added nearly 0.8 million units to social tariffs (with discounts of up to 78%).

- ***2035 Climate Targets***: Sabesp has established the climate targets it expects to reach by 2035. The targets were set within the challenging context of having to significantly increase the volume of sewage treated in light of the Universalization Target. The climate targets include substantial reductions in both absolute and relative greenhouse gas emissions; however, Sabesp cannot assure that it will meet those targets, as detailed below:

  Greenhouse Gas Emissions Intensity: a 41% reduction, from 1.61 tCO_2e/'000m^3 of treated sewage (baseline as of December 31, 2024) to 0.94 tCO_2e/'000m^3 by December 31, 2035.

  Total Combined Emissions: a 15% reduction of total combined emissions, within defined limits by 2035, compared to December 31, 2024 levels.

  Scope 2 Emissions: a 43% reduction through auto-production and the use of clean energy (baseline as of December 31, 2024). Sabesp has reaffirmed its full transparency with all stakeholders, and its commitment to sustainable and innovative practices.

  However, Sabesp cannot assure that it will meet those targets. For further information, see "*Item 3. Key Information—D. Risk Factors—Risks Relating to Our Management— If we do not meet the targets established by the Concession Agreement for URAE-1, our tariff adjustments might be reduced, which could materially adversely affect our business, financial condition, or results of operations.*" in Sabesp's 2024 Form 20-F, which is incorporated by reference into this Offering Memorandum.

Strategies

Sabesp's primary strategic objective is to become a national and global benchmark in the sanitation sector, leveraging its scale, operational excellence, and commitment to universal service. Following Sabesp's recent Privatization and governance transformation, Sabesp's strategy is centered on accelerating the universalization of water and sewage services, operational excellence, strong governance and creating sustainable value for all stakeholders:

- ***Universalization of Water and Sewage Services under the New Concession Framework***: With the advancement of the Universalization Targets from 2033 to 2029, as mandated in the new Concession Agreement for URAE-1, Sabesp is committed to investing R$67.8 billion by 2029. This investment plan is focused on four pillars that Sabesp believes will support universal access and service quality: (i) expansion (approximately 65%), covering the necessary capital expenditures to comply with Universalization Targets and prioritized annually, initially in major urban areas and, from 2027, extending to rural areas; (ii) efficiency (approximately 21%), focused on productivity and cost-reduction initiatives such as equipment upgrades, loss reduction and automation, with investment decisions driven by financial return analyses (e.g., NPV, IRR, payback); (iii) renovation (approximately 11%), dedicated to maintenance of the existing asset base, prioritized using a risk matrix that considers service quality, legal, environmental and other risks; and (iv) indirect investments (approximately 1%), aimed at supporting the infrastructure (including IT systems) aligned with Sabesp's corporate strategy. This ambitious investment program is designed to ensure access to safe water and sewage collection for all residents across Sabesp's concession areas, including rural and low-income communities. To achieve these objectives, Sabesp has implemented what it believes to be a robust financing strategy, including bilateral and syndicated loans with leading financial institutions and multilaterals, as well as increased access to local and international capital markets, including through this transaction. In addition, dedicated mechanisms such as FAUSP have been established to mitigate tariff impacts while supporting the acceleration of universalization.

- ***Performance Optimization and Efficiency Enhancement:*** Sabesp is driving a comprehensive operational transformation to optimize efficiency across all areas of their business. This includes deploying zero-based budgeting and leveraging advanced digital solutions such as SAP S/4 HANA. Sabesp's renewed governance model and incentive structure are designed to foster a culture of performance and accountability, supported by a highly experienced and diverse management team. Sabesp has also implemented measures to improve collections and operational efficiency, by entering into a turnkey smart metering service contract with Telefônica Brasil S.A., Telefônica Cloud and Technology of Brazil S.A. for investment in equipment, infrastructure, automation and connectivity solutions. The contract is for approximately R$3.8 billion, and encompasses the implementation of an NB-IoT (Narrow Band - Internet of Things) project and smart water metering.

- ***Growth in Core and Adjacent Businesses:*** Sabesp believes it is strategically positioned to capture growth opportunities both within the State of São Paulo and beyond. Sabesp is focused on expanding its footprint in water and sewage services through bidding for new concessions, as well as exploring adjacent businesses and environmental solutions that complement its core operations. For instance, Sabesp aims to diversify its energy matrix and transition to the free energy market as part of its energy management initiatives, enhancing both cost efficiency and sustainability. To support Sabesp's growth strategy, it has also made significant investments in water spring connectivity to mitigate drought risk, increasing the transfer capacity between water sources from 10.2 m^3/s in 2013 to 21.8 m^3/s in 2024. This has resulted in a more balanced and resilient water supply system for the São Paulo metropolitan region.

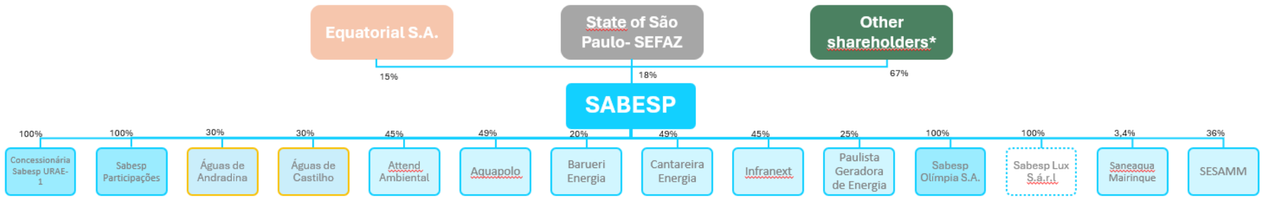
- ***Leadership in Sustainability and Positive Impact:*** Sabesp is at the forefront of sustainability in the sanitation sector, with a comprehensive agenda of positive impact that extends well beyond regulatory requirements. Sabesp's initiatives include transparent reporting aligned with international standards (GRI, SASB, and TCFD (now overseen by the IFRS Foundation and integrated into IFRS S1 and S2)), a pioneering sustainable finance framework, and landmark partnerships such as its collaboration with the UNFCCC. As the first B3-listed green equity company in Brazil's sanitation sector, Sabesp is committed to delivering environmental and social value alongside financial performance. In July 2025, Sabesp, through its subsidiary in Luxembourg, Sabesp Lux S.à r.l, issued U.S.$500 million 5.625% blue senior notes due 2030. The proceeds of this inaugural blue bond are being used in accordance with Sabesp's sustainable finance framework that includes expanding access to water and sewage services, environmental conservation and projects that enhance water system resilience across the State of São Paulo.

- ***Regulatory and Contractual Optimization:*** The new regulatory framework and concession model provides Sabesp with an innovative and backward-looking regulatory environment. In the first tariff cycle, Sabesp will have annual tariff reviews derived from investments made in its regulatory asset base, which will take place in the period where Sabesp will have to make the largest capital expenditures. In line with Sabesp's updated strategy, it aims to enhance value by integrating regulatory considerations into both their strategic planning and daily business operations. As of December 2, 2025, the State of São Paulo has issued a revised tariff structure, resulting in slight increases in sanitation tariffs in line with inflation in Brazil. The revised structure is also aligned to the new regulatory framework and Sabesp believes it allows for greater cash flow predictability.

With this, Sabesp believes it has greater predictability of revenues, clear incentives for efficiency gains and a balanced sharing of value creation between the company, consumers and society. Sabesp's proactive approach to regulatory engagement ensures that it remains agile and resilient in the face of evolving sector dynamics.

Organizational Structure

As of the date of this Offering Memorandum, Sabesp's corporate structure consists of the key operating entity Companhia De Saneamento Básico do Estado de São Paulo – SABESP, as the parent company in Brazil, and four wholly-owned subsidiaries: (i) Sabesp Olimpia S.A., which provides water and sewage services in Olímpia, a municipality located in the interior of the State of São Paulo, (ii) Sabesp Lux S.à r.l., a limited liability company (*societé à responsabilité limité*) incorporated in the Grand Duchy of Luxembourg for granting loans, pledging assets and issuing securities and performance of varied financial, legal, technical and commercial actions, as well as the acquisition of participations in companies, partnerships or enterprises and the management of such participations, (iii) Sabesp Participações S.A., for the acquisition of participations in companies, and (iv) Concessionária Sabesp URAE-1 S.A., a newly incorporated and currently non-operational company intended for providing basic sanitation services in the future. Sabesp also holds minor participation in several other companies, as included below. For further information, see "*Item 4. Information on the Company—A. History and Development of the Company—Overview*" in Sabesp's 2024 Form 20-F, which is incorporated by reference into this Offering Memorandum.



* *As of September 30, 2025.*

** *No individuals control directly or indirectly more than 25% of the ownership of Sabesp.*

Source: Company

General

Sabesp's legal name is Companhia de Saneamento Básico do Estado de São Paulo – SABESP, and its commercial name is SABESP. It was incorporated as a public, mixed-capital company of unlimited duration on October 2, 1973, under the laws of the Federative Republic of Brazil. In 1994, Sabesp was registered with the CVM as a publicly held company and is therefore subject to CVM rules, including those relating to the periodic disclosure of extraordinary facts or relevant events. Its common shares have been listed on B3 under the ticker "SBSP3" since June 4, 1997. In 2002, Sabesp joined the Novo Mercado segment of B3, registered its common shares with the SEC, and began trading its shares in the form of Level III ADRs on the New York Stock Exchange (NYSE) under the ticker "SBS."

Sabesp is registered with the Commercial Registry of the State of São Paulo (Junta Comercial do Estado de São Paulo, or JUCESP) under registration number NIRE 3530001683, and has the Legal Entity Identifier (LEI) 254900UOXRZRS2TNWP19. Sabesp's executive offices are located at Rua Costa Carvalho, 300, CEP 05429-900, São Paulo, SP, Brazil. Sabesp's telephone number is +55 11 3388-8000. Sabesp's investor relations website is https://ri.sabesp.com.br/en/; the contents of that website are not incorporated by reference into this Offering Memorandum.

The above should be read in conjunction with "*Item 4. Information on the Company—A. History and Development of the Company—Overview*" in Sabesp's 2024 Form 20-F, which is incorporated by reference into this Offering Memorandum. In addition, for information related to Sabesp's management structure, including its Board of Directors (*Conselho de Administração*) and Board of Officers (*Diretoria Executiva*), see "*Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management*" in Sabesp's 2024 Form 20-F, which is incorporated by reference into this Offering Memorandum.

Recent Developments

Payments to Shareholders

At Sabesp's Board of Directors Meeting held on December 18, 2025, Sabesp approved: (i) a payment of interest on equity to shareholders, in the total gross amount of R$1,798.0 million, which will be paid on April 30, 2026, and (ii) a R$2,810.0 million increase in Sabesp's capital stock, through the capitalization of part of Sabesp's profits reserves, upon the issuance of 20.264 million new shares, distributed to shareholders at the ratio of 0.029646975 new common shares for each common share they held in the final shareholding position of Sabesp as of December 23, 2025.

Smart Metering Contract

On August 5, 2025, Sabesp entered into a turnkey smart metering service contract with Telefônica Brasil S.A. and Telefônica Cloud and Technology of Brazil S.A. for investments in equipment, infrastructure, and automation and connectivity solutions. The contract involves an approximate amount of R$3.8 billion and the implementation of approximately 4.4 million smart meters in the cities of São Paulo and São José dos Campos by 2029.

EMAE Acquisition

On October 5, 2025, Sabesp entered into two share purchase agreements with: (i) Vórtx Distribuidora de Títulos e Valores Mobiliários Ltda., acting as fiduciary agent on behalf of the debenture holders of the First Issuance of Simple, Non-Convertible Debentures, Secured by Fiduciary Guarantees and Personal Guarantees, in a Single Series, for Private Placement, issued by Phoenix Água e Energia S.A., for the acquisition, by Sabesp of 74.9% of the common shares issued by EMAE – Empresa Metropolitana de Águas e Energia S.A. ("EMAE"), at a price per share of R$59.33; and (ii) Centrais Elétricas Brasileiras S.A. – Eletrobras ("Eletrobras"), for the acquisition, by Sabesp of 66.8% of the preferred shares issued by EMAE, at a price per share of R$32.07. Upon completion of these transactions, Sabesp will hold shares representing 70.1% of EMAE's total share capital, at an aggregate acquisition cost of R$1,131.46 million. On January 20, 2026, the acquisition received final approval from the Brazilian Administrative Council for Economic Defense (*Conselho Administrativo de Defesa Econômica*, or "CADE"). On the same date, the Brazilian Electricity Regulatory

Agency (*Agência Nacional de Energia Elétrica*, or "ANEEL") granted its required prior authorization (*anuência previa*) for the transaction.

37th Issuance of Debentures

On October 24, 2025, Sabesp entered into the indenture to issue its 37th issuance of unsecured non-convertible debentures, targeted to professional investors, issued in two series in an aggregate principal amount of R$5.0 billion ("37th Issuance of Debentures"). The maturity date of the first series of the 37th Issuance of Debentures is November 14, 2032 and the second series of the 37th Issuance of Debentures will mature on November 14, 2035.

JICA Financing

On October 30, 2025, Sabesp entered into a new agreement with the Japan International Cooperation Agency ("JICA") to obtain financing in the total amount of Yen 30 billion (approximately R$1.05 billion). This financing has a twelve-year term and will be used to accelerate Sabesp's Universalization Targets.

Incorporation of Wholly-Owned Subsidiary – Concessionária SABESP URAE-1

On October 17, 2025, Sabesp incorporated a wholly-owned subsidiary: Concessionária SABESP URAE-1 S.A. ("Sabesp URAE-1"), whose corporate purpose is to provide basic sanitation services, aiming at the universalization of water supply and sewage services within its area of operation in the State of São Paulo. Sabesp URAE-1 is currently non-operational. Additionally, the subscription of Sabesp URAE-1's share capital was approved in the total amount of R$1, through the issuance of 1,000 (one thousand) registered common shares with no par value, priced at R$1 each, all of which were fully subscribed by Sabesp.

Power Auto-Generation Contracts

In November, 2025, Sabesp signed two definitive auto-generation contracts for electric energy with (i) Casa dos Ventos S.A., with a 126 MWn generation capacity, and (ii) Engie Brasil Energias Complementares Participações Ltda. with a 60 MWn generation capacity.

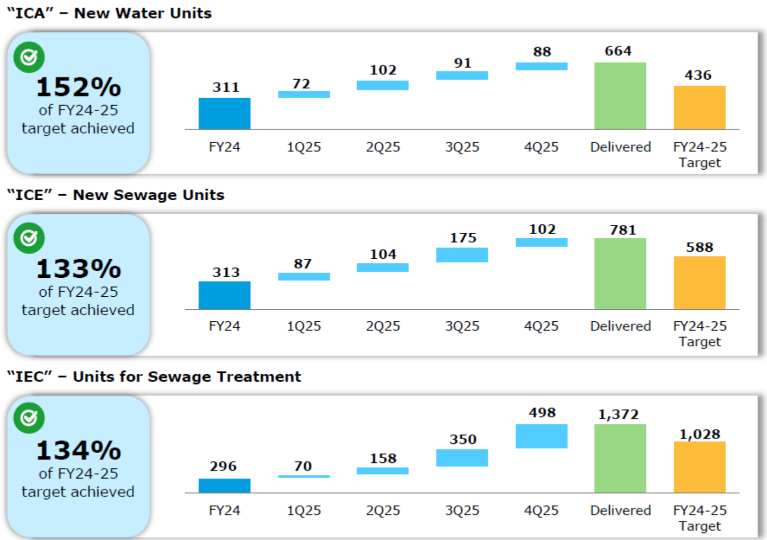
U-Factor metrics

In November 2025, Sabesp completed upgrades at the Rio das Pedras, Sacomã Montante, Jardim Benfica and Marcos Liberi sewage treatment plants. Following the completion of these works, Sabesp reported that it reached 100% of the sewage treatment ("IEC") target established for the 2024–2025 period under the Concession Agreement for URAE-1. The verification of compliance with the applicable U-Factor metrics remains subject to audit by the competent regulatory authorities.

Sabesp also reported results above the U-Factor targets for new water service units ("ICA") and new sewage service units ("ICE"). As of December 31, 2025, Sabesp delivered approximately 664 thousand new ICAs, representing 152% of the target of 436 thousand units for the fiscal years 2024–2025. Sabesp also delivered approximately 781 thousand ICEs, representing 133% of the target of 588 thousand units for the fiscal years 2024–2025.

With respect to IECs, Sabesp reported deliveries of approximately 296.3 thousand units in fiscal year 2024, 69.8 thousand units in the first quarter of 2025, 158.3 thousand units in the second quarter of 2025, 350.2 thousand units in the third quarter of 2025, and approximately 498 thousand units in the fourth quarter of 2025, representing 134% of the target of 1,028 thousand units for fiscal years 2024–2025.

The graphic below illustrates Sabesp's U-Factor fulfillment for 2024 and 2025 (in thousands of units).



Source: Company

Tariff Adjustment

On December 2, 2025, ARSESP published Deliberation No. 1,748/2025, approving the 2026 tariff tables applicable to Sabesp's service area; based on this authorization, Sabesp disclosed that it is permitted to apply an average 6.5% adjustment to user tariffs, with the new tariffs effective January 1, 2026.

Related Party Transactions

On December 24, 2025, Sabesp entered into an agreement with *Fundação Sistema Estadual de Análise* to conduct research aimed at mapping population projections of residents and residences in municipalities in the State of São Paulo. The contract has an execution period of 630 days and a total amount of approximately R$1.6 million.

On October 7, 2025, Sabesp´s board of executive officers approved the execution of an agreement with *Instituto de Pesca da Secretaria de Agricultura e Abastecimento* to implement a monitoring program aimed at mapping and repopulating the ichthyofauna in the State of São Paulo. The contract has an execution period of 360 days and a total amount of approximately R$1.5 million.

On October 7, 2025, Sabesp´s board of executive officers approved the execution of a service agreement with *Instituto de Pesquisas Tecnológicas* for pitot tube calibration services. The agreement has an execution period of 360 days and a total amount of approximately R$0.05 million.

On October 24, 2025, Sabesp´s board of directors approved the execution of an agreement with the State of São Paulo for the gratuitous assignment of a 55,000 square meter area on Rua Almirante Dellamare in the city of São Paulo. The assignment is valid until October 19, 2026.

Fundação Sistema Estadual de Análise, Instituto de Pesca da Secretaria de Agricultura e Abastecimento, and *Instituto de Pesquisas Tecnológicas* are governmental institutes of the State of São Paulo and, therefore, related parties of Sabesp.

Ongoing Legal Proceedings:

On May 30, 2025 Sabesp filed its reference form (*Formulário de Referência*) with the CVM and included in such document a description of legal proceeding No. 2263215-97.2021.8.26.0000, filed by Subcondominio Eldorado Business Tower ("Eldorado") (Main File No. 1011195-34.2020.8.26.0011). In such legal proceeding, Eldorado seeks declaratory relief, combined with a claim for restitution of undue payments, asserting its alleged right to revise the billing under the single-unit criterion for non-residential segments. The claim was dismissed by the court of first instance. Eldorado subsequently (i) filed an appeal seeking to overturn the judgment; and (ii) filed to initiate an Incident of Repetitive Demands (*Incidente de Resolução de Demandas Repetitivas* - IRDR), a procedural mechanism aimed at harmonizing case law on recurring legal issues. Eldorado's appeal was dismissed, and the decision became final (*res judicata*). The IRDR was accepted and was likewise resolved in Sabesp's favor. In response, Eldorado filed a Special Appeal (to the Superior Court of Justice - STJ) and an Extraordinary Appeal (to the Supreme Federal Court - STF). Both are currently pending review as of the date of this Offering Memorandum. At this stage, the amount involved in the lawsuit cannot be reliably estimated. The risk of loss is currently assessed as possible.

Between September and November 2025, certain labor unions (*Sindicato dos Urbanitários* and *Sindicato dos trabalhadores em água, esgoto e meio ambiente do estado de São Paulo*) filed 23 collective action labor lawsuits against Sabesp alleging that Sabesp's salary and job plan (*Plano de Salário e Cargos*) does not provide for salary and job progression by seniority, therefore violating former article 461, § 2 and 3 of the Brazilian Labor Law. As of the date of this Offering Memorandum, in three out of the 23 collective action suits, Sabesp was already awarded a favorable outcome. The remaining suits are still in the investigation phases and are awaiting trial, except for six lawsuits that are currently suspended due to court competency issues. As of the date of this Offering Memorandum, the amount involved in these lawsuits cannot be reliably estimated. The risk of loss is currently assessed as possible.

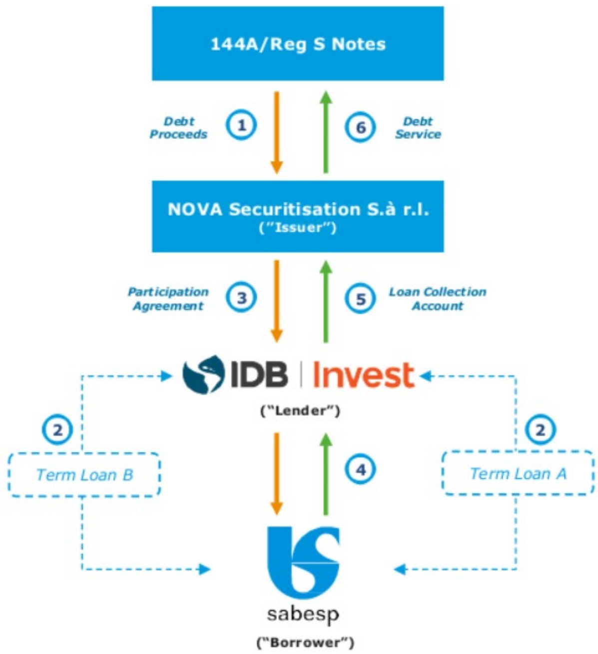
The Issuer

On December 18, 2025, Nova Securitisation S.à r.l., a private limited liability company (*société à responsabilité limitée*), was incorporated under the laws of Luxembourg as an unregulated securitization company (*société de titrisation non réglementée*) within the meaning of, and governed by, the Luxembourg Securitization Law, registered in the Luxembourg Register of Commerce and Companies under number B303758, with its registered office at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg, to act as the issuer of the Notes. The Issuer was incorporated for the purpose of issuing the Notes and purchasing the participation in the Term Loan B by means of the Participation Agreement, as further described in this Offering Memorandum. See "*The Loan Agreement and the Loans,*" "*The Participation Agreement*" and "*Description of the Notes*," and for more information about the Issuer, see "*Description of the Issuer.*"

TRANSACTIONS

Transaction Diagram

The following diagram illustrates the structure of the transaction described in this Offering Memorandum. The diagram is intended to provide an overview of the flow of funds to and from the Issuer and holders of Notes. The diagram does not intend to be complete and is qualified in its entirety by, and should be reviewed in conjunction with, the more detailed information included elsewhere in the Offering Memorandum and the other documents described herein.



1. The Issuer will issue and sell the 2031 Notes and the 2036 Notes pursuant to the Indenture.

2. Concurrently with the issuance of the Notes, Sabesp, as Borrower, will enter into the Loan Agreement with the Lender consisting of (i) a Term Loan A, with a 12-year tenor, and (ii) one or more tranches of a Term Loan B, which will be subject to the Participation Agreement described under "*The Participation Agreement*." Both the Term Loan A and Term Loan B will be disbursed by the Lender to the Borrower.

3. The Issuer uses the proceeds of the issuance of the 2031 Notes and the 2036 Notes to acquire from the Lender the Participation pursuant to the Participation Agreement. Through the Participation Agreement, the Issuer assumes the credit risk associated with the Term Loan B made under the Loan Agreement.

4. The Lender disburses the Loans to Sabesp, as Borrower, as provided in the Loan Agreement. Pursuant to the Loan Agreement, the Loans will be senior unsecured loans, consisting of (i) up to U.S.$200 million in aggregate principal amount of Term Loan A; and (ii) up to U.S.$1,800 million in the aggregate principal amount of Term Loan B. Sabesp, as the Borrower, makes principal, interest and other payments to the Lender or the Loan Paying Agent in accordance with the terms of the Loan Agreement.

5. The payments payable to, or received by, the Lender or the Loan Paying Agent with respect to the Term Loan B made under the Loan Agreement, are transferred to the Issuer pursuant to the Participation Agreement. The Term Loan A will not be subject to participation and must always remain in the proportion of at least 10% of the aggregate outstanding principal balance of the total amount of the Term Loan A and the Term Loan B.

6. The payments payable to, or received by, the Issuer with respect to the Participation made under the Participation Agreement are paid to holders of Notes pursuant to the terms of the Indenture. Pursuant to the Indenture, the Notes will be secured by the Notes Collateral (as defined herein).

The Issuer

The Issuer is a private limited liability company (*société à responsabilité limitée*) organized and existing under the laws of Luxembourg, incorporated on December 18, 2025, and registered with the Luxembourg Trade and Companies Register under number

B303758 as an unregulated securitization company (*société de titrisation non réglementée*) within the meaning of, and governed by, the Luxembourg Securitization Law.

The Issuer is special purpose company that conducts no business operations and has no significant assets of its own other than: (i) its share capital of €12,000 deposited in the Issuer's share capital account; and (ii) prior to the Step-in Right Effective Date (as defined herein), proceeds and rights under the Participation Agreement and, on and after the Step-in Right Effective Date, the Loan Agreement.

Following the issuance of the Notes offered hereby and the entry into the Participation Agreement, the Issuer's material liabilities will include the Notes, obligations under the Notes and obligations under any additional debt it may incur in the future.

The Loan Agreement and the Participation Agreement

Prior to the Issue Date, Sabesp will enter into the Loan Agreement providing for loans in the aggregate principal amount of up to U.S.$2,000 million of senior unsecured loans, consisting of (i) up to U.S.$200 million in aggregate principal amount of Term Loan A and (ii) up to U.S.$1,800 million in the aggregate principal amount of Term Loan B. The Loan Agreement will establish the Term Loan A and the Term Loan B, each of which will constitute senior unsecured obligations of Sabesp and will rank *pari passu* in right of payment with all of Sabesp's existing and future senior unsecured indebtedness. IDB Invest will act as lender under the Loan Agreement. For further information on the Loan Agreement, see "*The Loan Agreement and the Loans.*"

On or prior to the Issue Date, the Lender will enter into the Participation Agreement with the Issuer in order to grant to the Issuer a participation interest in substantially all of the rights and remedies of the Lender under the Term Loan B pursuant to the Loan Agreement. As a result of the Participation granted pursuant to the Participation Agreement, the Issuer will be entitled to receive all of the payments of principal, interest and other amounts payable by the Borrower on, or with respect to the Term Loan B under the Loan Agreement that are actually received by the Lender or the Loan Paying Agent. The rights of the Issuer under the Participation Agreement and, following any Step-in Event (as defined herein), the Loan Agreement, will be pledged in favor of the Collateral Agent for the benefit of the Notes secured parties. See "*The Participation Agreement*" and "*Description of the Notes—General Terms of the Notes—Security*."

IDB Invest

IDB Invest, established on March 23, 1986 pursuant to the Agreement Establishing the Inter-American Investment Corporation, is a multilateral organization that began its operations in 1989. For more information, see "*Description of the Inter-American Investment Corporation*."

SUMMARY FINANCIAL AND OTHER INFORMATION

The following tables present Sabesp's selected historical financial and operating data (i) as of September 30, 2025 and for the nine-month periods ended September 30, 2025 and 2024, (ii) as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 and (iii) as of December 31, 2023 and 2022 and for each of the two years in the period ended December 31, 2023. This information should be read in conjunction with Sabesp's audited Consolidated Financial Statements and reviewed Interim Consolidated Financial Statements and their related Notes, as well as the information under "Presentation of Financial Information and Certain Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" included elsewhere in this Offering Memorandum and in Sabesp's 2024 Form 20-F.

The financial data set out below (i) as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 and (ii) as of December 31, 2023 and 2022 and for each of the two years in the period ended December 31, 2023 were derived from Sabesp's Consolidated Financial Statements. The summary financial data set out below as of September 30, 2025 and for the nine-month periods ended September 30, 2025 and 2024 were derived from Sabesp's Interim Consolidated Financial Statements. The amounts in the following tables were converted from *reais* to U.S. dollars using a rate of R$5.3186 to U.S.$1.00, the U.S. dollar selling rate of September 30, 2025 as published by the Central Bank.

Summary Consolidated Balance Sheet Information

	As of September 30,		As of December 31,		
	2025		2024		2023
	(U.S.$ millions)(1)	*(R$ millions)*	*(U.S.$ millions - Unaudited)*(1)	*(R$ millions)*	*(R$ millions)*
Assets					
Current assets					
Cash and cash equivalents	934.3	4,969.0	316.4	1,682.6	838.5
Financial investments	1,256.1	6,680.9	695.6	3,699.7	2,426.8
Trade receivables	843.0	4,483.5	732.3	3,894.6	3,584.3
Accounts Receivable from related parties	53.5	284.6	60.1	319.5	261.3
Inventories	5.4	28.8	2.0	10.8	86.0
Restricted cash	10.4	55.5	7.1	37.7	54.9
Taxes recoverable	80.1	425.8	150.6	800.8	494.6
Derivative financial instruments	-	-	12.7	67.4	-
Other assets	21.2	112.8	18.0	95.8	37.1
Total current assets	**3,204.0**	**17,040.9**	**1,994.7**	**10,608.9**	**7,783.5**
Non-current assets					
Financial investments	-	-	144.6	769.1	-
Trade receivables	48.2	256.1	61.6	327.8	272.4
Accounts receivable from related parties	165.8	882.0	170.9	908.9	935.3
Escrow deposits	24.6	130.8	26.2	139.2	131.0
Deferred income tax and social contribution	-	-	-	-	98.1
Water and Basic Sanitation National Agency - ANA	0.4	2.2	0.4	2.0	2.7
Other assets	6.5	34.6	25.4	135.2	159.0
Investments	43.8	233.2	40.6	215.8	161.9
Investment properties	2.7	14.4	8.8	46.6	46.7
Contract asset	2,145.7	11,411.9	917.1	4,877.7	7,393.1
Financial asset (indemnity)	3,637.8	19,348.2	3,309.4	17,601.6	-
Intangible assets	8,642.2	45,964.2	8,417.8	44,771.1	44,012.8
Property, plant and equipment	125.8	669.0	105.6	561.5	474.5
Total non-current assets	**14,843.5**	**78,946.6**	**13,228.4**	**70,356.5**	**53,687.5**
Total assets	**18,047.5**	**95,987.5**	**15,223.1**	**80,965.4**	**61,471.0**

(1) Solely for the convenience of the reader, Brazilian real amounts have been translated into U.S. dollars at the selling rate on September 30, 2025 of R$5.3186 to U.S.$1.00. The U.S. dollar equivalent information presented in this Offering Memorandum is provided solely for the convenience of investors and should not be construed as implying that the amounts in reais represent, or could have been or could be converted into, U.S. dollars at such rates or any other rate.

	As of September 30,		As of December 31,		
	2025		2024		2023
	(U.S.$ millions)(1)	*(R$ millions)*	*(U.S.$ millions)*(1)	*(R$ millions)*	*(R$ millions)*
Liabilities and equity					
Current liabilities					
Trade payables and contractors	286.9	1,526.0	144.1	766.6	456.2
Borrowings and financing	1,087.2	5,782.6	589.2	3,133.9	2,616.4
Labor and social obligations	210.7	1,120.5	241.8	1,286.2	807.4
Taxes and contributions payable	138.3	735.4	111.2	591.3	512.0
Deferred PIS/Cofins	13.9	74.1	-	-	-
Dividends and interest on capital payable	0.3	1.5	427.9	2,275.9	837.4
Provisions	250.4	1,331.6	290.7	1,546.2	1,064.4

Services payable	423.9	2,254.7	270.5	1,438.5	750.7
Public-Private Partnership - PPP	87.4	465.0	85.0	452.3	487.9
Program Contract Commitments	-	-	-	-	22.0
Derivative financial instruments	154.6	822.3	-	-	-
Performance Agreements	41.9	222.6	54.0	287.1	634.5
Other liabilities	37.2	198.1	36.5	194.3	218.9
Total current liabilities	**2,732.8**	**14,534.6**	**2,251.0**	**11,972.3**	**8,407.8**
Non-current liabilities					
Borrowings and financing	5,479.6	29,143.8	4,159.8	22,124.4	16,919.9
Deferred income tax and social contribution	514.7	2,737.6	500.5	2,661.9	-
Deferred PIS/Cofins	210.0	1,117.1	210.2	1,117.8	164.1
Provisions	90.2	479.5	168.4	895.5	762.1
Pension plan obligations	366.5	1,949.2	363.1	1,931.1	2,142.9
Public-Private Partnership - PPP	537.2	2,857.1	536.6	2,853.9	2,798.7
Program Contract Commitments	-	-	-	-	12.0
Performance Agreements	18.9	100.6	25.8	137.4	168.3
Other liabilities	67.3	357.7	64.5	343.0	237.8
Total non-current liabilities	**7,284.4**	**38,742.6**	**6,028.8**	**32,065.0**	**23,205.8**
Total liabilities	**10,017.1**	**53,277.2**	**8,279.9**	**44,037.3**	**31,613.6**
Equity					
Capital stock	3,459.6	18,400.0	2,820.3	15,000.0	15,000.0
Capital reserves	1.1	5.9	-	-	-
Earnings reserves	3,430.9	18,247.7	4,070.2	21,647.7	14,711.0
Other comprehensive income	52.6	280.0	52.7	280.4	146.4
Retained Earnings/Accumulated Losses	1,086.1	5,776.6	-	-	-
Total equity	**8,030.4**	**42,710.3**	**6,943.2**	**36,928.1**	**29,857.4**
Total equity and liabilities	**18,047.5**	**95,987.5**	**15,223.1**	**80,965.4**	**61,471.0**

(1) Solely for the convenience of the reader, Brazilian real amounts have been translated into U.S. dollars at the selling rate on September 30, 2025 of R$5.3186 to U.S.$1.00. The U.S. dollar equivalent information presented in this Offering Memorandum is provided solely for the convenience of investors and should not be construed as implying that the amounts in reais represent, or could have been or could be converted into, U.S. dollars at such rates or any other rate.

Summary Consolidated Statement of Income

	For the nine-month period ended September 30,			For the year ended December 31,		
	2025		2024	2024	2023	2022
	(US$ millions)[(1)]	*(R$ millions)*	*(R$ millions)*		*(R$ millions)*	
Net operating revenue	**5,041.9**	**26,815.6**	**28,306.6**	**36,145.5**	**25,572.1**	**22,055.7**
Operating costs	(3,112.0)	(16,551.5)	(11,827.9)	(16,603.1)	(16,051.9)	(14,350.9)
Gross profit	**1,929.8**	**10,264.1**	**16,478.7**	**19,542.4**	**9,520.2**	**7,704.8**
Selling expenses	(89.2)	(474.3)	(635.2)	(917.6)	(984.1)	(912.0)
Allowance for doubtful accounts	5.3	28.4	(402.5)	(557.8)	(652.9)	(782.1)
Administrative expenses	(210.5)	(1,119.5)	(1,574.0)	(2,311.4)	(1,597.5)	(1,398.5)
Other operating income (expenses), net	(1.3)	(6.9)	(155.8)	(280.4)	27.9	8.4
Equity accounting	6.0	32.0	25.6	35.3	32.4	24.6
Profit from operations before financial income (expenses)	**1,640.2**	**8,723.8**	**13,736.8**	**15,510.5**	**6,346.0**	**4,645.2**
Financial result, net	**(0.8)**	**(4.2)**	**(1,324.7)**	**(1,867.7)**	**(1,592.0)**	**(372.4)**
Profit before income tax and social contribution	**1,639.5**	**8,719.6**	**12,412.1**	**13,642.8**	**4,754.0**	**4,272.8**
Income tax and social contribution						
Current	(539.1)	(2,867.3)	(1,513.4)	(1,302.6)	(1,545.7)	(1,230.2)
Deferred	(14.2)	(75.7)	(2,754.1)	(2,760.6)	315.2	78.7
Profit for the period	**1,086.1**	**5,776.6**	**8,144.6**	**9,579.6**	**3,523.5**	**3,121.3**
Earnings per share – basic and diluted (in reais)	**1.59**	**8.45**	**11.92**	**14.02**	**5.16**	**4.57**

(1) Solely for the convenience of the reader, Brazilian real amounts have been translated into U.S. dollars at the selling rate on September 30, 2025 of R$5.3186 to U.S.$1.00. The U.S. dollar equivalent information presented in this Offering Memorandum is provided solely for the convenience of investors and should not be construed as implying that the amounts in reais represent, or could have been or could be converted into, U.S. dollars at such rates or any other rate.

Other Financial Data (unaudited)

	As of and for the nine-month period ended September 30,		As of and for the year ended December 31,		
	2025	2024	2024	2023	2022
	(R$ millions, except as otherwise indicated)				
EBITDA [(1)]	10,385.8	15,893.0	18,187.1	9,136.6	7,096.0
Net debt [(2)]	23,276.6	20,188.2	19.876,0	16,271.1	15,413.3
Net debt/LTM Adjusted EBITDA [(3)]	2.0	N/A	2.0	1.8	2.2
Adjusted Net Operating Revenue[(4)]	16,451.2	16,160.6	21,614.8	19,968.4	17,192.0
Adjusted EBITDA [(5)]	9,617.5	7,795.8	9,742.4	9,011.0	6,986.6
Adjusted EBITDA Margin [(6)]	58.5%	48.2%	45.1%	45.1%	40.6%

(1) Sabesp calculates EBITDA pursuant to CVM Resolution No. 156, dated June 23, 2022, or CVM Resolution No. 156, as profit for the period/year *plus* income tax and social contribution expenses (current and deferred), *plus* net financial result *plus* depreciation and amortization. For additional information regarding EBITDA, see "Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures."

(2) Sabesp calculates Net Debt as Gross Debt *less* (i) cash and cash equivalents, and (ii) financial investments. For additional information regarding Net Debt, see "Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures

(3) Sabesp calculates Net debt/LTM Adjusted EBITDA as Net Debt divided by LTM Adjusted EBITDA. For additional information regarding Net Debt and LTM Adjusted EBITDA, see "Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures."

(4) Sabesp calculates Adjusted Net Operating Revenue as net operating revenue *less* (i) construction revenue, and (ii) financial asset revenue, net. Adjusted Net Operating Revenue is considered a non-GAAP financial measure and is not a measure recognized by Brazilian Accounting Practices or IFRS, nor should it be considered in isolation or as an alternative to net operating revenue, as a measure of operational performance, or as an alternative to operational cash flows, or as a measure of liquidity. It does not have a standardized meaning and may not be comparable to similar measures used by other companies. For additional information regarding Adjusted Net Operating Revenue, see "Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures."

(5) Sabesp calculates Adjusted EBITDA as EBITDA for the period *less* (i) construction margin and (ii) financial asset revenue, net. Adjusted EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net income as a measure of operating performance. Adjusted EBITDA does not have a standardized meaning, and Sabesp's definition of Adjusted EBITDA may not be comparable with those used by other companies. Adjusted EBITDA presents limitations that limit its usefulness as a measure of profitability, as a result of not considering certain costs arising from Sabesp's business, which may significantly affect its profits, as well as financial expenses, taxes and depreciation. For additional information regarding Adjusted EBITDA, see "Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures."

(6) Sabesp calculates Adjusted EBITDA Margin as Adjusted EBITDA *divided* by Adjusted Net Operating Revenue. Adjusted EBITDA Margin is not a measure of financial performance under IFRS and should not be considered as an alternative to net income as a measure of operating performance. Adjusted EBITDA Margin does not have a standardized meaning, and Sabesp's definition of Adjusted EBITDA Margin may not be comparable with those used by other companies. For additional information regarding Adjusted EBITDA Margin, see "Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures."

EBITDA, Adjusted EBITDA, Adjusted Net Operating Revenue and Adjusted EBITDA Margin Reconciliation	For the nine-month period ended September 30,		For the year ended December 31,		
	2025	2024	2024	2023	2022
	(R$ millions)				
Profit for the period/year	5,776.6	8,144.6	9,579.4	3,523.5	3,121.3
(+) Financial result, net	4.2	1,324.7	1,867.7	1,592.0	372.4
(+) Depreciation and amortization	1,662.0	2,156.1	2,676.6	2,790.6	2,450.8
(+) Income tax and social contribution	2,943.0	4,267.5	4,063.3	1,230.5	1,151.5
EBITDA[(1)]	**10,385.8**	**15,893.0**	**18,187.2**	**9,136.6**	**7,096.0**
(-) Construction margin [(2)]	-	(93.1)	(140.0)	(125.6)	(109.4)
(-) Financial asset revenue, net[(3)]	(768.3)	(8,004.0)	(8,304.8)	-	-
Adjusted EBITDA[(4)]	**9,617.5**	**7,795.8**	**9,742.4**	**9,011.0**	**6,986.6**
Net Operating Revenue	26,815.6	28,306.5	36,145.5	25,572.1	22,055.7
(-) Financial asset revenue, net[(3)]	(768.3)	(8,004.0)	(8,304.8)	-	-
(-) Construction revenue	(9,596.2)	(4,142.0)	(6,225.9)	(5,600.3)	(4,863.8)
Adjusted Net Operating Revenue[(5)]	**16,451.2**	**16,160.6**	**21,614.8**	**19,971.8**	**17,191.9**
Adjusted EBITDA Margin[(6)]	**58.5%**	**48.2%**	**45.1%**	**45.1%**	**40.6%**

(1) Sabesp calculates EBITDA pursuant to CVM Resolution No. 156, dated June 23, 2022, or CVM Resolution No. 156, as profit for the period/year plus income tax and social contribution expenses (current and deferred), *plus* net financial result plus depreciation and amortization. For additional information regarding EBITDA, see "Presentation of Financial and Certain Other Information— Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures."

(2) Sabesp calculates construction margin as construction revenue *less* construction cost. In July 2024, Sabesp signed the Concession Agreement for URAE-1 resulting in a single concession covering 371 cities until its expiration in 2060. This contract provides greater legal assurances and grants an unconditional right to receive a cash indemnity at the end of the concession period. Accordingly, Sabesp recognized a concession asset bifurcation accounting for the contractual right that assets which will not be fully amortized during the concession period will be indemnified.

(3) Sabesp calculates financial assets revenue, net as financial asset of the concession, net *less* PIS and COFINS taxes.

(4) Sabesp calculates Adjusted EBITDA as EBITDA for the period *less* (i) construction margin and (ii) financial asset revenue, net. Adjusted EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net income as a measure of operating performance. Adjusted EBITDA does not have a standardized meaning, and Sabesp's definition of Adjusted EBITDA may not be comparable with those used by other companies. Adjusted EBITDA presents limitations that limit its usefulness as a measure of profitability, as a result of not considering certain costs arising from Sabesp's business, which may significantly affect its profits, as well as financial expenses, taxes and depreciation. For additional information regarding Adjusted EBITDA, see "Presentation of Financial and Certain Other Information— Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures."

(5) Sabesp calculates Adjusted Net Operating Revenue as net operating revenue *less* (i) construction revenue, and (ii) financial asset revenue, net. Adjusted Net Operating Revenue is considered a non-GAAP financial measure and is not a measure recognized by Brazilian Accounting Practices or IFRS, nor should it be considered in isolation or as an alternative to net operating revenue, as a measure of operational performance, or as an alternative to operational cash flows, or as a measure of liquidity. It does not have a standardized meaning and may not be comparable to similar measures used by other companies. For additional information regarding Adjusted Net Operating Revenue, see "Presentation of Financial and Certain Other Information— Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures."

(6) Sabesp calculates Adjusted EBITDA Margin as Adjusted EBITDA divided by Adjusted Net Operating Revenue. Adjusted EBITDA Margin is not a measure of financial performance under IFRS and should not be considered as an alternative to net income as a measure of operating performance. Adjusted EBITDA Margin does not have a standardized meaning, and

Sabesp's definition of Adjusted EBITDA Margin may not be comparable with those used by other companies. For additional information regarding Adjusted EBITDA Margin, see "Presentation of Financial and Certain Other Information— Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures."

LTM EBITDA, LTM Adjusted Net Operating Revenue, and LTM Adjusted EBITDA Margin Reconciliation	As of and for the nine-month period ended September 30,		As of and for the year ended December 31,	As of and for the twelve-month period ended September 30,
	2025 (a)	2024 (b)	2024 (c)	2025 (c)-(b)+(a) = LTM
(+) Net profit for the period/year	5,776.6	8,144.6	9,579.6	7,211.8
(+) Financial result	4.2	1,324.7	1,867.7	542.2
(+) Depreciation and amortization	1,662.0	2,156.1	2,676.6	2,182.5
(+) Income and social contribution taxes	2,943.0	4,267.5	4,063.3	2,738.8
EBITDA[1]	**10,385.8**	**15,893.0**	**18,187.2**	**12,680.0**
(-) Construction margin[2]	-	(93.1)	(140.0)	(46.9)
(-) Financial asset revenue, net[3]	(768.3)	(8,004.0)	(8,304.8)	(1,069.1)
Adjusted EBITDA[4]	**9,617.5**	**7,795.8**	**9,742.4**	**11,564.1**
Net Operating Revenue	26,815.6	28,306.5	36,145.5	34,654.5
(-) Financial asset revenue, net[3]	(768.3)	(8,004.0)	(8,304.8)	(1,069.1)
(-) Construction revenue	(9,596.2)	(4,142.0)	(6,225.9)	(11,680.0)
Adjusted Net Operating Revenue[5]	**16,451.2**	**16,160.6**	**21,614.8**	**21,905.4**
Adjusted EBITDA Margin[6]	**58.5%**	**48.2%**	**45.1%**	**52.8%**

(1) Sabesp calculates EBITDA for the twelve-month period ended September 30, 2025, or LTM EBITDA, as EBITDA for the year ended December 31, 2024 plus EBITDA for the nine-month period ended September 30, 2025 *less* EBITDA for the nine-month period ended September 30, 2024. Sabesp calculates EBITDA pursuant to CVM Resolution No. 156, dated June 23, 2022, or CVM Resolution No. 156, as profit for the period/year plus income tax and social contribution expenses (current and deferred), plus net financial result plus depreciation and amortization.

(2) Sabesp calculates construction margin as construction revenue *less* construction cost. In July 2024, Sabesp signed the Concession Agreement for URAE-1 resulting in a single concession covering 371 cities until its expiration in 2060. This contract provides greater legal assurances and grants an unconditional right to receive a cash indemnity at the end of the concession period. Accordingly, Sabesp recognized a concession asset bifurcation accounting for the contractual right that assets which will not be fully amortized during the concession period will be indemnified.

(3) Sabesp calculates financial assets revenue, net as financial asset of the concession, net *less* PIS and COFINS taxes.

(4) Sabesp calculates Adjusted EBITDA for the twelve-month period ended September 30, 2025, or LTM Adjusted EBITDA, as Adjusted EBITDA for the year ended December 31, 2024, less Adjusted EBITDA for the nine-month period ended September 30, 2024, *plus* Adjusted EBITDA for the nine-month period ended September 30, 2025.Sabesp calculates Adjusted EBITDA as EBITDA for the period *less* (i) construction margin and (ii) financial asset revenue, net. Adjusted EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net income as a measure of operating performance. Adjusted EBITDA does not have a standardized meaning, and Sabesp's definition of Adjusted EBITDA may not be comparable with those used by other companies. Adjusted EBITDA presents limitations that limit its usefulness as a measure of profitability, as a result of not considering certain costs arising from Sabesp's business, which may significantly affect its profits, as well as financial expenses, taxes and depreciation. For additional information regarding LTM Adjusted EBITDA and Adjusted EBITDA, see "*Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures*"

(5) Sabesp calculates Adjusted Net Operating Revenue for the twelve-month period ended September 30, 2025, or LTM Adjusted Net Operating Revenue, as Adjusted Net Operating Revenue for the year ended December 31, 2024, *less* Adjusted Net Operating Revenue for the nine-month period ended September 30, 2024, plus Adjusted Net Operating Revenue for the nine-month period ended September 30, 2025. Sabesp calculates Adjusted Net Operating Revenue as net operating revenue less (i) construction revenue, and (ii) financial asset revenue, net. Adjusted Net Operating Revenue is considered a non-GAAP financial measure and is not a measure recognized by Brazilian Accounting Practices or IFRS, nor should it be considered in isolation or as an alternative to net operating revenue, as a measure of operational performance, or as an alternative to operational cash flows, or as a measure of liquidity. It does not have a standardized meaning and may not be comparable to similar measures used by other companies. For additional information regarding Adjusted Net Operating Revenue, see "*Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures*"

(6) Sabesp calculates Adjusted EBITDA Margin for the twelve-month period ended September 30, 2025, or LTM Adjusted EBITDA Margin, as Adjusted EBITDA Margin for the year ended December 31, 2024, *less* Adjusted EBITDA Margin for the nine-month period ended September 30, 2024, *plus* Adjusted EBITDA Margin for the nine-month period ended September 30, 2025. Sabesp calculates Adjusted EBITDA Margin as Adjusted EBITDA divided by Adjusted Net Operating Revenue. Adjusted EBITDA Margin is not a measure of financial performance under IFRS and should not be considered as an alternative to net income as a measure of operating performance. Adjusted EBITDA Margin does not have a standardized meaning, and Sabesp's definition of Adjusted EBITDA Margin may not be comparable with those used by other companies. For additional information regarding Adjusted EBITDA Margin, see "*Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures*"

Gross Debt, Net Debt, Net Debt/LTM Adjusted EBITDA Reconciliation	As of September 30,	As of December 31,		
	2025	2024	2023	2022
		(R$ millions)		
Borrowings and financing (current liabilities)	5,782.6	3,133.9	2,616.4	2,246.0
Borrowings and financing (noncurrent liabilities)	29,143.8	22,124.4	16,919.9	16,712.7
Gross Debt[1]	**34,926.4**	**25,258.3**	**19,536.3**	**18,958.7**
(-) Cash and Cash Equivalents	(4,969.0)	(1,682.6)	(838.5)	(1,867.5)
(-) Financial investments	(6,680.9)	(3,699.7)	(2,426.8)	(1,677.9)
Net Debt[2]	**23,276.6**	**19,876.0**	**16,271.0**	**15,413.3**
Net Debt/LTM Adjusted EBITDA[3]	2.0	2.0	1.8	2.2
Total equity	42,710.3	36,928.1	29,857.4	27,333.5
Total Capital[4]	**65,986.9**	**56,804.1**	**46,128.4**	**42,746.8**

(1) Sabesp calculates Gross Debt as current borrowings and financing *plus* non-current borrowings and financing.

(2) Sabesp calculates Net Debt as Gross Debt *less* (i) cash and cash equivalents, and (ii) financial investments. For additional information regarding Net Debt, see "*Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures*"

(3) Sabesp calculates Net debt/LTM Adjusted EBITDA as Net Debt *divided* by LTM Adjusted EBITDA. For additional information regarding Net Debt and LTM Adjusted EBITDA, see "*Presentation of Financial and Certain Other Information—Special Note Regarding Non-IFRS or Non-Brazilian GAAP Financial Measures*"

(4) Sabesp calculates Total Capital as total equity *plus* Net Debt.

Key Operating Metrics: Metric Universal and Equitable Access to Water & Sanitation	For the nine-month period ended September 30,	For the twelve-month period ended September 30,	For the year ended December 31,		
	2025	2025	2024	2023	2022

Volume of Water Produced (millions of cubic meters)	2,438	3,230	3,130	2,953	2,847
Volume of Treated Sewage (millions of cubic meters)......	884	1,201	1,305	1,290	1,234
Population Served with Water Supply (millions)	29.7	29.7	28.1	28.1	28.0
Population Served with Sewage Collection (millions)	26.7	26.7	25.1	24.9	24.7
Water - Active and Registered Units (millions of economies)	13,370	13,370	13,233	12,928	12,751
Sewage - Active and Registered Units (millions of economies)	11,935	11,935	11,762	11,582	11,377
Total Billed Water and Sewage Volume (millions of cubic meters)	3,284	4,372	4,325	4,210	4,119
Total Water Connections (millions)	9.5	9.5	9.5	9.3	9.2
Sewage Connections (millions)...	8.2	8.2	8.2	8.1	8.0

DESCRIPTION OF THE ISSUER

Nova Securitisation S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, as an unregulated securitization company (*société de titrisation non réglementée*) within the meaning of, and governed by the Luxembourg Securitization Law with its registered office is at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg, is the Issuer of the Notes. The Issuer was incorporated on December 18, 2025, for an unlimited length of time, and is registered in the Luxembourg Register of Commerce and Companies register under number B303758. The Issuer was incorporated for the purpose of issuing the Notes, purchasing the participation to the Term Loan B by means of the Participation Agreement and receiving from the Lender, the payments, as the case may be, corresponding to the B Facility as further described. See "*The Loan Agreement and the Loans*" and "*The Participation Agreement.*"

The Issuer's corporate purpose is described in its articles of incorporation and consists, inter alia, in the acquisition in the context of securitization operations governed by and under the Luxembourg Securitization Law, and more specifically to enter into transactions by which it acquires or assumes, directly or indirectly or through another entity or synthetically, risks relating to receivables, other assets or liabilities of third parties or inherent to all or part of the activities carried out by third parties. The Issuer may in particular finance the acquisition or assumption of such risks by the issuance of financial instruments and may acquire, by subscription, purchase and exchange or in any other manner, any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and, more generally, any financial instruments issued by any public or private entity.

Under its articles of incorporation, the Issuer is authorized to both enter into amendments of the Participation Agreement and enter into a new participation agreement with the Lender.

The Issuer is managed by three managers appointed by the Issuer Administrator (as defined below). It is unaware of any conflicts of interest between the duties that the three managers owe to the Issuer and such managers' private interests or other duties. The managers of the Issuer are Coralie Grunfelder, Peter Diehl and Andrea Brando, all professionally residing at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg.

The Issuer is wholly owned by Stichting NOVA Securitisation, a foundation (*stichting*) established under the laws of the Netherlands with legal personality and for a specific purpose, having its registered office at Herikerbergweg 238,1101 CM Amsterdam, the Netherlands and registered with the Dutch Trade Register of the Chambers of Commerce (*Kamer van Koophandel*) under number 99119390. Stichting NOVA Securitisation is not owned or controlled by any person other than its board of directors responsible for the management and administration of Stichting NOVA Securitisation in accordance with the foundation documents. Stichting NOVA Securitisation has no beneficial interest in and derives no benefit from its holding of the shares issued by the Issuer. Stichting NOVA Securitisation will apply any income derived by it from the Issuer solely for charitable purposes. Stichting NOVA Securitisation is governed and represented by a board responsible for the foundation's management and administration. The board of directors of Stichting NOVA Securitisation is provided by TMF Management B.V., a company validly organized and existing under the laws of the Netherlands, having its statutory seat in Luna ArenA, Herikerbergweg 238, 1101 CM Amsterdam, the Netherlands, registered with the Dutch Chamber of Commerce under number 33126512.

The articles of incorporation of the Issuer, have been published in the Recueil Electronique des Sociétés et Associations.

The Issuer will be administered by TMF Luxembourg S.A. (the "Issuer Administrator"), a public limited liability company (*société anonyme*) organized under the laws of Luxembourg, having its registered office at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B41771. The Issuer Administrator's representatives, members, directors, managers or administrators and officers have not participated in the preparation of this Offering Memorandum.

The authorized share capital of the Issuer is €12,000 divided into 12,000 ordinary shares of €1 par value each, all of which have been issued. All of the shares of the Issuer are fully paid.

The Issuer has no prior operating history or prior business and will not have any substantial assets or liabilities other than in connection with the Notes.

The Issuer has no, and is not expected to have any, assets other than €12,000 in cash representing its issued and paid-in share capital, such fees payable to it in connection with the issue of the Notes and the acquisition of assets in connection with the Notes, the bank account into which the paid-in share capital and fees are deposited, any interest earned thereon and the assets on which the Notes are secured. Except for fees generated in connection with the issuance of the Notes, any related profits and proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-in share capital, the Issuer does not expect to accumulate any surpluses.

As of the date of this Offering Memorandum, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

The Issuer has not yet published financial statements for any period. The Issuer's fiscal year begins on January 1 and ends on December 31; however, its first fiscal year began from its date of incorporation (December 18, 2025) and will end on December 31, 2026. The Issuer will prepare its annual financial statements in accordance with Luxembourg law and will not prepare interim financial statements. As of the date of the Indenture, the Notes will be the only outstanding debt of the Issuer, and there has been no other material change in the Issuer's financial position or prospects since its date of incorporation. The Issuer has designated PricewaterhouseCoopers Assurance, Société coopérative as the approved statutory auditor (*réviseur d'entreprise agréé*) of its annual financial statements for its financial year ending on December 31, 2026.

THE OFFERING

This summary highlights information presented in greater detail elsewhere in this Offering Memorandum. This summary is not complete and does not contain all of the information that you should consider before investing in the Notes and the Term Loan B. For a more complete description of the terms of the Notes, see "The Loan Agreement and the Loans," "The Participation Agreement" and "Description of the Notes." You should read this entire Offering Memorandum *carefully before investing in the Notes.*

Terms of the Notes

Issuer	Nova Securitisation S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 46A, J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number 99119390.
Initial Purchasers	Goldman Sachs & Co. LLC, Itau BBA USA Securities, Inc. and J.P. Morgan Securities LLC.
Notes Offered	2031 Notes: U.S.$850 million in aggregate principal amount of 5.750% blue senior secured notes due 2031. 2036 Notes: U.S.$500 million in aggregate principal amount of 6.500% blue senior secured notes due 2036. From time to time, the Issuer may, without the consent of the holders, issue additional notes of an existing series or one or more new series of Notes (collectively, the "Additional Notes"). The issuance of any Additional Notes would be subject to the conditions set forth under "*Description of the Notes—Additional Notes*."
Maturity Dates	2031 Notes: February 3, 2031. 2036 Notes: February 3, 2036.
Interest	The 2031 Notes will bear interest at the rate of 5.750% per annum. Interest will accrue from February 3, 2026 and will be payable semi-annually in arrears on February 3 and August 3 of each year, commencing on August 3, 2026. The 2036 Notes will bear interest at the rate of 6.500% per annum. Interest will accrue from February 3, 2026 and will be payable semi-annually in arrears on February 3 and August 3 of each year, commencing on August 3, 2026. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.
Issue Price	2031 Notes: 99.465% of the principal amount plus accrued interest, if any, from February 3, 2026. 2036 Notes: 99.096% of the principal amount plus accrued interest, if any, from February 3, 2026.
Issue Date	February 3, 2026.
Ranking	The Notes will: • be general senior, secured direct, unconditional and unsubordinated obligations of the Issuer; • rank *pari passu* in right of payment, without any preferences among themselves, with all other present and future

unsubordinated obligations of the Issuer (other than obligations preferred by statute or by operation of law); and

- have the benefit of security described below under "—*Notes Collateral*."

See "*Description of the Notes—General Terms of the Notes*."

Loan Agreement and Participation Agreement............

Prior to the Issue Date, Sabesp will enter into the Loan Agreement providing for loans in the aggregate principal amount of up to U.S.$2,000 million of senior unsecured loans, consisting of (i) up to U.S.$200 million in aggregate principal amount of Term Loan A and (ii) up to U.S.$1,800 million in the aggregate principal amount of Term Loan B.

In addition, on or prior to the Issue Date, the Lender will enter into the Participation Agreement with the Issuer in order to grant to the Issuer a participation interest in substantially all of the rights and remedies of the Lender under the Term Loan B pursuant to the Loan Agreement.

Pursuant to the Participation Agreement, the net proceeds received from the sale of (i) the 2031 Notes will be used to purchase a Participation in the Initial B-1 Loan and (ii) the 2036 Notes will be used to purchase a Participation in the Initial B-2 Loan, in each case, that will be disbursed by the Lender to the Borrower (pursuant to the Loan Agreement) simultaneously with, and using the proceeds from, the issuance of such Notes.

As a result of the Participation granted pursuant to the Participation Agreement, the Issuer will be entitled to receive all of the payments of principal, interest and other amounts payable by the Borrower on, or with respect to, the Term Loan B under the Loan Agreement that was actually received by the Lender.

See "*The Loan Agreement and the Loans*" and "*The Participation Agreement*."

Indenture..

The Notes will be issued pursuant to an Indenture entered into by the Issuer, the Participation Administrative Agent, the Trustee, the Collateral Agent, the Registrar, Paying Agent and Transfer Agent (the "Base Indenture"), as supplemented by a supplemental indenture to be dated as of the Issue Date (the Base Indenture as so supplemented, the "Indenture").

Step-in Right..

Under the Loan Agreement, at any time after the Issue Date, and in connection and concurrently with the occurrence of an Original Lender Payoff Event (as defined in "*The Loan Agreement and the Loans*") whereby the Borrower fully pays and discharges in full all obligations owed under the Term Loan A (as defined in "*The Loan Agreement and the Loans*") pursuant to a mandatory prepayment in connection with a Loan Change of Control, an Unauthorized Share Transaction or Illegality (each as defined in "*The Loan Agreement and the Loans*") or with respect to certain specified Loan Events of Default (see "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments*"), the Borrower will have the right to require the Issuer to execute and deliver a Lender Joinder Agreement (as defined in "*The Loan Agreement and the Loans*") (such right, the "Step-in Right") pursuant to which the Issuer will become the Lender under the Loan Agreement (such event, the "Step-in Event" and the date of the exercise of such Step-in Right, the "Step-in Right Effective Date").

	On the Step-in Right Effective Date and concurrently with the occurrence of an Original Lender Payoff Event, the Loan Agreement will be deemed to be automatically amended as described under "*The Loan Agreement and the Loans—Step-in Right*" and the Participation Agreement will be automatically terminated. Furthermore, with effect from the Step-in Right Effective Date, the Issuer will be deemed to have lent and the Borrower will be deemed to have borrowed the Term Loan B in an aggregate principal amount equal to the aggregate principal amount of the Term Loan B that remains outstanding as of the date of the Original Lender Payoff Event (the "Step-in Loan"). See "*Description of the Notes—The Loan Agreement and the Participation Agreement—Step-In Right*."
Step-Out Assignment..	Under the Loan Agreement, on each maturity date for a tranche of the Term Loan B or on any date on which any portion of the Term Loan B is prepaid pursuant to the Loan Agreement, the Lender will assign to the Issuer the portion of the Term Loan B corresponding to the principal amount of the Term Loan B actually paid by the Borrower to the Loan Paying Agent on such maturity date or prepayment date, as the case may be, and, if applicable, any related prepayment premium actually paid by the Borrower to the Loan Paying Agent on such prepayment date (any such assignment, a "Step-Out Assignment"). Upon the Step-Out Assignment, the portion of the Term Loan B corresponding to the relevant principal amount of the Term Loan B paid by the Borrower to the Loan Paying Agent shall be assigned to and assumed by the Issuer without recourse to the Original Lender, and without representation or warranty by the Original Lender, and the Borrower acknowledges and agrees to such assignment. See "*Description of the Notes—The Loan Agreement and the Participation Agreement—Step-Out Assignment*."
Notes Collateral	On the Issue Date, the Notes will be secured by a first-priority security interest in, control over and Security on substantially all of the Issuer's assets, including: (i) the Issuer's rights, title and interest (but not its obligations) under the Participation Agreement (and, following the Step-in Right Effective Date (if it occurs), the Issuer's rights, title and interest (but not its obligations) as Lender of the Step-in Loan under the Loan Agreement); and (ii) the Loan Collection Account (as defined in "*Description of the Notes*"). See "*Description of the Notes— General Terms of the Notes—Security*."
Limited Recourse Obligations	All payments to be made by the Issuer under the Indenture (including any Notes Additional Amounts (as defined in "*Description of the Notes*")), the Notes and the Notes Security Documents to which it is a party will be made only from and to the extent of such sums received or recovered from the Notes Collateral, including the Issuer's rights under the Participation Agreement (and following any Step-in Event, under the Step-in Loan, or any Step-Out Assignment, under the Term Loan B) and the Loan Collection Account (or any other bank account thereof) and the Trustee, the Collateral Agent, the Participation Administrative Agent, any Paying Agent, the Registrar and the holders each agrees that it will not have any further recourse

	to the Issuer in respect thereof in the event that the amount due and payable by the Issuer under Note Documents exceeds the amounts so received or recovered under the Notes Collateral. The Trustee, the Collateral Agent, the Participation Administrative Agent, any Paying Agent, the Registrar and the holders will each agree that neither they, nor any person acting on their behalf, will be entitled at any time to institute against the Issuer, or join any institution, against any obligations of the Issuer arising under the Indenture, the Participation Agreement, the Notes Security Documents, and any other document so designated by the Issuer and the Trustee from time to time (the "Note Documents"), of any bankruptcy, reorganization, arrangement, insolvency, examinership, winding-up or liquidation proceedings, proceedings for the appointment of a liquidator, examiner, administrator or other similar official or other proceedings under any applicable insolvency or similar applicable law in connection with any obligations of the Issuer owed to the holders of the Notes under the Note Documents, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain declaration or judgment as to the obligations of the Issuer in relation thereto. See "*Description of the Notes—Limited Recourse Obligations.*"
Optional Redemption..	If the Issuer receives notice from the Borrower or the Lender that the Borrower is exercising its right to make a Loan B Voluntary Prepayment (as defined in "*The Loan Agreement and the Loans*") with respect to all or any portion of the Initial B-1 Loan or the Initial B-2 Loan, the Issuer will redeem all or a portion of the 2031 Notes or 2036 Notes, respectively, as set forth below (an "Optional Note Redemption"). The aggregate principal amount of the 2031 Notes or 2036 Notes to be redeemed will be equal to the aggregate principal amount of the Initial B-1 Loan or Initial B-2 Loan to be prepaid, and the redemption date of Notes shall be the same as the date of the prepayment of the related tranche of the Term Loan B. To the extent the Notes are redeemed prior to the applicable Par Call Date, the redemption price (expressed as a percentage of principal amount and rounded to three decimal places) will be equal to the greater of: (i) 100% of their principal amount; and (ii) (a) the sum of the present values of each remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the Notes matured on the applicable Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus the Applicable Discount *less* (b) interest accrued to the redemption date, *plus*, in each case, accrued and unpaid interest thereon to (including additional interest, if any), and any Notes Additional Amounts, on the principal amount of the Notes to the date of redemption. To the extent the Notes are redeemed on or after the applicable Par Call Date, the redemption price will be equal to 100% of the principal amount of the Notes, *plus*, accrued and unpaid interest thereto to (including additional interest, if any), and any Notes Additional Amounts, on the principal amount of the Notes to the date of redemption.

	See "*Description of the Notes—Redemption and Purchase—Optional Redemption; B Loan Voluntary Prepayment*."
Other Redemption Provisions	The Issuer will also be required to redeem the Notes upon the following events: (i) the occurrence of a Loan Change of Control (as defined in "*The Loan Agreement and the Loans*"), as set forth under "*Description of the Notes—Redemption and Purchase—Redemption Upon a Loan Change of Control*;" (ii) the occurrence of an Unauthorized Share Transaction (as defined in "*The Loan Agreement and the Loans*"), as set forth under "*Description of the Notes—Redemption and Purchase—Redemption Upon Unauthorized Share Transaction*;" (iii) the occurrence of Illegality (as defined in "*The Loan Agreement and the Loans*"), as set forth under "*Description of the Notes—Redemption and Purchase—Redemption Upon Illegality*;" (iv) the occurrence of open market purchases and certain tender offers, as set forth under "*Description of the Notes—Redemption and Purchase—Redemption Upon Open Market Purchases and Certain Tender Offers*;" (v) the occurrence of a loan prepayment for tax reasons, as set forth under "*Description of the Notes—Redemption and Purchase—Redemption upon a Loan Prepayment for Tax Reasons*;" or (vi) the occurrence of a loan prepayment upon certain specified loan events of default, as set forth under "*Description of the Notes—Redemption and Purchase—Redemption upon a Loan Prepayment upon Specified Loan Event of Default*;" or (vii) the acceleration of the Loans upon a loan event of default, as set forth under "*Description of the Notes—Redemption and Purchase— Redemption upon an Acceleration of the Loans upon Loan Event of Default*." See "*Description of the Notes—Redemption and Purchase.*"
Notes Additional Amounts	The Issuer will pay additional amounts as may be necessary in order that the net amounts receivable by holders of any Notes after withholding or deduction will equal the respective amounts that would have receivable by such holder in the absence of such withholding or deduction, subject to certain exceptions (the "Notes Additional Amounts"). See "*Description of the Notes—Payment of Notes Additional Amounts*."
Covenants of the Issuer	The terms of the Indenture will require the Issuer to: (i) pay all amounts owed by the Issuer, and comply with all its other obligations under the Notes and the Indenture, to the extent such funds are available in the Loan Collection Account (as defined in "*Description of the Notes—Security—Loan Collection Account*,") and deposit payments received under the Participation Agreement into the Loan Collection Account; (ii) perform, comply with and observe all obligations and agreements;

(iii) maintain in full force and effect all governmental approvals;

(iv) not merge or consolidate;

(v) not engage in unrelated business activities;

(vi) not transfer of issued shares in the Issuer;

(vii) comply with all applicable laws, rules, regulations, orders and directives;

(viii) pay all taxes, assessments and governmental charges prior to delinquency;

(ix) comply with all applicable withholding tax requirements and provide tax reimbursement notifications;

(x) ensure that the Notes maintain ranking;

(xi) waive the benefit of any stay, extension or usury laws;

(xii) not terminate or commence a voluntary case or other liquidation proceeding;

(xiii) deliver compliance certificates and notifications of default or events of default;

(xiv) provide financial information and reports required under Rule 144A and reports received from the Borrower; and

(xv) not impair any security in the Notes Collateral granted under the Notes Security Documents.

See "*Description of the Notes—Certain Covenants of the Issuer*."

Use of Proceeds .... The net proceeds from the sale of (i) the 2031 Notes will be used to purchase the Participation in the Initial B-1 Loan and (ii) the 2036 Notes will be used to purchase the Participation in the Initial B-2 Loan, in each case, that will be disbursed by the Lender to the Borrower (pursuant to the Loan Agreement), simultaneously with, and using the proceeds from, the issuance of such Notes.

See "*Use of Proceeds—Borrower*."

Change of Control.. Upon the occurrence of a Change of Control Triggering Event, each holder will have the right to require that the Issuer purchase all or a portion of the holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus any accrued and unpaid interest thereon to, but excluding, the date of purchase (the "Notes Change of Control Payment").

See "*Description of the Notes—Notes Change of Control*."

Amendments and Enforcement.................................... Pursuant to the Indenture and the Participation Agreement, holders of Notes will have limited indirect consent rights with respect to amendments or waivers to the Loan Agreement, and enforcement rights following an event of default, and holders of the Notes will not have the ability to generally direct or instruct the Lender with respect to how it should exercise its consent rights under the Loan Agreement. See "*Description of the Notes—Amendments and Waivers*," "*Description of the Notes—Events of Default—Remedies with respect to the Loan Agreement*" and "*The Participation Agreement—Amendments—Amendments to the Loan Agreement*." See also, "*Risks Factors—Risks Relating to the Lender and the Terms and Conditions of the Participation Agreement—The Lender will have significant discretion to amend or waive provisions under the*

	Loan Agreement without the consent of the Issuer or the holders of the Notes" and "*Risks Factors—Risks Relating to the Lender and the Terms and Conditions of the Participation Agreement—The Lender may accelerate the Term Loan B without the consent of the Issuer or any holders of the Notes*."
Form and Denomination; Settlement	The Notes will be issued in fully registered global form in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Rule 144A global notes will initially be represented by a single permanent global certificate (which may be subdivided) without interest coupons (the "Rule 144A Global Note"). Regulation S global notes initially will be represented by a single permanent global certificate (which may be subdivided) without interest coupons (the "Regulation S Global Note," and, together with the Rule 144A Global Note, the "Global Notes"). Each of the Global Notes will be deposited upon issuance with the Trustee as custodian for DTC, in New York, New York or such other corporate trust office as provided for in the Indenture, and registered in the name of DTC or its nominee for credit to an account of direct or indirect participants in DTC, including Euroclear and Clearstream. Except as described otherwise, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for notes in certificated form except in limited circumstances. See "*Form of the Notes, Clearing and Settlement—Exchange of Book-Entry Notes for Certificated Notes.*"
Transfer Restrictions	The Notes have not been registered under the Securities Act and are subject to certain restrictions on transfer. As set forth herein, the Notes are being offered and sold only (1) to certain QIBs in compliance with Rule 144A that are also (a) Qualified Purchasers and (b) Eligible Purchasers, or (2) outside the United States to non-U.S. persons in reliance upon Regulation S who are also Eligible Purchasers. See "*Transfer Restrictions*."
Eligible Purchaser	The terms of the Indenture and the Notes do not permit a Person to hold Notes unless, among other restrictions, such Person is an Eligible Purchaser. To the extent a Person that holds Notes is not an Eligible Purchaser, the Notes held by such Person will not be deemed outstanding for purposes of any consent, waiver, direction or other action under the Indenture. The Notes may only be purchased and held by an Eligible Purchaser. To the extent a holder of a Note is not an Eligible Purchaser, the Notes held by such holder will not be deemed outstanding for purposes of any consent, waiver, direction or other action under the Indenture. See "*Risk Factors—Risks Relating to the Notes and the Loans—Persons who are not Eligible Purchasers may not purchase or hold any Notes, and to the extent any holder was not an Eligible Purchaser at the time it acquired the Notes, such holder's Notes will not be deemed to be outstanding for purposes of certain actions under the Indenture*." An "Eligible Purchaser" means each of: (a) IDB Invest, and

(b) any Person that, as of the date on which it acquires the Notes:

(i) is not an export credit agency or other governmental, quasi-governmental or multilateral agency, including, but not limited to, any sovereign wealth fund, central bank or other financial institution that is wholly or partially-owned by a governmental authority; *provided* that this clause (b)(i) does not include any Person that is either (x) a wholly or partially government-owned but independently administered pension fund or (y) a regulated financial institution that is wholly or partially-owned by a governmental authority but that operates on a fully commercial basis; nor

(ii) either (A) is an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act, (B) is a "qualified institutional buyer" as defined in Rule 144A(a)(1) under the Securities Act who is also a Qualified Purchaser or (C) is a non-"U.S. person" (as defined in Rule 902 under the Securities Act);

(iii) is not a Brazilian Person; and

(iv) is not included on any Internationally Recognized Sanctions Lists or on the IDB Group List of Sanctioned Firms and Individuals.

"Brazilian Person" means a Person that:

(a) is incorporated in Brazil (including any office or branch of such Person located outside of Brazil, but excluding, for the avoidance of doubt, a separate legal entity even if such entity is an affiliate of such Person incorporated in Brazil); or

(b) is an office or branch resident or domiciled in Brazil.

"IDB Group List of Sanctioned Firms and Individuals" means the list of firms and individuals listed in, and accessible at: https://www.iadb.org/en/who-we-are/transparency/sanctions-system/sanctioned-firms-and-individuals or any successor website or location.

Trading and Listing	There is currently no trading market for the Notes. The Issuer has applied to list the Notes on the official list of the Luxembourg Stock Exchange (the "LuxSE") and have the Notes admitted to trading on the Euro MTF of the LuxSE. See "*Risk Factors—Risks Relating to the Notes and the Loans—There is no existing market for the Notes and one may not develop in the future; thus it may be difficult to resell your Notes.*"
Trustee, Collateral Agent, Participation Administrative Agent, Paying Agent, Transfer Agent and Registrar	UMB Bank, N.A.
Risk Factors	You should carefully consider all of the information contained in this Offering Memorandum prior to investing in the Notes. In particular, we urge you to carefully consider the information set forth under "*Risk Factors*" for a discussion of risks and uncertainties relating to

the Issuer, Sabesp and its subsidiaries, business and shareholders, and any investment in the Notes.

Governing Law	The Indenture, the Notes and the Notes Security Documents will be governed by the laws of the State of New York. For the avoidance of doubt, the application of articles 470-1 to 470-19 (inclusive) of the Luxembourg law on commercial companies dated August 10, 1915 (as amended) is excluded.

Terms of the Term Loan B

Borrower	Companhia de Saneamento Básico do Estado de São Paulo—SABESP.
Lender	Inter-American Investment Corporation.
The Term Loan B	Up to U.S.$1,800 million in the aggregate principal amount of term loan B, which may be issued in one or more tranches (any such tranche, "Term Loan B" and each of the Term Loan A and the Term Loan B, a "Loan" and collectively, the "Loans"). The Loans will be granted pursuant to the loan agreement among the Lender and the Borrower described in "*The Loan Agreement and the Loans*."
Disbursements	The Borrower may request up to four disbursements of the Term Loan B, in each case by delivering a disbursement request to the Lender (a "Disbursement Request") and following satisfaction of certain conditions precedent to such disbursement as summarized in "*The Loan Agreement and the Loans—Representations and Warranties and Conditions Precedent to Disbursement.*" Each disbursement of Term Loan B under the Loan Agreement is referred to as a "Disbursement." Substantially concurrently with the issuance of the Notes, the Lender will lend to the Borrower U.S.$850 million in aggregate principal amount of Term Loan B-1 ("Initial B-1 Loan") and U.S.$500 million in aggregate principal amount of Term Loan B-2 (the "Initial B-2 Loan" and, together with the Initial B-1 Loan, the "Initial B Loan"). As described in "*The Participation Agreement*," the Issuer will purchase and pay for an undivided 100% participation interest (the "Participation") in the Initial B Loan pursuant to the Loan Agreement and the proceeds thereof and all rights and related interests with respect thereto out of the net proceeds of the sale of the Notes.
Term Loan B Maturity Date	The Term Loan B will mature on the date specified in the relevant Disbursement Request (each, a "Term Loan B Maturity Date"; *provided* that no Term Loan B Maturity Date shall be a date later than the Term Loan A Maturity Date (as defined in "*The Loan Agreement and the Loans*"). The Initial B-1 Loan will mature on February 3, 2031, or if such date is not a Business Day, the immediately succeeding Business Day (the "Initial B-1 Loan Maturity Date"). The Initial B-2 Loan will mature on February 3, 2036, or if such date is not a Business Day, the immediately succeeding Business Day (the "Initial B-2 Loan Maturity Date").
Term Loan B Interest Rate	The Term Loan B will bear interest at a fixed rate per annum specified by the Borrower in the relevant Disbursement Request, which fixed rate for such tranche of the Term Loan B shall be equal to the interest rate applicable to the corresponding series of Notes

	issued by the Issuer to fund such Disbursement (the applicable, "B Loan Interest Rate"). The Initial B-1 Loan will bear interest at a fixed rate of 5.750% per annum. The Initial B-2 Loan will bear interest at a fixed rate of 6.500% per annum.
Term Loan B Interest Payment Dates	Semi-annually in arrears on February 3 and August 3 commencing on August 3, 2026. Interest on the Term Loan B will be computed on the basis of a 360-day year of twelve 30-day months.
Term Loan B Ranking	The Borrower will take such action as may be necessary to ensure that, at all times, the obligations under the Loans are senior, direct and unconditional unsubordinated obligations of the Borrower that rank at least equal in right of payment with all other present and future unsubordinated and unsecured indebtedness and other obligations of the Borrower, other than those preferred solely by the applicable laws relating to bankruptcy, insolvency, liquidation or other similar laws of general application.
Use of Proceeds of the Term Loan B...........................	The Borrower will cause the proceeds of the Term Loan B to be applied, in accordance with applicable law and the terms of the Loan Agreement, exclusively (i) to pay or reimburse the Borrower for project costs, including the construction of new sewage treatment facilities, costs of upgrading existing sewage treatment plants, in each case, across 322 municipalities in the state of São Paulo, Brazil, and costs with the implementation of new collection systems and the expansion of almost 10,000 km of sewer network, (ii) for payment or reimbursement of expenditures of goods and services in the IDB Invest Member countries, and (iii) for payment of the fees and expenses related to the preparation, negotiation, execution and delivery of Financing Documents (as defined in "*The Loan Agreement and the Loans*") and the Disbursement of the Loans. None of the proceeds of the Loans shall be used for any activity set forth in the List of Excluded Activities (as defined in "*The Loan Agreement and the Loans*").
Voluntary and Mandatory Prepayments	Prepayments under the Term Loan B may be made, or may be required, pursuant to the following: (i) a voluntary prepayment upon prior written notice, as set forth under "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Voluntary Prepayments*;" (ii) a voluntary prepayment for tax reasons, as set forth under "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Voluntary Prepayments—Prepayment for Tax Reasons*;" (iii) a mandatory prepayment following the occurrence of a Loan Change of Control, as set forth under "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Change of Control*;" (iv) a mandatory prepayment upon an Unauthorized Share Transaction or Illegality, as set forth under "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Illegality and Unauthorized Share Transaction*;" (v) a mandatory prepayment upon certain tender offers and open market purchases, as set forth under "*The Loan Agreement and*

the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment Upon Certain Tender Offers and Open Market Purchases;" or

(vi) a mandatory prepayment upon certain specified loan events of default, as set forth under "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment upon Specified Loan Event of Default.*"

See "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments.*"

Covenants ....

The Loan Agreement will require the Borrower, among other things, to:

(i) apply the proceeds from the Loans in accordance with applicable law and the terms of the Loan Agreement;

(ii) preserve its and its subsidiaries' corporate existence and maintain all registrations, rights, privileges, and titles to property necessary in the normal conduct of business;

(iii) conduct their business in accordance with prudent industry practice, relevant authorizations, applicable law and in accordance with environmental and social provisions;

(iv) maintain their books and records in accordance with GAAP, applicable law, and prudent industry practice;

(v) permit visits and inspections by the Lender of the premises where their business is conducted, all their facilities, plants and equipment and grant access to their employees, officers, agents and auditors;

(vi) maintain an acceptable auditor;

(vii) maintain the ranking of the Loans;

(viii) comply with certain environmental and social affirmative covenants;

(ix) pay any applicable taxes and file all tax returns as and when required by applicable law;

(x) obtain and update each BCB Report (as defined in "*The Loan Agreement and the Loans*");

(xi) maintain insurance coverage; and

(xii) comply with all applicable laws against money laundering and combating the financing the terrorism.

Each of these covenants is subject to a number of significant exceptions and qualifications. See "*The Loan Agreement and Loans—Affirmative Covenants.*"

In addition, the Loan Agreement will limit, among other things, the ability of the Borrower to:

(i) make certain restricted payments;

(ii) merge or consolidate with other entities;

	(iii) engage directly or indirectly in any business other than the businesses engaged in by it or contemplated by its bylaws; (iv) commit, engage in, or be involved with any Prohibited Practices (as defined in "*The Loan Agreement and the Loans*"); or (v) engage in, or be involved with, any activity included in the List of Excluded Activities or be included in any Internationally Recognized Sanctions Lists or the IDB Group List of Sanctioned Firms and Individuals (each as defined in the "*Loan Agreement and the Loans*"). Each of these covenants is subject to a number of significant exceptions and qualifications. See "*The Loan Agreement and Loans—Negative Covenants.*"
Events of Default	The Loan Agreement will contain certain events of default, with certain applicable grace periods and conditions, consisting of the following: (i) failure to pay principal, interest or premium on the due date; (ii) failure to pay Loan Additional Amounts; (iii) failure to perform certain obligations in the Loan Agreement; (iv) failure of the Borrower or any of its Material Subsidiaries to comply with their obligations under any Financing Document, Note Document or any other agreement between the Borrower and the IDB Group (as defined in the "*Loan Agreement and the Loans*"); (v) failure to pay or perform with respect to other Indebtedness, having an outstanding principal amount of U.S$100,000,000 or other equivalent in other currencies; (vi) failure to pay one or more final judgements against any of the Borrower or any of its Material Subsidiaries, aggregating U.S$100,000,000 or more and not paid, discharged or stayed for a period of 60 days; (vii) misrepresentation of representations and warranties; (viii) failure to maintain relevant authorizations; (ix) failure to implement or comply with the Environmental and Social Action Plan and the Corporate Governance Action Plan; (x) illegality or unlawfulness, or if the documents cease to be binding; and (xi) any insolvency event or moratorium. See "*The Loan Agreement and the Loans—Loan Events of Default*."
Loan Additional Amounts	All payments by the Borrower under any Financing Document will be made free and clear of, and without deduction or withholding for, any Taxes (as defined in "*The Loan Agreement and the Loans*"), except as required by applicable law. If the Borrower is required by applicable law or otherwise to deduct or withhold any Transaction Taxes or Other Taxes (each as defined in "*The Loan Agreement and the Loans*") from any such payment (or if the Borrower is required to make a payment to the Issuer in respect of payments of Transaction Taxes or Other Taxes as described under "*The Loan Agreement and*

the Loans—Taxes and Loan Additional Amounts"), then (i) the amount payable by the Borrower will be increased by amounts (such amounts being the "Loan Additional Amounts") as necessary so that, after making any such required deductions (including deductions applicable to additional amounts payable as described under "*The Loan Agreement and the Loans—Taxes and Loan Additional Amounts*," the Paying Agent, the Lender or the Issuer, as applicable, receives the full amount it would have received had no such deduction or withholding for Transaction Taxes or Other Taxes been required (including such amounts necessary for the Issuer to make such payments in respect of Transaction Taxes or Other Taxes to a holder of Notes pursuant to the Note Documents to ensure such holder of Notes receives the full amount it would have received had no such deduction or withholding for Transaction Taxes or Other Taxes been required, in each case, as described in "*Description of the Notes—Payment of Notes Additional Amounts*") and (ii) the Borrower will make such deduction or withholding and shall pay the full amount deducted or withheld to the relevant authority in accordance with applicable law.

See "*The Loan Agreement and the Loans—Taxes and Loan Additional Amounts*."

Governing Law	The Loan Agreement will be governed by, and construed in accordance with, the laws of the State of New York of the United States of America without regard to any conflict of laws principles thereof that would result in the application of the law of any other jurisdiction.

RISK FACTORS

An investment in the Notes involves risks. Before purchasing the Notes, you should consider carefully the specific risk factors set forth below, as well as the other information contained in this Offering Memorandum. Any of the risks described below and those set out in Sabesp's 2024 Form 20-F, which is incorporated by reference in this Offering Memorandum, any updates in Sabesp's current reports on Form 6-K, which may be amended, supplemented or superseded, from time to time, by other reports that Sabesp files with the SEC in the future, and all of the other information included or incorporated by reference in this Offering Memorandum could have a material adverse impact on Sabesp's business, prospects, results of operations, cash flows and financial condition and could therefore have a negative effect on the trading price of the Notes and the Issuer's ability to pay all or part of the interest or principal on the Notes and Sabesp's ability to pay all or part of the interest or principal on the Loans. Although the risks described below and elsewhere in this document are the risks considered to be the most material, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on Sabesp's results of operations, financial condition, business or operations in the future. In addition, Sabesp's past financial performance may not be a reliable indicator of Sabesp's future performance and historical trends should not be used to anticipate results or trends in future periods. If any of the events or risks below were to occur or materialize, Sabesp's business, prospects, financial condition, results of operations and/or cash flows, individually or in combination, could be materially adversely affected. Additional risks not currently known to Sabesp or the Issuer or that Sabesp or the Issuer now deem immaterial may also harm it and affect your investment.

This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Sabesp's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum.

Risks Relating to the Issuer

The Issuer is a special purpose vehicle and, consequently, has no operations of its own and limited sources of funds and assets.

The Issuer is a private limited liability company (*société à responsabilité limitée*), governed by the Luxembourg Securitisation Law, created for the purpose of issuing the Notes, purchasing the Participation by means of the Participation Agreement and receiving from the Lender the corresponding amounts to the Term Loan B. The Issuer does not have any prior operating activities nor does it have any assets that have not been pledged for the benefit of the holders of Notes. Payments from the Lender deriving from payments under the Term Loan B are expected to be the Issuer's principal source of revenue. Any shortfall in payments corresponding to the Term Loan B could have a material adverse effect on the ability of the Issuer to make payments under the Notes. There can be no assurance that sufficient funds will be available for the actual expenses necessary for the operation of the Issuer or the payment of the expenses and indemnities to the agents and service providers that are responsible for its operations and the performance of the Participation Agreement and the Note Documents. Agents and service providers may refuse to incur expenses if the Issuer has insufficient funds, which may have an adverse effect on the Issuer and its ability to comply with its obligations under the Notes.

Because the Issuer will have no operations of its own, its ability to pay principal, interest and other amounts due on the Notes will be dependent upon it receiving payments under, or with respect to, the Participation Agreement and the Loan Agreement and, as a result, on Sabesp's financial condition, liquidity and results of operations. If Sabesp's financial condition, liquidity or results of operations are adversely affected, the Lender may be unable to recover sufficient proceeds under the Loan Agreement or the other Financing Documents to repay all amounts due on or with respect to the Loans and, accordingly, the Issuer and the Trustee may be unable to recover sufficient proceeds to repay all amounts due under the Notes at their scheduled maturity or earlier upon any redemption prior to the scheduled maturity date.

Following the issuance of the Notes offered hereby, the Issuer's material liabilities will include the Notes, any other Additional Notes (as defined under "*Description of the Notes*") or any further series of Notes it may issue in the future as permitted under the Indenture. See "*Description of the Notes—Additional Notes*."

The Issuer is administered by TMF Luxembourg S.A.

The Issuer will be administered by the Issuer Administrator. The Issuer's sole shareholder, Stichting NOVA Securitisation is managed by TMF Management B.V. The Issuer Administrator's representatives, members, directors, managers, or administrators and officers have not participated in the preparation of this Offering Memorandum.

If any of the Issuer Administrator is removed or resigns, there may be a period of time until a new Issuer Administrator or a new manager takes office and becomes familiar with the Financing Documents and the Notes Documents, during which the Issuer's administration and performance may be negatively impacted.

The Issuer relies on agents and other entities to implement procedures contemplated in the Financing Documents.

Because the Issuer is a special purpose vehicle, the procedures contemplated in the Financing Documents and the Note Documents will be carried out by agents and other entities appointed to act on their behalf for that purpose. The Issuer will not have any role in determining or verifying the data or related calculations received from the Lender or the holders of Notes, or any other person. Furthermore, certain agents and other entities will, in turn, rely on information provided by others when performing their duties under the Financing Documents or the Note Documents.

Holders of Notes will rely on certain agents and other entities to execute the instructions received and their other obligations promptly and accurately. In particular, payments under the Financing Documents and the Note Documents, are made pursuant to certain account mechanics based on specific calculations. Errors may occur when the agents and other entities execute the instructions and their other obligations related to the Financing Documents or the Note Documents, as applicable, and these errors may delay or prevent the payment of amounts required by the Financing Documents or under the Note Documents, which may undermine the ability of the Issuer to make timely payments under the Notes. Delays may also occur as a result of operational or administrative difficulties faced by any such agents, which may similarly undermine the Issuer's ability to make timely payments under the Notes.

The Issuer's ability to make payments on the Notes will be subject to Sabesp's ability to make payments on the Loan Agreement or in the Term Loan B.

None of Sabesp nor any Brazilian public entity is an obligor under the Notes; however, the Issuer's ability to make payments on the Notes depends on the performance of Sabesp of its obligations under the Loan Agreement or the Term Loan B, which are described in "*The Loan Agreement and the Loans*." Accordingly, holders of the Notes will not have a direct claim against Sabesp or its assets if the Issuer fails to make payments on the Notes or otherwise comply with its obligations under the Notes as a direct or indirect result of a failure by Sabesp to perform its obligations under the Loan Agreement or in respect of the Term Loan B.

Additionally, if amounts available to Sabesp to make payments on the Term Loan B are insufficient, Sabesp would be unable to fulfill its obligations under the Term Loan B. A failure by Sabesp to make relevant payments under the Term Loan B would have a material adverse effect on the ability of the Issuer to make payments on the Notes.

The Issuer is structured to be insolvency and bankruptcy-remote, but it is not insolvency and bankruptcy-proof; consequences of insolvency proceedings in relation to the Issuer.

The Issuer is structured as an unregulated securitization company (*société de titrisation non réglementée*) governed by the Luxembourg Securitisation Law. As a consequence, the Issuer will be insolvency and bankruptcy-remote and will contract with parties who agree not to make any application for the commencement of winding-up or bankruptcy or similar proceedings under the applicable laws of any jurisdiction against the Issuer. The Issuer is permitted to contract with parties who agree not to make any application for the commencement of winding-up or bankruptcy or similar proceedings under the applicable laws of any jurisdiction against the Issuer.

However, there is no guarantee that all claims that arise against the Issuer will be on a non-petition basis, in particular where claims arise from third parties that have no direct contractual relationship with the Issuer or if the Issuer fails for any reason to comply with its contractual obligations (including the obligation only to contract on a "non-petition" basis). A creditor that has not accepted non-petition provisions in respect of the Issuer may be entitled to make an application for the commencement of insolvency proceedings against the Issuer. The commencement of such proceedings may entitle such a creditor to terminate contracts with the Issuer and claim damages for any loss suffered as a result of such early termination.

The Issuer may be declared insolvent upon petition by a creditor of the Issuer in Luxembourg or at the request of the Issuer or by the Luxembourg district court on its own initiative in accordance with the relevant provisions of Luxembourg insolvency law. If the Issuer is declared insolvent, the Luxembourg courts will appoint a bankruptcy receiver (*curateur*) who shall be obliged to take such action as he deems to be in the best interest of the Issuer and of all creditors of the Issuer. The claims of certain preferred creditors (including any statutory liens mandatorily preferred by law) may rank senior to the claims of holders of the Notes in such circumstances.

If as a result of such claims a shortfall arises, such shortfall will be borne by the holders of the Notes in accordance with the priority of payment provisions contained in the relevant transaction documents.

Luxembourg bankruptcy laws may be less favorable to investors than bankruptcy and insolvency laws in other jurisdictions.

The Issuer is a private limited liability company (*société à responsabilité limitée*), incorporated and existing under the laws of Luxembourg. The insolvency laws of Luxembourg may not be as favorable to creditors' interests as the laws of the United States or other jurisdictions with which investors may be more familiar. In addition, if a Luxembourg court were required to analyze the subordination and priority of payment provisions contained in the relevant financing documents and the Notes in the context of insolvency proceedings initiated against the Issuer, the court may disregard the rules on priority of payment provided for in such documents, and apply mandatory rules of priority of payments applicable in Luxembourg insolvency proceedings to the extent that certain third parties have legal preference rights. Such preferred creditors include the bankruptcy receiver (*curateur*) and the tax authorities. For further information, See "*Enforcement of Civil Liabilities—Insolvency Proceedings—Luxembourg*."

The Issuer may be required to disclose information regarding any investor to any tax authority or other governmental agency to enable the Issuer to comply with any applicable law or regulation or agreement with a governmental authority.

Prospective holders of Notes should be aware that the Issuer may be required to disclose information regarding any investor to any tax authority or other governmental agency to enable the Issuer to comply with any applicable law or regulation or agreement with a governmental authority. Investors will be required to provide such information as may be reasonably required by the Issuer to enable the Issuer to properly and promptly make such filings or elections as the Issuer may consider desirable or as required by law, or which the Issuer considers necessary or desirable in connection with an investment or proposed investment.

Prospective holders of Notes should be aware that in certain circumstances the Issuer shall be entitled to take steps against an investor who has failed to provide such information, including, but not limited to, ensuring that the relevant investor bears the cost of any tax arising as a result of the failure to provide the information.

Regulation of the Issuer by any regulatory authority.

Other than registration with the trade and companies register in Luxembourg, the Issuer is not required to be licensed, registered or authorized under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation. There is no assurance, however, that in the future such regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorized under any securities, commodities, insurance or banking laws or regulations of those jurisdictions. Any requirement to be licensed or authorized could have an adverse effect on the Issuer and on the holders of Notes.

The Issuer may be subject to anti-money laundering legislation, counter-terrorist financing and anti-corruption – which, if violated, could materially and adversely affect the timing and amount of payments made by the Issuer.

The Issuer may be subject to legislation and regulations relating to corrupt and illegal payments and money laundering as well as laws, sanctions and restrictions relation to certain individuals and countries. If the Issuer were determined by the relevant authorities to be in violation of any such legislation or regulations, it could become subject to significant penalties, including in certain cases criminal penalties. Any such violation could have a material and adverse effect on the timing and amount of payments made by the Issuer to holders of Notes.

Risks Relating to Sabesp

The risks relating to Sabesp are described in Sabesp's 2024 Form 20-F, which is incorporated by reference in this Offering Memorandum.

The risk factors entitled "Changes in Brazilian tax laws or conflicts in their interpretation may adversely affect Sabesp." and "The granting/contracting authorities may terminate contracts before they expire in certain circumstances. The indemnification payments Sabesp receives in such cases may be less than the value of the investments Sabesp made, or may be paid over an extended period, adversely affecting Sabesp's business, financial condition, or results of operations" set out below, merely update certain information to the date of this Offering Memorandum.

Changes in Brazilian tax laws or conflicts in their interpretation may adversely affect Sabesp.

The Brazilian government frequently modifies tax laws, including tax treaties, rates, and benefits, which may increase Sabesp's tax liabilities and adversely affect its profitability and results of operations. In addition, tax authorities may interpret laws in a way that differs from the interpretation Sabesp currently relies upon to carry out its transactions, potentially leading to adverse financial effects. Sabesp cannot assure that it will be able to maintain its projected cash flows and profitability following any increases in Brazilian taxes applicable to Sabesp's operations, which may adversely affect its results of operations and financial condition.

Brazil is undergoing significant tax reform, particularly regarding the taxation of goods and services. On December 20, 2023, Constitutional Amendment No. 132/2023 ("EC 132") was enacted, replacing several of the current "indirect taxes" (ICMS, IPI, ISS, and PIS/Cofins) with three new ones: a Goods and Services Tax (IBS), a Contribution on Goods and Services (CBS), and an Excise Tax (IS). The transition period runs from 2026 to 2032, with full implementation by 2033.

The regulatory process for EC 132 through legislation (complementary and ordinary laws) is underway. On January 16, 2025, Complementary Law No. 214/2025 was enacted, establishing the general legal framework applicable to IBS, CBS, and IS. It is expected that the standard rate for the sum of IBS and CBS, generally levied on any type of services and goods (with some limited exceptions), will vary between 26.5% and 29%. A 26.5% rate has been defined as the target maximum rate, meaning that if the calculations lead to a higher rate, a specific bill of law must be presented addressing the financial remedies needed to ensure the target maximum rate.

Further reforms on income and payroll taxation are also under discussion by the Brazilian government. EC 132 provides that the executive branch must submit to the National Congress, within 90 days of its enactment, bills of law to reform income and payroll taxation. As of the date of this annual report, no such bills have been submitted. However, several bills addressing changes in Brazilian direct taxation have recently been approved.

The most relevant changes relate to dividend taxation and the gradual reduction of several special tax regimes and tax benefits.

Law No. 15.270/2025 created a Minimum Individual Income Tax (IRPFM) applicable to individuals earning income above R$600,000.00 (six hundred thousand reais) in each calendar year. Law No. 15.270/2025 also creates two different scenarios for withholding income tax upon the distribution of profits or dividends: (i) a 10% rate applicable to the payment, crediting, use, or delivery of amounts greater than R$50,000.00 (fifty thousand reais) paid by one specific company to each Brazilian individual in the same month; and (ii) a 10% rate applicable to the payment, crediting, use, remittance, or delivery of profits and dividends to non-resident shareholders.

Complementary Law No. 224/2025 increased the withholding income tax applicable to payments of Interest on Net Equity from 15% to 17.5%, effective as of January 1, 2026. Complementary Law No. 224/2025 also imposes the gradual reduction of a series of special tax regimes and tax incentives, affecting incentives related to Corporate Income Tax (*IRPJ*), Social Contribution on Net Profit (*CSLL*), Social Contributions on Gross Revenues (*PIS/COFINS*), Social Contributions on Imports (*PIS/COFINS Importação*), Tax on Manufactured Goods (IPI), and Import Tax (II). The complete scope of the affected special regimes and benefits is not yet known due to interpretation issues concerning the new rule. The gradual limitation of the special regimes and tax benefits may affect the tax burden and cash flow of Sabesp's operations.

Sabesp cannot predict the effects of changes in Brazilian tax laws or whether they may have an adverse effect on its business, financial condition, or results of operations.

The granting/contracting authorities may terminate contracts before they expire in certain circumstances. The indemnification payments Sabesp receives in such cases may be less than the value of the investments Sabesp made, or may be paid over an extended period, adversely affecting Sabesp's business, financial condition, or results of operations.

The granting/contracting authorities that entered into concession agreements with Sabesp, such as the Concession Agreement for URAE-1 and the municipality of Olímpia, or pursuant to individual agreements, have the right to terminate the contracts early if Sabesp fails to comply with its contractual or legal obligations (forfeiture, or "*caducidade*"), or if they decide to resume the services based on the public interest (*encampação*). In the case of forfeiture, Sabesp is entitled to indemnification for any unamortized or undepreciated assets, although compensation will only be paid after an administrative process, in which Sabesp will have the opportunity to present its defense to maintain the contract and discuss the amount to be paid as compensation for the unamortized assets. It is not possible to predict how long such an administrative process will take, or whether Sabesp will receive the compensation it believes it is owed. In addition, the declaration of forfeiture may be accompanied by the imposition of a penalty, which could amount to up to 1% of its annual net revenue. Other penalties may also apply, such as the suspension of Sabesp's right to participate in government bidding processes. In the second scenario (*encampação*), indemnification must be paid prior to the contract termination, and it will also cover any assets not amortized or depreciated. The granting authority must demonstrate that it is no longer in the public interest to continue the concession contract through the approval of a law.

In both cases, public entities must indemnify Sabesp for any unamortized or undepreciated investments. The New Legal Framework for Basic Sanitation assigns ANA the authority to issue a reference standard regarding the methodology for calculating indemnities for investments made and not yet amortized or depreciated. As a result, ANA issued Resolution No. 161/2023, which approved Reference Standard No. 3/2023, and Instruction No. 01/2024. On April 16, 2024, ARSESP published Deliberation No. 1,515/2024, which established the methodology and criteria for the reversal and possible indemnification of assets at the end of the concessions in the sanitation sector (water supply and sewage services) in the State of São Paulo under the supervision and regulation of ARSESP.

However, the deliberative council for URAE-1 is responsible for any decisions related to the early termination of the Concession Agreement for URAE-1

Sabesp cannot prevent any granting authorities from terminating its contracts early based on the events described above. If this occurs and Sabesp does not receive adequate indemnification for its investments, or the indemnification is paid over an extended period, Sabesp's business, financial condition, or results of operations may be materially adversely affected. Sabesp also cannot predict the effects that ANA's or ARSESP's methodology may have on its business, as it is possible that the indemnification payments may be lower than the remaining value of the investments Sabesp made. In addition, municipalities may refuse to pay indemnification voluntarily, potentially leading to judicial disputes. In such cases, there is a risk that judicial decisions could result in indemnification being set at a lower value or deemed not owed. Finally, it is important to note that Sabesp is a party to proceedings related to indemnification issues regarding the resumption of water supply and sewage collection services by certain municipalities.

Risks Relating to the Lender and the Terms and Conditions of the Participation Agreement

Payments on the Notes will be made from funds received from the Lender pursuant to the Participation Agreement and holders of Notes will have limited recourse against the Lender and no recourse against Sabesp.

The ability of the Issuer to make payments on the Notes is dependent in part on the performance by the Lender of its obligations under the Loan Agreement and the Participation Agreement. Payments made by the Lender pursuant to the Participation Agreement will be the Issuer's sole source of funds for payments made by the Issuer to holders of Notes pursuant to the Indenture. Accordingly, if the Lender defaults on or is otherwise unable to meet its obligations under the Participation Agreement, the Issuer will have limited recourse against the Lender, and the Issuer's source of funds for payment on the Notes will be limited to any recovery on claims against the Lender should the Lender receive the payments under the Term Loan B from Sabesp, as the case may be. However, if the Lender does not receive payments under the Term Loan B from Sabesp, the Issuer will have no recourse against the Lender and Sabesp will have no liability to any holder for any matter relating to the Notes.

In the event that the Lender is subject to asset distribution pursuant to the Establishing Agreement and the asset owned by the Issuer pursuant to the Participation Agreement is characterized as a non-recourse unsecured debt obligation of the Lender rather than an undivided ownership interest in payments under the Term Loan B, the ability of the Issuer to receive payments from the Lender may be subject to delays, moratorium, or the claims of other unsecured creditors of the Lender. Any failure or inability to make payments to the Issuer by the Lender will not confer on holders of Notes any rights against Sabesp.

If the Issuer receives funds or notices under the Participation Agreement but fails, for any reason, to make payments or, in the case of notices, to send notices to the holders of Notes (or to request that the Trustee distribute such notices to the holders of the Notes), the sole remedies of the holders of the Notes will be to pursue a claim under the Indenture against the Issuer for non-performance of its obligations under the Indenture or to declare an Event of Default under the Indenture and instruct the Trustee and/or the Collateral Agent to take any enforcement action or pursue other remedies under the Notes Security Documents. Failure by the Issuer to perform its obligations will not afford the holders of the Notes any claim against the Lender under the Participation Agreement and/or Sabesp under the Term Loan B under the Loan Agreement or give rise to any default, event of default or right to accelerate amounts due under the Term Loan B.

Loan Events of Default do not automatically cause an event of default under the Indenture and the Notes and the rights of the holders of the Notes with respect to amendments and waivers under the Loan Agreement are limited to the Issuer's rights under the Participation Agreement which are, subject to certain limited exceptions, dependent on the Lender's determination to exercise its rights and remedies under the Loan Agreement. See "*—Risks Relating to the Lender and the Terms and Conditions of the Participation Agreement—the Lender will have significant discretion to amend or waive provisions under the Loan Agreement without the consent of the Issuer or the holders of the Notes*," "*—The Lender may accelerate the Term Loan B without the consent of the Issuer or any holders of the Notes.*"

The Lender will have significant discretion to amend or waive provisions under the Loan Agreement without the consent of the Issuer or the holders of the Notes.

Under the Loan Agreement, only the Lender will have the right to provide any consent or waiver to Sabesp. Pursuant to the Participation Agreement, at any time, and from time to time, the Lender may, in its discretion, amend or waive a provision of, or give a consent under, and in accordance with, the Loan Agreement, without the consent of the Issuer or holders of the Notes, including for example a change in the interest rate of the Term Loan A to accrue at a fixed rate of interest per annum; *provided* that the Lender will agree not to amend or waive a provision of, or give consent under and in accordance with, the Loan Agreement without the consent of the Issuer (which itself will be required to act on the instruction of the holders of Notes in accordance with the Participation Agreement and the Indenture) for, among others, changes that would affect certain key economic terms of the Term Loan B, such as the principal, rate of interest, maturity and prepayment provisions of the Term Loan B, the ranking of the Term Loan B or to amend, waive or give a consent to certain negative covenants. See "*The Participation Agreement—Amendments—Amendments to the Loan Agreement*" and "*Description of the Notes—Amendments and Waivers*." Accordingly, while the holders of the Notes will have some indirect rights under the Participation Agreement, the holders of the Notes will not have the ability to generally direct or instruct the Lender with respect to how it should exercise its consent rights under the Loan Agreement.

The Lender may accelerate the Term Loan B without the consent of the Issuer or any holders of the Notes.

Under the Loan Agreement and the Participation Agreement, at any time after the occurrence and during the continuation of a Loan Event of Default, the Lender may, in its sole discretion, declare the principal of, all accrued interest on and any other amounts payable in respect of, the Term Loan B to be immediately due and payable and make demand on Sabesp for the payment thereof pursuant to the terms of the Loan Agreement without the consent of the Issuer or any holders of the Notes. Prior to the Borrower's exercise of the Step-in Right, except in connection with a Mandatory Acceleration Trigger Event, the holders of the Notes will not have the ability to declare an acceleration under the Term Loan B following a Loan Event of Default.

Holders of Notes will not have any independent right under the Indenture or the Notes to exercise any remedies directly against Sabesp and the Lender, as Lender, will control all remedies under the Loan Agreement, including any decision to take enforcement action following a Loan Event of Default.

Prior to the Borrower's exercise of a Step-in Right, the holders of Notes will not have any independent right under the Indenture and the Notes to exercise any remedies against Sabesp other than the right to instruct the Issuer to give notice to the Lender to accelerate the Term Loan B following the occurrence of a Mandatory Acceleration Trigger Event. Furthermore, subject to a limited consultation period, the Lender will, at all times, direct and control any enforcement action with respect to the Loan Agreement. *See* "*—Risks related to the Lender and the Terms and Conditions of the Participation Agreement—The Lender may accelerate the Term Loan B without the consent of the Issuer or any holders of the Notes*."

The Lender may have interests that differ from the interests of holders of Notes.

The incentives and interests of the Lender or its affiliates may differ from those of holders of Notes, including as a result of any participation of the Lender or its affiliates in other transactions involving the financing of, or participation in loans to, Sabesp or other Brazilian borrowers, as well as other transactions involving Sabesp, other Brazilian entities or Brazil, including (i) its participation as lender of record and in other capacities in one or more transactions in connection with loans or financings in the Brazilian sanitation sector, (ii) its participation as lender under other loan agreements with Sabesp or its affiliates, (iii) its participation as lender under loan agreements with other Brazilian entities, either private or state-owned, and (iv) its entry into technical assistance agreements with certain Brazilian governmental authorities or any other additional assistance or technical cooperation agreements with any other Brazilian governmental authority in respect of those transactions or otherwise. As the Lender and its affiliates are involved in some of those transactions and might in the future become involved in additional similar transactions, the Lender could take actions against Sabesp that may be inconsistent, or in a time and manner that may be inconsistent, with the interests of holders of the Notes or the actions taken at the direction of holders of the Notes pursuant to the Participation Agreement.

Under the Loan Agreement, only IDB Invest will have the right to provide any consents or waivers to Sabesp. Pursuant to the Participation Agreement, IDB Invest may, from time to time, without the consent of the Issuer or the holders of the Notes, amend or waive certain provisions of, or give a consent under, the Loan Agreement or any other related document. See "*—The Lender will have significant discretion to amend or waive provisions under the Loan Agreement without the consent of the Issuer or the holders of the Notes*" above and "*The Participation Agreement—Amendments to the Loan Agreement.*"

The Issuer has given an indemnity to the Lender under the Participation Agreement.

Under the Participation Agreement, the Issuer has undertaken to indemnify and hold the Lender harmless against its *pro rata* share of any liabilities, costs, damages, claims, suits, proceedings and expenses incurred by the Lender in respect of the Term Loan B including, among other matters, in connection with the structuring or implementation of the Loan, or the protection or preservation of rights thereunder or in connection with any matter arising therefrom and against any sums in respect of the Term Loan B that IDB Invest may be required to pay to any Person, in each case to the extent such amounts are not the result of the Lender's gross negligence or willful misconduct. The Lender will first seek reimbursement of any such costs and expenses from Sabesp, and will only seek reimbursement from the Issuer for the Issuer's *pro rata* share of such costs and expenses if and to the extent that Sabesp does not reimburse the full amount of such costs and expenses to the Lender. The amount of the indemnity given by the Issuer to the Lender is contingent, and no assurance can be given that the amounts available on deposit in the Note Proceeds and Expenses Account will be sufficient to cover any such amounts. See "*The Participation Agreement—Indemnification*" and *"—Risks Relating to the Lender and the Terms and Conditions of the Participation Agreement—the Lender may withhold and set off certain funds to the Issuer pursuant to the Participation Agreement and thus payments on the Notes may be partially or totally limited*."

The Lender has not submitted to the jurisdiction of the New York Courts under the Participation Agreement.

The Lender is a multinational organization, and it has not contractually submitted to any specified jurisdiction under the Participation Agreement. the Lender is also entitled under certain laws, including the International Organizations Immunities Act of 1945 (22 U.S.C. §288), to immunity from a trial by jury in any proceeding arising out of or relating to the Participation Agreement brought against the Lender in any court of the United States of America. Accordingly, the holders of Notes and the Issuer may find it difficult to initiate legal proceedings and enforce liabilities against the Lender. See "*The Participation Agreement—Applicable Law and Jurisdiction*."

The Participation Agreement limits the ability of the Issuer to dispose of the Participation.

The Participation Agreement contains certain limitations to the ability of the Issuer to dispose of, sell, assign, sub-participate, subdivide or transfer the Participation without the prior written consent of the Lender. The Issuer will not make any disposal of the

Participation or any portion thereof, or obtain a guarantee or insurance in respect of the Participation, without the prior written consent of the Lender. See "*The Participation Agreement—Disposals*."

Holders of Notes may be subject to the credit risk of IDB Invest.

IDB Invest, which is rated Aa1, AA+ and AAA by Moody's, S&P and Fitch (long-term foreign currency debt), respectively will be the lender of record of the Term Loan B. Although, in connection with any payment, IDB Invest will be assigning the principal amount of the Term Loan B to the Issuer pursuant to the Step-Out Assignment, to the extent that any funds are paid to IDB Invest and are not otherwise segregated the Term Loan B from other assets of IDB Invest, the Issuer and, by extension, the holders of Notes may be subject to the credit risk of IDB Invest in addition to the credit risk of Sabesp.

In addition, ratings may be changed, suspended or withdrawn by the rating agency assigning such rating at any time. There is no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. A rating downgrade, the removal of ratings or a negative change in the rating of the Lender could ultimately have an adverse effect on the price and marketability of the Notes.

In the event Brazil ceases to be a member country of the Lender, the Lender could lose its tax immunity which could negatively impact the Issuer's ability to comply with its obligations under the Notes.

The Lender enjoys certain privileges in Brazil as a consequence of Brazil being a member country of the Lender by having ratified the Agreement Establishing the Inter-American Investment Corporation as of March 23, 1986 (the "Establishing Agreement"), and which was recognized by Brazil through Decree-Law No. 13, dated June 30, 1986 and Decree No. 93,153 dated August 22, 1986. For a further description of the Lender and its relationship to Brazil, See "*Description of the Inter-American Investment Corporation*."

Pursuant to Article VII of the Establishing Agreement, the Lender, its assets, property, income and its operations and transactions carried out pursuant to the Establishing Agreement are immune from taxation. The Lender is also immune under the Establishing Agreement from any obligation relating to the payment, withholding or collection of any tax. There is a risk, however, that in the future Brazil could cease to be a member of the Lender or that Brazil would pass legislation or that its government would take actions in the future that could have the effect of not recognizing the tax immunity status of the Lender or the tax exemptions that apply to transactions involving the Lender, in which case the tax immunity enjoyed by the Lender would cease and the holders of Notes would no longer indirectly benefit from that immunity. There can be no assurance that Brazil will remain a member of the Lender and that the Lender will retain its tax immunity, which could negatively impact the ability of the Issuer to meet its obligations under the Notes in the event Brazil imposed withholding tax on the payments under the Term Loan B. Should Brazil impose withholding tax on such payments, and considering that the Lender does not have an obligation to gross up or compensate the Issuer for any deduction or withholding made in respect of the Term Loan B, the amounts received by the Lender under the Term Loan B and paid to the Issuer pursuant to the Participation Agreement would be lower than the amounts required for the Issuer to pay for debt service under the Notes, and to generally meet its payment obligations under the Note Documents. Because the Issuer is a special purpose vehicle, it would have no other sources of income and may therefore default on the Notes and its other obligations.

Additionally, under the terms of the Loan Agreement, Sabesp has the option of prepaying the Term Loan B in whole or in part under certain circumstances and subject to payment of the make-whole amount. A prepayment of the Term Loan B will give rise to a corresponding redemption of the Notes. Upon the occurrence of any of the prepayment of the Term Loan B under the Loan Agreement, the Notes will be subject to redemption in the same aggregate principal amounts as amounts prepaid under the Term Loan B, at the same prepayment price at which such amounts under the Term Loan B are prepaid, together with any accrued but unpaid interest on the Notes, any premium payments, and any Additional Amounts, if any, to, but excluding, the applicable redemption date, in accordance with the provisions set forth under "*Description of the Notes—Redemption and Purchase*."

As an international financial institution formed by the Establishing Agreement and benefitting from privileges and immunities thereunder, the Lender is not subject to the domestic bankruptcy or insolvency legislation of any member country or to liquidation or dissolution thereunder.

Pursuant to the Establishing Agreement, the Lender cannot be wound up and dissolved except by agreement among its members, and the Establishing Agreement further provide the mechanism for the permanent suspension of operations. In the event that the Lender's operations were to be permanently suspended, the Lender would be required to cease all activities other than those incidental to the orderly realization, conservation and preservation of its assets and settlement of its obligations. The Establishing Agreement provides that, until final settlement of such obligations and distribution of such assets, the Lender shall remain in existence and no distributions may be made to its members on account of their subscriptions to the Lender's capital. There can be no assurance, however, in the event that the Lender were to become insolvent, that the Lender's obligations, including its obligations to the Issuer under the Participation Agreement, would be satisfied.

In the event that the Lender were to become insolvent, the Issuer may be treated as a general creditor of the Lender and may not have any exclusive or senior claim with respect to the Participation. Consequently, the Issuer may be subject to the credit risk of the Lender as well as of Sabesp. Neither the Lender nor the Issuer will make any representation stating that the interests in the Term Loan B represented by the Participation would not be treated as assets of the Lender in the event of the Lender's insolvency.

Holders of the Notes depend on the Issuer to pay over all amounts received from the Lender.

The holders of the Notes are dependent upon the Issuer to pay over all amounts received from the Lender under the Participation Agreement. In addition, the Issuer is obligated to distribute all notices it receives from the Lender under the Participation Agreement and to follow instructions of the holders of the Notes with respect to the Participation Agreement. If the Issuer receives funds or notices under the Participation Agreement but fails, for any reason, to make payments or, in the case of notices, to send notices to the holders of Notes (or to request that Trustee distribute such notices to the holders of the Notes), the sole remedies of the holders of the Notes will be to pursue a claim under the Indenture against the Issuer for non-performance of its obligations under the Indenture or to declare an Event of Default under the Indenture and instruct the Trustee and/or the Collateral Agent to take any enforcement action or pursue other remedies under the Notes Security Documents. Failure by the Issuer to perform its obligations will not afford the holders of the Notes any claim against the Lender under the Participation Agreement and/or Sabesp under the Term Loan B under the Loan Agreement, the promissory note under the Loan Agreement or give rise to any default, event of default or right to accelerate amounts due under the Term Loan B.

The conditions precedent under the Participation Agreement or under the Loan Agreement may not be satisfied prior to the settlement of the Notes

The making of the Term Loan B by the Lender is subject to certain conditions precedent as described in "*The Loan Agreement and the Loans—Representations and Warranties and Conditions Precedent to Disbursements*." While the satisfaction of these conditions precedent, to the extent practicable, are expected to be verified by the Lender prior to the settlement date of the Notes, due to their nature, certain conditions precedent must be verified on such date. For this reason, the settlement under the Notes may occur and the conditions precedent under the Loan Agreement or under the Participation Agreement may subsequently fail to be met.

If, as a result of the failure to satisfy the conditions precedent under the Loan Agreement the Lender does not make the Term Loan B under the Loan Agreement, the total principal amount of the Notes offered hereby may need to be reduced proportionately prior to the settlement date of the Notes.

Upon the exercise of a Step-in Right, the applicable contractual relationship between the Issuer and the Lender pursuant to the Participation Agreement will automatically terminate.

Under the Loan Agreement, certain circumstances may give rise to the exercise of Step-In Rights or to the occurrence of a Step-Out Assignment. Upon a Step-in Event, the Loan Agreement will be deemed to be automatically amended as described under "*The Loan Agreement and the Loans—Step-in Right*" and the Participation Agreement will be automatically terminated.

In addition, following the exercise of a Step-In Right, certain of the covenants under the Loan Agreement will be suspended and Sabesp will no longer be obligated to comply with such covenants. See "*The Loan Agreement and the Loans—Step-in Right*" for a description of which amendments will be made to the Loan Agreement upon a Step-in Event.

The Notes and the Term Loan B may be prepaid prior to maturity.

Under the terms of the Loan Agreement, Sabesp has the option of prepaying the Term Loan B in whole or in part under certain circumstances and subject to payment of the make-whole amount. A prepayment of the Term Loan B will give rise to a corresponding redemption of the Notes. See "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments*." In addition, the Loan Agreement provides certain prepayment events with respect to the Term Loan B, which will result in redemption events with respect to Notes. See "*Description of the Notes—Redemption and Purchase*."

Upon the occurrence of any of the prepayment of the Term Loan B under the Loan Agreement, the Notes will be subject to redemption in the same aggregate principal amounts as amounts prepaid under the Term Loan B, at the same prepayment price at which such amounts under the Term Loan B are prepaid, together with any accrued but unpaid interest on the Notes, any premium payments, and any Additional Amounts, if any, to, but excluding, the applicable redemption date, in accordance with the provisions set forth under "*Description of the Notes—Redemption and Purchase*."

In the event that the Notes are redeemed prior to maturity and depending on prevailing market conditions at the time, a noteholder may not be able to reinvest the proceeds from such redemptions in a comparable security or at an effective interest rate that is comparable to the interest rate with respect to the Notes.

The Issuer (and therefore holders of the Notes) is not expected to have any rights to accept or reject any Restructuring Proceeding with respect to Sabesp under the Loan Agreement which will be determined by the Lender except as agreed between the Lender and

the Issuer (acting on instructions from the requisite holders of the Notes) under the Participation Agreement and this may have an adverse effect on Sabesp's ability to successfully complete the applicable Restructuring Proceeding.

The Participation Agreement constitutes a purchase and true sale of the Participation and it is not construed as an assignment of the Term Loan B to the Issuer. Accordingly, while the Issuer will be entitled to receive an amount equal to all of the payments of principal, interest and other amounts payable by Sabesp on, or with respect to, the Term Loan B pursuant to the Loan Agreement as are actually received by the Lender, the Issuer will not have a direct claim on the cash flow or assets of Sabesp, and Sabesp has no obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available to the Issuer for those payment.

Under this arrangement, the Issuer (and therefore holders of the Notes) is not expected to have any right to vote to accept or reject any Restructuring Proceeding with respect to Sabesp under the Loan Agreement, and the Lender as lender of record under the Loan Agreement will accept or reject any such Restructuring Proceeding. Notwithstanding the foregoing, the Lender and the Issuer have agreed under the Participation Agreement that in the event that a Restructuring Proceeding Consent is required and the applicable Restructuring Proceeding Threshold (as defined in "*The Participation Agreement—Acceleration*") is lower than 90% of the holders of the Notes, then the applicable voting threshold will be calculated using such Restructuring Proceeding Threshold. While this consent mechanic has been used to more readily replicate the voting thresholds in the applicable Restructuring Proceeding, the applicable Restructuring Proceeding Threshold does not consider the aggregate outstanding principal amount of Term Loan A or any other applicable indebtedness at that time that may be entitled to vote as class to accept or reject in such Restructuring Proceeding (such indebtedness being, "Other Restructuring Proceeding Indebtedness"). Accordingly, depending on the Restructuring Proceeding and the amount of Term Loan A and Other Restructuring Indebtedness outstanding at such time, the Lender may be required to obtain the consent of holders of the Notes at a higher threshold than would otherwise be applicable under such Restructuring Proceeding which may have an adverse effect on a successful completion of the applicable Restructuring Proceeding.

The Lender may withhold and set off certain funds to the Issuer pursuant to the Participation Agreement and thus payments on the Notes may be partially or totally limited.

The Issuer's ability to make payments on the Notes is dependent on the payments by the Lender under the Participation Agreement. Payments made by the Lender pursuant to the Participation Agreement will be the Issuer's sole source of funds for payments made by the Issuer under the Notes and the Indenture.

The Lender may be required by applicable law or order of a court of competent jurisdiction to refund to any person any payment received by the Lender under or in respect of any Financing Document or the Term Loan B. In the event that the Lender has already made a corresponding payment of all or any part of such amount to the Issuer ("Distribution Refund"), then the Lender will give notice of such requirement to the Issuer as promptly as practicable after IDB Invest becomes aware thereof. The Issuer will, to the extent that the Distribution Refund paid to it has been paid to the holders of Notes, exercise its corresponding rights to request such Distribution Refund from the holders of Notes. If, by such applicable law or order of a court of competent jurisdiction, the Lender is required to refund the Distribution Refund to Sabesp, the provisions described in the Participation Agreement shall apply. Under the Participation Agreement, the Lender will be entitled to unilaterally withhold and set off the reimbursable amounts, or any portion thereof (as calculated by the Lender acting in its sole and absolute discretion, absent manifest error), against any future payments required to be made by the Lender to the Issuer hereunder, including with funds received from Sabesp. Furthermore, the Lender will have no liability to the Issuer in respect of any payment which it is restricted from making to the Issuer for any reason, including as a result of any legal restriction on such transfer or any disruption to the applicable payment systems. Similarly, the Issuer will be liable towards the Lender for any taxes or other charges that may be applicable to any payments made in respect of the B Loan Participation and that for whatever reason are not paid or reimbursed by the Borrower pursuant to the Loan Agreement.

In addition, under the Participation Agreement, the Lender will not be obligated to make any payment to the Issuer in respect of the Participation until the Lender establishes that it has actually received such amount from the Borrower. Furthermore, under the Participation Agreement, the Issuer has undertaken to indemnify and hold the Lender harmless in certain circumstances. See "*—Risks relating to the Lender and the Terms and Conditions of the Participation Agreement—The Issuer has given an indemnity to the Lender under the Participation Agreement*." Under the Participation Agreement, the Lender is also entitled to unilaterally withhold and set off the reimbursable amounts, or any portion thereof (as calculated by the Lender acting in its sole and absolute discretion, absent manifest error), against any future payments required to be made by the Lender to the Issuer.

The Lender's determination as to the amounts and allocations of the payments will be conclusive, absent manifest error. Accordingly, in the event of such Distribution Refund, the Issuer's source of funds for payment on the Notes may be impacted and the payment of the Notes may be partially or totally limited.

Any failure, operational disruption or insolvency at the Paying Agent level could materially delay or impair payments to holders of the Notes.

All payments flow through the Paying Agent. The Borrower's obligations pursuant to the Loan Agreement are discharged only when relevant amounts are received by the Paying Agent. Delays, errors, legal restrictions or payment system disruptions affecting the

Paying Agent could delay or prevent timely receipt of funds and distributions to holders of the Notes. If the Paying Agent becomes insolvent, fails to perform its duties or experiences operational difficulties, there could be delays or disruptions in the payment process, even if the Borrower has made timely payments.

Risks Relating to the Notes and the Loans.

The Notes are obligations of the Issuer and holders of the Notes will have limited recourse against the Issuer and the Lender and no recourse against Sabesp or any other person with respect to the Notes.

The Notes are limited recourse contractual obligations of the Issuer. Furthermore, the other parties to the Financing Documents are not liable for the obligations of the Issuer and no third party guarantees the fulfilment of the Issuer's obligations under the Notes. Consequently, the holders of the Notes have no rights of recourse against third parties.

The rights of the holders of the Notes are limited. Once all funds have been applied, the Issuer will not be obliged to make any further payments or for the benefit of any holder of the Notes. In case of any shortfall, the claims of the holders of the Notes will be extinguished with respect to the Issuer. None of the holders of the Notes, the Trustee, the Collateral Agent or any other party will have the right to petition for the winding up, the liquidation or the bankruptcy of the Issuer as a consequence of any shortfall.

The Notes are the obligation of the Issuer, with limited recourse against the Lender and no recourse against Sabesp and Sabesp will have no liability to any holder of the Notes for any matter relating to the Notes. In addition, the holders will have no claim or recourse for the payment of any amount owing under the Notes or any other Financing Documents against any of the Issuer's and Sabesp's respective officers, members, directors, managers, administrators, employees, security holders or incorporators or their successors or assigns for any amounts payable under the Notes.

We cannot assure you that the credit ratings for the Notes will not be lowered, suspended or withdrawn by the rating agencies.

The credit ratings of the Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances or warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to law and may be subject to review or regulation by certain authorities. Each potential investor should determine for itself, on the basis of professional advice where appropriate, whether and to what extent (1) Notes are lawful investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

There are restrictions on your ability to transfer or resell the Notes without registration under applicable securities laws.

The Notes have not been and will not be registered under the Securities Act or any state securities laws. The Issuer intends to primarily rely on exemptions from registration under the Securities Act in this offering of the Notes and on the exemption provided for in Section 3(c)(7) of the Investment Company Act. As a result, the Notes may only be sold to and/or held in the United States by "Qualified Purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act who are also Eligible Purchasers (as defined in this Offering Memorandum). The Notes offered hereby have not been registered under the U.S. Securities Act and are subject to restrictions on transferability and resale. The Notes are being offered in reliance upon exemptions from registration under the U.S. Securities Act and applicable state securities laws. Therefore, the Notes may be transferred or resold only in a transaction registered under or exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Notes can only be offered and may be subsequently resold (a) inside the United States of America, to certain Eligible Purchasers in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws; and (b) outside the United States of America, to certain Eligible Purchasers in reliance on Regulation S under the U.S. Securities Act and in compliance with applicable local laws. The Eligible Purchasers restriction may restrict liquidity and ability of dealers to make markets and holders of Notes should consider their obligation to ascertain to whom they are selling to comply with the restriction. It is the obligation of the holders of the Notes to ensure that their purchases and sales of the Notes within the United States and other countries comply with applicable securities law and the definition of Eligible Purchaser, which means each of (a) the Lender and (b) any Person that, as of the date on which it acquires the Notes (i) is not an export credit agency or other governmental, quasi-governmental or multilateral agency, including, but not limited to, any sovereign wealth fund, central bank or other financial institution that is wholly or partially-owned by a governmental authority; provided that, this clause (b)(i) does not include any

Person that is either (x) a wholly or partially government-owned but independently administered pension fund or (y) a regulated financial institution that is wholly or partially-owned by a governmental authority but that operates on a fully commercial basis; and (ii) is not included on any Internationally Recognized Sanctions Lists or on the IDB Group List of Sanctioned Firms and Individuals. Prior to purchasing or selling the Notes, you should carefully read the discussions under "*Plan of Distribution*" and "*Transfer Restrictions*" included in this Offering Memorandum as you will be required to ascertain that you and any potential purchasers are Eligible Purchasers when trading in the Notes. Pursuant to the Indenture, if a holder of the Notes is or becomes a non-Eligible Purchaser, such holder of the Notes will not be permitted to vote and the Notes of such holders of the Notes will not be considered outstanding for consent purposes.

The purchaser should understand that if at any time the Issuer determines in good faith that a holder of the Notes (or of any beneficial interest therein) is in breach, at the time given, of any of the representations and agreements contained in the "*Transfer Restrictions*" (including whether it is an Eligible Purchaser), the Issuer may require such holder to transfer such Notes (or beneficial interest therein) to a transferee acceptable to the Issuer who is able to and who does make all of the representations and agreements set forth in the "*Transfer Restrictions*" (including the definition of Eligible Purchaser). Pending such transfer, such holder will be deemed not to be the holder of such Notes for any purpose, including but not limited to receipt of principal and interest payments on such Notes, and such holder will be deemed to have no interest whatsoever in such Notes except as otherwise required to sell its interest therein as described in this paragraph. The requirement to check whether you or a prospective purchaser of the Notes is an Eligible Purchaser may have an effect on the liquidity of, and trading market for, the Notes.

Persons who are not Eligible Purchasers may not purchase or hold any Notes, and to the extent any holder was not an Eligible Purchaser at the time it acquired the Notes, such holder's Notes will not be deemed to be outstanding for purposes of certain actions under the Indenture.

The terms of the Indenture and the Notes do not permit a Person to hold Notes unless, among other restrictions, such Person is an Eligible Purchaser. Under the Indenture, a Person is *not* an Eligible Purchaser if it is, as of the date on which it acquires the Notes, (i) an export credit agency or other governmental, quasi-governmental or multilateral agency, including, but not limited to, any sovereign wealth fund, central bank or other financial institution that is wholly or partially-owned by a governmental authority (other than any Person that is either (x) a wholly or partially government-owned but independently administered pension fund or (y) a regulated financial institution that is wholly or partially-owned by a governmental authority but that operates on a fully commercial basis), (ii) a Brazilian Person, or (iii) is included on any Internationally Recognized Sanctions Lists or on the IDB Group List of Sanctioned Firms and Individuals. A Brazilian Person includes any Person that (a) is incorporated in Brazil (including any office or branch of such Person located outside of Brazil, but excluding, for the avoidance of doubt, a separate legal entity even if such entity is an affiliate of such Person incorporated in Brazil); or (b) is an office or branch resident or domiciled in Brazil. To the extent a Person that holds Notes is not an Eligible Purchaser, the Notes held by such Person will not be deemed outstanding for purposes of any consent, waiver, direction or other action under the Indenture.

The Notes will initially be held in book-entry form and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until Notes in definitive registered form, or definitive registered notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of the Notes. DTC (or its nominee) will be the holder of the Notes. After payment to the respective depositary, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC and if you are not a participant in DTC, on the procedures of the participant through which you own your interest, to exercise any rights of a holder of the Notes under the Indenture. See "*Form of the Notes, Clearing and Settlement*."

Unlike holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon solicitations for consents or requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from the DTC or, if applicable, from a participant. The Issuer cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

The lack of physical certificates could also:

- result in payment delays on your certificates because the Trustee will be sending distributions on the certificates to DTC instead of directly to you;

- make it difficult for you to pledge your certificates if physical certificates are required by the party demanding the pledge; and

- hinder your ability to resell your certificates because some investors may be unwilling to buy certificates that are not in physical form.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through DTC. The Issuer cannot assure you that the procedures to be implemented through DTC will be adequate to ensure the timely exercise of rights under the Notes. See "*Form of the Notes, Clearing and Settlement*."

Holders may face exchange control and exchange rate risks.

The ability of the Issuer to make, or cause to be made, payments in respect of interest on the Notes are based on Sabesp's payments in respect of the Term Loan B, which in turn depends on the cash flow available for Sabesp's debt service, which is denominated in Brazilian *reais*. These obligations with respect to the cash flow available for Sabesp's debt service are subject to the ability to convert Brazilian *reais* into U.S. dollars, the rates at which such conversions occur, and the ability to repatriate such funds into the United States. The Brazilian *real* may be subject to significant fluctuations in the future.

There is no existing market for the Notes and one may not develop in the future; thus it may be difficult to resell your Notes.

There is currently no market for the Notes. Although the Issuer has applied to list the Notes on the official list of the Luxembourg Stock Exchange on the EuroMTF segment, the liquidity of the Notes may be limited. A trading market for the Notes may not develop, or if a market for the Notes were to develop, the Notes may trade at a discount from their initial public offering price, depending on many factors including prevailing interest rates, the market for similar securities, general economic conditions, Sabesp's financial condition and results of operations. The holders of the Notes will not have any right to require the Issuer to register the resale of the Notes pursuant to the Securities Act. The initial purchasers are not under any obligation to make a market with respect to the Notes. The liquidity of any market for the Notes will depend on many factors, including the number of holders of the Notes, prevailing interest rates, the market's performance and prospects, as well as recommendations of securities analysts. It will also be limited by the transfer restrictions. The Notes may trade at prices that are higher or lower than the initial offering price depending on many factors, including prevailing interest rates, Sabesp's results of operations and financial condition, prospects for other companies in Sabesp's industry, political and economic developments in and affecting Brazil, the risks associated with Luxembourg issuers of similar securities and the market for similar securities. If an active trading market for the Notes does develop and is interrupted, the market price and liquidity of the Notes may be materially adversely affected.

The liquidity of, and trading market for, the Notes may also be adversely affected by declines in the market for high yield or emerging markets securities generally. Such a decline may affect any liquidity and trading of Notes independent of Sabesp's financial performance and prospects.

Once listed on the Luxembourg Stock Exchange, application may be made to the Luxembourg Stock Exchange to have the Notes removed from listing on the Luxembourg Stock Exchange including if necessary to avoid any new withholding taxes in connection with the listing.

The U.S. federal income tax consequences of investing in the Notes are not entirely certain and potential alternative characterizations could result in adverse U.S. federal income tax consequences to investors.

The Issuer will treat, and each holder of a Note and beneficial owner of a Note by acquiring a beneficial interest in a Note agrees to treat, solely for U.S. federal, state and local tax purposes, the Notes as indebtedness of Sabesp. However, there are no statutory, judicial or administrative authorities that directly address the U.S. federal income tax treatment of a structure consisting of instruments and arrangements similar to the Notes, the Issuer, the Participation Agreement, and the Term Loan B and, accordingly, this treatment is not certain.

There are possible alternative U.S. federal income tax characterizations of the Notes and other aspects of the structure that may be adverse to investors in the Notes. See "*Taxation—Characterization of Structure for U.S. Federal Income Tax Purposes*." Accordingly, prospective investors should consult their own tax advisors regarding such alternative characterizations.

The Volcker Rule may adversely affect the ability of particular investors to hold or acquire the Notes, and thus may limit the ability of investors in the offered Notes to resell the Notes in the secondary market.

Section 619 of the Dodd-Frank Act and its implementing regulations (the "Volcker Rule") prevents a "banking entity" (a term which includes a banking institution organized in the United States and any of its affiliates, regardless of where the affiliate is located or organized and also includes a banking institution organized outside the United States with a branch or agency office in the U.S. and any of its affiliates, regardless of where the affiliates are located) from, among other things, (i) engaging in proprietary trading in financial instruments unless the transaction is excluded from the scope of the rule, or (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring," a "covered fund," subject to certain exceptions.

An "ownership interest" is defined broadly and may arise through a holder's exposure to the profits and losses of the "covered fund," as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund." In general, an "ownership interest" excludes senior loan and senior debt interest that have certain characteristics. A "covered fund" is defined to include any issuer which is not subject to the provisions of the Investment Company Act in reliance solely upon either Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment. None of the Issuer, Sabesp or the Initial Purchasers or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the application of the Volcker Rule to the Issuer, or to such investor's investment in the Notes.

Sabesp may incur additional indebtedness ranking equal to the Term Loan B which may reduce the amount recoverable by the Lender under the Loan Agreement and consequently reduce amounts available to the Issuer under the Participation Agreement and to investors in the Notes.

The Loan Agreement permits Sabesp to incur additional debt, including debt that ranks on an equal and ratable basis with the Term Loan B. If Sabesp incurs additional debt that ranks on an equal and ratable basis with the Term Loan B, the holders of that debt would be entitled to share ratably with the Lender in any proceeds that may be distributed upon bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up of Sabesp. This would reduce the amount of any liquidation proceeds that would be available to the Lender under the Loan Agreement and, consequently, would reduce amounts payable to the Issuer under the Participation Agreement and amounts available to holders of the Notes. Because holders of the Notes have recourse only to the Issuer's rights under the Participation Agreement and have no direct recourse against Sabesp, any dilution of the Lender's recovery from Sabesp would adversely affect payments on the Notes. *See* "*The Loan Agreement and the Loans*."

Deterioration in general economic and market conditions and the perception of risks in other countries, especially the United States and emerging market economies, may adversely affect the market price of the Notes.

The market value of securities issued in connection with Brazilian entities, including Sabesp, may be affected by economic and market conditions in other countries, including the United States, European Union and Latin American countries and other emerging-market countries. Although economic conditions in those countries may differ significantly from economic conditions in Brazil, investors' reactions to developments in other countries may have an adverse effect on the market value of securities issued by Brazilian entities. The prices of shares traded on the Brazilian stock exchange ("B3"), for example, have historically been sensitive to fluctuations in interest rates in the United States, as well as variations of the main U.S. stock exchanges. Additionally, crises elsewhere may diminish investor interest in securities linked to the credit of Brazilian entities, including the Notes. These events could adversely affect the market price of the Notes, restrict Sabesp's access to capital markets and compromise its ability to finance operations in the future on acceptable terms or at all. To the extent that economic problems in emerging market countries or elsewhere adversely affect Brazil, the price of the Notes could be adversely affected. Furthermore, there can't be no assurance that, in the event of adverse developments in emerging market economies, the international capital markets will remain open to companies with significant Brazilian operations or that the resulting interest rates in such markets will be advantageous to entities like Sabesp.

The return of the Notes may be reduced due to taxation risks.

Potential holders of the Notes should be aware that applicable law and any other rules or customary practice relating to or affecting tax, or the interpretation of these in relation to the holders of the Notes, the Issuer may change during the life of the Issuer (possibly with retroactive effect). In particular, both the level and the basis of taxation may change. Additionally, the interpretation and application of tax law, rules and customary practice by any taxation authority or court may differ from that anticipated by the Issuer and its advisors. This could significantly affect returns to the Issuer and the holders of the Notes.

In addition, the tax considerations set forth in this Offering Memorandum cannot be the sole basis for the assessment of an investment in the Notes from a tax point of view, as the individual circumstances of each investor also have to be taken into account. Therefore, the tax considerations set forth in this Offering Memorandum are not to be deemed any form of definitive information or tax advice or any form of assurance or guarantee with respect to the occurrence of certain tax consequences.

Prospective noteholders should consult with their own professional advisers, in particular with their tax advisers as to the tax consequences of the acquisition, ownership and disposal of the Notes, including the effect of any state or local taxes under the tax laws applicable in each country in which they are resident or to which they have another relevant nexus.

Risks Relating to the sustainability features of the Notes and Loan.

Notes may not meet investor expectations or requirements

It is Sabesp's intention to apply an amount equal to the net proceeds of the Term Loan B to fund Eligible Blue Projects (as defined herein) in accordance with the Sustainability Finance Framework as further described and defined under the "*Use of Proceeds.*"

A prospective investor should have regard to the information set out in the section "*Use of Proceeds*" and determine for itself the relevance of such information for the purpose of an investment in the Notes together with any other investigation it deems necessary.

No assurance is given that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Sustainability Finance Framework (including in relation to the EU Taxonomy Regulation, and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including the ICMA Principles).

No assurance can be given that Eligible Blue Projects will meet investor expectations or requirements regarding such "blue" or similar label (including in relation to, but not limited to, the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation or guidance, including the ICMA Principles) or any requirements of such labels or market standards as they may evolve from time to time. The Notes will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in Sabesp's Sustainability Finance Framework. It is not clear if the establishment under the EU Green Bond Regulation of the EuGB label and the optional disclosures templates for bonds issued as "environmentally sustainable" could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures templates, such as the Notes. It could result in reduced liquidity or lower demand or could otherwise affect the market price of the Notes.

While it is Sabesp's intention to allocate an amount equal to the net proceeds of the Term Loan B for Eligible Blue Projects as described in "*Use of Proceeds*" below, there is no contractual obligation to do so. There can be no assurance that any such Eligible Blue Projects will be available or capable of being implemented in, or substantially in, the manner and timeframe anticipated and, accordingly, that we will be able to use an amount equal to the net proceeds for such Eligible Blue Projects as intended. In addition, there can be no assurance that Eligible Blue Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by Sabesp to allocate the proceeds of the Term Loan B or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with the Notes or the failure of the Notes to meet investors' expectations requirements regarding any "blue" or similar labels will constitute an event of default under the Term Loan B.

Sabesp does not undertake to ensure that there are at any time sufficient Eligible Blue Projects to allow for allocation of a sum equal to the net proceeds of the Term Loan B in full.

An amount equal to the net proceeds of the Term Loan B which, from time to time, are not allocated as funding for Eligible Blue Projects are intended by Sabesp to be held pending allocation. Funds held pending allocation may, for a temporary period, be allocated to Sabesp's other activities, whether operational, financial, or linked to financial investments, using an equivalent amount as stipulated in the Sustainability Finance Framework. Until the full allocation of proceeds, these must be preserved in cash or invested in low-risk and high-liquidity alternatives, investment funds with a low-risk rating, or pledged operations of AAA-rated banks according to risk ratings. Additionally, pursuant to the "*Use of Proceeds*" section of this Offering Memorandum, investing any of the unallocated net proceeds from the Term Loan B in controversial or high GHG-emitting sectors or activities is strictly prohibited.

Each prospective investor should have regard to the factors described in Sabesp's Sustainability Finance Framework and the relevant information contained in this Offering Memorandum and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Notes before deciding to invest. Sabesp's Sustainability Finance Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Memorandum. Sabesp's Sustainability Finance Framework does not form part of, nor is incorporated by reference, in this Offering Memorandum.

No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to the Notes

S&P Global has issued an independent opinion, dated April 10, 2025, on Sabesp's Sustainability Finance Framework (the "Second Party Opinion"). The Second Party Opinion provides an opinion on certain environmental and related considerations is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability of the Second Party Opinion or any opinion, review, certification of any third party (including any post-issuance reports prepared by an external reviewer) made available in connection with the issue of the Notes. The Second Party Opinion and any other such opinion, review, certification or post-issuance report is not intended to address any credit, market or other aspects of any investment in the Notes, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Notes. The Second Party Opinion and any other opinion, review, certification or post-issuance report is not a recommendation to buy, sell or hold the Notes and is current only as of the date it was issued.

The criteria and/or considerations that formed the basis of the Second Party Opinion and any other opinion, review, certification or post-issuance report may change at any time and the Second Party Opinion and any other opinion, review, certification or post-issuance report may be amended, updated, supplemented, replaced and/or withdrawn at any time. Any withdrawal of the Second Party Opinion or any other opinion, review, certification or post-issuance report may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. As at the date of this Offering Memorandum, the providers of such opinions, reviews, certifications and post-issuance reports are not subject to any specific regulatory or other regime or oversight. The EU Green Bond Regulation will introduce a supervisory regime of external reviewers of European Green Bonds but this is not due to take full effect until June 21, 2026. Prospective investors must determine for themselves the relevance of the Second Party Opinion and any other opinion, review, certification or post-issuance report and/or the information contained therein. The Second Party Opinion and any other such opinion, review, certification or post-issuance report does not form part of, nor is incorporated by reference, in this Offering Memorandum.

Prospective investors should carefully review the information set out in this Offering Memorandum regarding such use of such net proceeds and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary.

The trading price of the Notes may be negatively affected to the extent that the perception by investors of the suitability of the Notes as "Blue" bonds deteriorates or demand for sustainability-themed investment products diminishes.

Perception by investors of the suitability of the Notes as "Blue" bonds could be negatively affected by dissatisfaction with Sabesp's compliance with the framework for determining Eligible Blue Projects described under "Use of Proceeds," controversies involving the environmental or sustainability impact of Sabesp's business or industry, evolving standards or market consensus as to what constitutes a "Blue" bond or the desirability of investing in "Blue" bonds or any opinion or certification as to the suitability of the Notes as "Blue" bonds no longer being in effect. Eligible Blue Projects may become controversial or criticized by activist groups or other stakeholders. None of the Initial Purchasers, the Trustee or any stock exchange, securities market segment or regulatory body makes any representation as to the suitability of the Notes to meet or fulfill environmental or sustainability criteria, expectations, impact or performance required by prospective investors, any third-party reviewer or opinion provider, any stock exchange or securities market.

The trading price of the Notes may be negatively affected to the extent investors are required or choose to sell their holdings due to deterioration in the perception by the investor or the market in general as to the suitability of this offering as "Blue" bonds. The trading price of the Notes may also be negatively affected to the extent that demand for sustainability-themed investment products diminishes due to evolving investor preferences, increased regulatory or market scrutiny on funds and strategies dedicated to sustainability or environmental, social or governance-themed investing or for other reasons.

The Notes might not be listed or admitted to any dedicated "blue," "green," "environmental," "social," "sustainable" or other equivalently-labeled segment of any stock exchange or securities market, and the Notes might not be included in any blue, green, environmental, social, sustainable bond or other equivalent index, and any such potential listing, admission or inclusion may not be indicative that the Notes are or will be suitable for the investment criteria of an investor.

While no assurance can be given that any such listing, admission or inclusion will happen, in the event that the Notes are listed or admitted to trading on any dedicated "blue," "green," "environmental," "social," "sustainable" or another equivalently-labeled segment of any stock exchange or securities market (whether or not regulated), or included in any blue, green, environmental, social, sustainable bond or another equivalent index, no representation or assurance can be given by the Issuer, Sabesp, any Initial Purchaser or any other person:

- that such listing, admission or inclusion would satisfy (or would continue to satisfy), whether in whole or in part, any present or future investor expectations or requirements, taxonomies or standards or other investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own by-laws or other governing rules or investment portfolio mandates, ratings mandates or other expectations, in particular with regard to any direct or indirect environmental, social or sustainability impact of any projects or uses, the subject of or related to, any Eligible Blue Projects (and it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange, securities market or index to another); or

- that any such listing or admission to trading or inclusion in any index will be maintained during the term of the Notes. In the event that the Notes are listed on any such exchange or securities market, any change to the listing or admission status of the Notes, including but not limited to the Notes no longer being listed or admitted to trading on any stock exchange or securities market, may materially and adversely affect the trading price of the Notes or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose

The Notes may not be a suitable investment for all investors seeking exposure to "sustainable development finance" assets.

There is currently no market consensus on what precise attributes are required for a particular project or financing to be defined as "blue," "green," "sustainable," "social" or "development," and therefore no assurance can be provided to investors that the Notes and the use of proceeds of the Term Loan B by Sabesp or any sustainable development impact projects, will satisfy, whether in whole or in part, any expectations or requirements of any investor or any present or future expectations or requirements with respect to development finance, Blue Notes or sustainability. Neither the Issuer, Sabesp, the Development Finance Structuring Agent, nor the Initial Purchasers make any representations or assurances as to whether (and are not responsible for ensuring that) the characterization of the Notes as development finance or whether Sabesp's development impact goals or targets will (i) comport with any investor's definition of blue or development finance, (ii) meet any investor's criteria and expectations with regard to developmental impact, or (iii) comport with the characterization or definitions used by any other development finance institution in the public or private sectors. Sabesp may change or reduce its development impact reporting in the future and have no legal obligation to continue to report on the metrics included under "Sustainable Development Impact" or any other metrics.

The methodology used to calculate the metrics described under "Sustainable Development impact" may change over time.

The industry-wide methodologies, including sectorial standards and guidelines, on which Sabesp bases its methodology, may change over time, and Sabesp may unilaterally decide to revise and update the methodology they use to calculate the metrics described under "Sustainable Development Impact" to reflect such changes and/or developments in their ability to measure such metrics, all of which may impact, positively or negatively, Sabesp's ability to satisfy the targets and goals as described under "Sustainable Development Impact," which could in turn adversely affect Sabesp's reputation

The Notes are not linked to the performance of the Eligible Blue Projects, do not benefit from any arrangements to enhance the performance of the Notes or any contractual rights derived solely from the intended use of proceeds of the Notes

The performance of the Notes is not linked to the performance of the relevant Eligible Blue Projects or the performance of Sabesp in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Notes and the Eligible Blue Projects. Consequently, neither payments of principal and/or interest on Notes nor any rights of noteholders shall depend on the performance of the relevant Eligible Blue Projects or Sabesp's performance in respect of any such environmental or similar targets. Holders of the Notes shall have no preferential rights or priority against the assets of any Eligible Blue Project nor benefit from any arrangements to enhance the performance of the Notes.

Failure to allocate the proceeds of the Notes or failure by a third party to issue an opinion will not constitute an event of default under the notes or the indenture.

None of a failure by Sabesp to allocate the proceeds of the Term Loan B or a failure of a third party to issue (or to withdraw) an opinion, review, certification or post-issuance review in connection with the Notes or the failure of the Notes to meet investors' expectations requirements regarding any "blue" or similar label (including in relation to, but not limited to, the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation or guidance, including the ICMA Principles) will constitute an event of default or breach of contract with respect to the Notes.

Risks Relating to the Borrower and the Terms and Conditions of the Loans

The terms of the Loan Agreement impose, or will impose, restrictions on Sabesp that may affect Sabesp's ability to successfully operate its business.

The Loan Agreement contains covenants that, among other things, limit Sabesp's ability to make certain restricted payments, create certain liens and undertake the consolidation, merger, sale or conveyance of Sabesp. These covenants could materially and adversely affect Sabesp's ability to finance its future operations or capital needs and to engage in other business activities that may be in its best interest. All of these covenants may restrict Sabesp's ability to expand or to pursue its business strategies. Sabesp's ability to comply with these covenants may be affected by events beyond Sabesp's control, such as prevailing economic conditions and changes in regulations, and if such events occur, Sabesp cannot be sure that it will be able to comply. A breach of these covenants could result in a default under the Loan Agreement, which will in turn result in a default under the Indenture governing the Notes.

Payments on the Loans will be junior to Sabesp's secured debt obligations and effectively junior to debt obligations of its subsidiaries.

The Loans will constitute Sabesp's senior unsecured obligations and will rank equal in right of payment with all of Sabesp's other existing and future senior unsecured indebtedness (except those obligations preferred by operation of law). Although the Lender will have a direct, but unsecured claim on Sabesp's assets and property, payment by Sabesp in respect of the Loans will be subordinated to any of its secured indebtedness. Payment by Sabesp in respect of the Loans will also be structurally subordinated to the payment of secured and unsecured debt and other creditors of its subsidiaries (if any).

Sabesp may not have sufficient funds to prepay the Term Loan B upon occurrence of a mandatory prepayment event under the Loan Agreement.

The Notes will be subject to redemption upon the occurrence of any voluntary or mandatory prepayment by Sabesp of the amounts outstanding from time to time under the Term Loan B. If any mandatory prepayment event occurs under the Loan Agreement, Sabesp may not have available funds sufficient to make the full principal amount of the Term Loan B that might be requested to be repaid by the Lender. In the event Sabesp is required to prepay the Term Loan B including in case of a Loan Change of Control Offer, Illegality or Unauthorized Share Transactions, Sabesp may not have available funds to meet its purchase obligations and any other obligations it may have. We cannot assure you that Sabesp would be able to obtain third-party financing to comply with such obligations, and the terms of the Loan Agreement may restrict the ability of Sabesp to obtain such financing. Accordingly, the Issuer will not have sufficient funds to make the required purchase or redemption of the Notes. See "*Description of the Notes—Redemption and Purchase*."

The Loan Agreement provides for certain non-customary events of default or mandatory pre-payment events.

The Loan Agreement contains certain covenants regulating environmental and social compliance, prohibitive practices, excluded activities and provides certain additional events of default or mandatory pre-payment events for moratorium events which are not customary events of default but are required by the Lender. Any failure by Sabesp to comply with the above covenants will cause an event of default or mandatory pre-payment event, as the case may be, under the Loan Agreement, which will be determined by the Lender in its sole discretion and holders of the Notes will not be able to declare or waive such events of default. See "*The Loan Agreement and the Loans—Loan Events of Default*."

The Loan Agreement provides for non-pro rata prepayment.

On the issue date, Term Loan A will constitute 10% of the aggregate principal amount of the Loans. However, pursuant to the Loan Agreement, under certain circumstances, Sabesp has the flexibility to voluntarily prepay the Term Loan A and the Term Loan B on a non-*pro rata* basis provided that Term Loan A is always at least 10% of the aggregate commitments under the Loan Agreement. Accordingly, in certain circumstances Term Loan A may be repaid prior to the Term Loan B (and therefore prior to the Notes). Furthermore, Term Loan A may constitute more than 10% of the aggregate principal amount of the Loans where the Term Loan B is prepaid in certain situations and the Lender declines such prepayment.

The Lender and its affiliates have other relationships with Sabesp and its shareholders.

The Lender and its affiliates have and will continue to have a wide range of banking, insurance, trust and other financial relationships with Sabesp, its subsidiaries and our shareholders. As a consequence of these relationships, the Lender or its affiliates may take actions that, directly or indirectly, may entitle them to appear in proceedings with respect to claims against Sabesp or its subsidiaries. As a result of such relationships, the Lender may take a position in favor of Sabesp or contrary to the interests of the Issuer and the holders of the Notes. In managing such relationships, the Lender and its affiliates are under no obligation to consider the effect of their actions on the holders of the Notes. In addition, in the course of such relationships or otherwise, the Lender or its affiliates may come into possession of material non-public information with respect to Sabesp.

Payments under the Loan Agreement to the Issuer may lead to increased tax withholding.

Payments to the Lender under the Loan Agreement are not expected to be subject to remittance withholding tax. However, to the extent Sabesp makes payments directly to the Issuer under the Loan Agreement, including as a result of Sabesp's exercise of its Step-in Right, as described in "*The Loan Agreement and the Loans—Step-in Right,*" such payments may be subject to remittance withholding tax. To the extent of any withholding tax, Sabesp is obligated under the loan to pay additional amounts in order to gross-up such payments. Accordingly, any increase or obligation to pay withholding tax by Sabesp under the Loan Agreement may affect Sabesp's ability to make interest payments under the Loan Agreement.

Sabesp may be unable to raise the funds necessary to prepay the Loans upon a Loan Change of Control Offer, which would result in a default under the Loan Agreement.

Upon the occurrence of a Loan Change of Control, the terms of the Loan Agreement will require Sabesp to offer to prepay all the Loans at a price equal to (x) in the case of the Term Loan A, the total outstanding principal amount of the Term Loan A and (y) in the case of the Term Loan B, the total outstanding principal amount of the Term Loan B plus the applicable prepayment premium required pursuant to the terms of the Loan Agreement and Indenture, plus, in each case, accrued and unpaid interest to, but excluding, the date of such prepayment, any Loan Additional Amounts and Costs with respect thereto. If a Loan Change of Control Offer were to occur, Sabesp cannot assure you that it would have sufficient funds available or that it would be able to obtain sufficient funds at such time to prepay the Loans or that Sabesp's then-existing contractual obligations would allow Sabesp to make such required prepayment. Additionally, any financing arrangements that Sabesp may enter into may require repayment of amounts outstanding upon the occurrence of a change of control event and may limit Sabesp's ability to prepay the Loans in certain circumstances. The prepayment pursuant to such an offer could cause a default under such financing arrangements, even if the Loan Change of Control Offer itself does not. It is possible that Sabesp will not have sufficient funds at the time of the Loan Change of Control Offer to make the required prepayment or that restrictions in its credit facilities and other financing arrangements will not allow its to prepay the Loans. See "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Change of Control.*" Furthermore, the change of control provision contained in the Loan Agreement may not necessarily afford the Lender protection in the event of certain important corporate events, including a reorganization, restructuring, merger, recapitalization or other similar transaction involving Sabesp.

It may be difficult for the Lender to enforce civil liabilities against Sabesp or Sabesp's directors, executive officers and controlling persons.

A substantial portion of Sabesp' assets are located in Brazil. In addition, Sabesp's directors reside in Brazil. As a result, it may not be possible for the Lender to effect service of process within the United States upon such persons or Sabesp or to enforce against them in courts of any jurisdiction outside Brazil, judgments predicated upon the laws of any such jurisdiction, including any judgment predicated substantially upon the civil liability provisions of United States federal and state securities laws.

Sabesp has been advised that there are certain limitations and formal requirements for the enforceability in Brazilian courts, in original actions or in actions for enforcement of judgments obtained in courts of jurisdictions outside Brazil, of civil liabilities arising under the laws of any jurisdiction outside Brazil, including any judgment predicated solely upon United States federal or state securities laws. Specifically, Sabesp believes that Brazilian courts will enforce a judgment of a court sitting in a jurisdiction outside Brazil for civil liabilities predicated on the securities laws of any such country, without reconsideration of the merits, only if such judgment satisfies certain requirements and receives confirmation from the Brazilian Superior Court of Justice, Brazil's highest court for the recognition of foreign judgments. There can be no assurance that such confirmation would be obtained, that the process described above would be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the securities laws of a country other than Brazil with respect to the Notes. See "*Enforcement of Judgements*" and "*Enforcement of Civil Liabilities*." Once the Brazilian Superior Court of Justice recognizes the foreign judgment, its enforcement must be pursued by means of a new proceeding to be filed with the Federal trial court (*Justiça Federal*).

As a result, it may be difficult for the Lender to effect service of process within the United States on such persons or to enforce judgments against them, including in an action based on civil liabilities under the U.S. federal securities laws.

Sabesp may not be able to make payments in U.S. dollars. Restrictions on the movement of currency out of Brazil and changes in the foreign exchange policy of Brazil may impair the ability of the Lender to receive interest and other payments on the Loans.

In the past, the Brazilian economy has experienced balance of payment deficits and shortages in foreign exchange reserves, and the government has responded by restricting the ability of Brazilian or foreign persons or entities to convert Brazilian reais into foreign currencies generally, and U.S. dollars in particular. Current legal framework provides for the free movement of capital, subject to applicable regulations, however, it is possible that the Brazilian government may, in the future, adopt a more restrictive foreign exchange control policy. Any restrictive exchange control policy could prevent or restrict Sabesp's access to U.S. dollars and, consequently, its ability to meet U.S. dollar obligations and could have a material adverse effect on its business, financial condition and results of operations. Sabesp cannot predict the impact of any such measures on the Brazilian economy.

Sabesp's obligations to make, or cause to be made, payments in respect of the Loans are based on the cash flow available for debt service, which is denominated primarily in Brazilian *reais*. These obligations with respect to the cash flow available for debt service are subject to the ability to convert Brazilian *reais* into U.S. dollars, the rates at which such conversions occur, and the ability to repatriate such funds into the United States. The Brazilian real may be subject to significant fluctuations in the future. Also, Sabesp is exposed to foreign currency exchange rate risk due to the fact that a portion of Sabesp's operating expenses and capital expenditures are denominated in U.S. dollars and it is exposed to net variability in the U.S. dollar to the Brazilian real exchange rate on a portion of Sabesp's expected non-functional currency spend.

Sabesp's obligations under the Loan Agreement are subordinated to certain statutory liabilities.

Under Brazilian law, Sabesp's obligations under the Loan Agreement are subordinated to certain statutory preferences, including post-petition claims, claims for salaries, wages, secured obligations, social security, taxes, court fees and expenses, among other claims, as well as to creditors entitled to expedited judicial proceedings or enforcement of money judgments. In the event of Sabesp's liquidation, bankruptcy or judicial reorganization, such statutory preferences will have preference over any other claims, including claims by the Lender. In such event, the Lender may be unable to collect amounts that they are due thereunder.

In Brazilian judicial reorganization proceedings, there are no preferences among the claims subject to the proceeding. However, with respect to bankruptcy proceedings carried out pursuant to Brazilian law, Sabesp's obligations under the Loan Agreement are also subordinated to certain statutory preferences, including post-petition claims, claims for salaries, wages, secured obligations, social security, taxes, court fees and expenses, among other claims. Therefore, in the event of Sabesp's bankruptcy, such statutory preferences will have preference over any other claims, including claims by the Lender. In such event, the Lender may be unable to collect amounts that they are due thereunder.

Sabesp is subject to the insolvency laws of Brazil, which differ from bankruptcy laws in certain other jurisdictions and may limit the ability of the Lender to recover payments or to actively participate in such insolvency proceedings.

Sabesp is incorporated under the laws of Brazil. Accordingly, any insolvency proceedings with respect to Sabesp would likely proceed under the laws of Brazil. Under Brazilian insolvency laws, the main Brazilian insolvency proceedings affecting creditors are (i) out-of-court reorganization (*recuperação extra-judicial*), (ii) judicial reorganization (*recuperação judicial*) and (iii) bankruptcy liquidation (*falência*). Certain provisions of insolvency laws in Brazil differ from bankruptcy laws in certain other jurisdictions and may not afford the noteholders with the same creditor rights that the noteholders would enjoy in similar proceedings in certain other jurisdictions.

In the event of Sabesp's bankruptcy, its debt obligations that are denominated in foreign currency would be converted into Brazilian *reais* at the prevailing exchange rate on the date of the bankruptcy declaration by the relevant Brazilian court. In an event of its judicial reorganization, debt obligations denominated in foreign currency would be converted into Brazilian *reais* only for voting purposes at a general creditors' meeting. In this case, the foreign currency creditors would cast their votes pursuant to the Brazilian *reais* amounts calculated. The debt itself would remain in the currency set out in the corresponding agreement. Any payment, in this case, would follow the provisions of the judicial reorganization plan and could be made either in Brazilian *reais* or in a foreign currency, depending on what is established in the judicial reorganization plan and approved by creditors. Also, debt obligations would be subject to the reorganization plan or, in case of a bankruptcy liquidation, would be paid according to a statutory order pursuant to the Brazilian bankruptcy law. Sabesp cannot assure that such exchange rate would afford full compensation of the amount invested in the Loans.

If the plan is rejected, the creditors may propose an alternative plan if the requirements provided for the Brazilian insolvency laws are met. If the plan is rejected and the creditors do not propose an alternative plan, the judicial reorganization would be converted into a bankruptcy proceeding and all of Sabesp's assets would be sold and the product of the sale would be used in the payment of creditors, pursuant to an order set forth by the Brazilian bankruptcy law (first, holders of amounts not subject to bankruptcy, then labor creditors, secured creditors, tax authorities, unsecured creditors and lastly shareholders and related parties). As mentioned above, in the event of Sabesp's bankruptcy, all of Sabesp's debt obligations denominated in foreign currency, including the Loans, would be converted into Brazilian *reais* at the prevailing exchange rate on the date of declaration of bankruptcy by the court, and interest would stop being accrued.

In addition, Sabesp's creditors may hold negotiable instruments or other instruments governed by local law that grant rights to attach Sabesp's assets or those of its subsidiaries at the inception of judicial proceedings (i.e., fiduciary collaterals), which is likely to result in priorities benefitting those creditors when compared to the rights of the Lender.

Judgments of Brazilian courts in respect of Sabesp's obligations under the Loans would be payable only in Brazilian reais.

If proceedings were to be brought in the courts of Brazil seeking to enforce Sabesp's obligations under the Loans, Sabesp would not be required to discharge its obligations in any currency other than Brazilian *reais*. According to the current precedents of the Superior Court of Justice ("STJ"), any judgment obtained against Sabesp in Brazilian courts in respect of Sabesp's obligations under the Loans will be expressed in the Brazilian *reais* equivalent to the U.S. dollar exchange rate published by the Central Bank as of the date on which (i) the agreement was executed, *plus* inflation until the payment date according to the official index applicable to Brazilian *reais*; or (ii) the action for recognition (*homologação*) of the foreign judgment was filed before the STJ.

Please be advised that these monetary conversion and inflationary correction parameters may be subject to future modifications in the event of a change in the prevailing understanding of the STJ. In addition, in the event of Sabesp's bankruptcy, its debt obligations, including the Loans, which are denominated in foreign currency, will be converted into Brazilian *reais* at the prevailing exchange rate on the date of declaration of Sabesp's bankruptcy by the court. Please see "*—Sabesp is subject to the insolvency laws of Brazil, which differ from bankruptcy laws in certain other jurisdictions and may limit the ability of the Lender to recover payments or to actively participate in such insolvency proceedings.*" We cannot assure you that these exchange rates will provide full compensation in respect of the amount of the Loans.

USE OF PROCEEDS

General

The net proceeds from the issuance of the Notes offered hereby are estimated to be approximately U.S.$1,330 million, after deducting the Initial Purchasers' discount and commissions and the estimated fees and expenses related to the offering.

Issuer

The Issuer intends to use the net proceeds from the offering of the Notes, together with certain amounts received under any Fee Letters (as defined in the Loan Agreement), to purchase, pursuant to the Participation Agreement, the participation in the Term Loan B made by the Lender to Sabesp pursuant to the Loan Agreement.

Borrower

Sabesp intends to use the net proceeds from the Term Loan B, which are estimated to be approximately U.S.$1,328 million, after deducting estimated fees and expenses, to finance or refinance, in whole or in part one or more existing Eligible Blue Projects (as defined below) in accordance with the blue project categories of its Sustainable Finance Framework (as defined below) and the terms of the Loan Agreement, exclusively (i) to pay or reimburse Sabesp for Project (as defined in "*The Loan Agreement and the Loans)* costs, including the construction of new sewage treatment facilities, costs of upgrading existing sewage treatment plants, in each case, across 322 municipalities in the state of São Paulo, Brazil, and costs with the implementation of new collection systems and the expansion of almost 10,000 km of sewer network, (ii) for payment or reimbursement of expenditures of goods and services in IDB Invest Member countries, and (iii) for payment of the fees and expenses related to the preparation, negotiation, execution and delivery of Financing Documents and the disbursement of the Loans.

"Eligible Blue Projects" are investments in (i) the development, reform, installation, and expansion, as well as other capital expenditures (CapEx) related to the defined Eligible Blue Projects, (ii) procurement, maintenance, and other operational expenses necessary for the execution and sustainability of Eligible Blue Projects, (iii) capital expenditures and selected operating expenditures (OpEx), such as maintenance costs that either increase the lifetime or the value of the physical assets meeting the Eligibility Criteria, (iv) research and development (R&D) expenditures aimed at developing new products and/or solutions as per the Eligibility Criteria, (v) acquisitions of a majority or minority stake or capital injections in "Pure Player" companies specialized in the blue categories described in the Use of Proceeds section of the Sustainable Finance Framework; and (vi) other operational expenditures related to the financing of Eligible Blue Projects. Eligible Blue Projects include those disbursements which Sabesp or any of its subsidiaries has made in the 24 months prior to the entry into the Term Loan B and up to 36 months following the entry into the Term Loan B.

To the extent any of the Initial Purchasers or their respective affiliates are lenders or otherwise involved in Eligible Blue Projects, such Initial Purchaser or their respective affiliates may receive a portion of the proceeds of this offering.

Below are the details of Eligible Blue Project categories in which Sabesp will apply an amount equal to the net proceeds from this offering in accordance with the Sustainable Finance Framework.

Sustainable Water and Wastewater Management includes investments and expenditure in planning development, operation, maintenance, enhancement, installation, expansion, acquisition and retrofitting of sustainable water and sewage management systems and technologies, including:

- Infrastructure to capture store, treat and distribute water and collect and treat sewage;
- Infrastructure or drinking water treatment that improve or monitor water quality;
- Optimization and efficiency programs that reduce water footprint in the distribution and consumption of water in operations, production facilities, and offices;
- Wastewater/sewage treatment and recovery plants and related infrastructure;
- Urban drainage systems;
- Water recycling and reuse infrastructure;
- Water supply/storage infrastructure to recharge water, recover water bodies/tables, rainwater catchment systems;
- Smart system water meters and tools for pressure identification and/ or links; and

- Desalination plants to produce water to be distributed in drinking water systems.

Terrestrial and Aquatic Biodiversity Conservation includes investments and expenditure for sustainable management and restoration of natural ecosystems, including:

- Conservation and management projects to restore or maintain catchment systems (rivers, lakes, streams, dams, groundwater and springs) to improve the quality of the environment and water;

- Projects for the conservation and restoration of forests, riparian vegetation and wetlands to maintain water quality and quantity and to prevent flooding and promote biodiversity; and

- Company programs such as the Green Belt Program, Wildlife Monitoring Programs, Wildlife Conservation Programs, Wildlife Rescue and Salvage Programs, Forestry Management and Replacement Programs, and Water and Aquatic Biota Quality Monitoring Programs.

Climate Change Adaptation includes investments and expenditures in infrastructure designed to increase resilience and improve customer reliability, as well as mitigating impacts from climate change, such as severe climatic events, such as more frequent and intense flooding, heat waves, as well as other impacts and changes in climate patterns, including:

- Technology and infrastructure to improve and conduct long-term and operational planning to increase water security and resilience;

- Infrastructure, nature-based solutions, control systems and/or monitoring of water resources, flood prevention, drought mitigation, soil erosion, and coastal erosion.

Exclusion Criteria

Below are related projects and activities that cannot be classified as Eligible Blue Projects and therefore cannot be allocated to:

- Acquisition, development, operation and maintenance of fossil fuel-based electricity generation systems or coal or fuel oil heating systems;

- Nuclear activities or associated waste;

- Alcohol for consumption, arms, tobacco or gambling industry;

- Weapons industry;

- Connection or expansion of production plants using fossil fuels;

- Production or marketing of any product or activity considered illegal by national or international laws or regulations, conventions and agreements signed by Brazil;

- Illegal employment and/or working practices involving child or youth labor, subject employees to degrading or similar conditions to slave labor;

- Projects or activities which directly or indirectly has violations of the rights of indigenous peoples or traditional peoples and communities;

- Business partners that do not comply with Act No 12,846/2013 (Anti-corruption Act);

- Activities listed in the exclusion list of the International Finance Corporation; and

- Production or sale of any product or activity that may relate to importers and exporters with misconduct such as illegal.

In addition to the exclusion criteria set forth above, Sabesp is subject to certain restrictions related to the use of proceeds for excluded activities set forth in the Loan Agreement.

Process for Project Evaluation and Selection

Sabesp's sustainable finance working group composed of the sustainability and treasury and investor relations departments, shall be responsible for the assessment and selection of Eligible Blue Projects to ensure alignment with its Sustainable Finance

Framework. The working group shall meet on a quarterly basis with the relevant executive directors/officers, in accordance with the procedures set out in the Sustainable Finance Framework. In addition, all projects allocated funding from the issuance proceeds will follow an internal process that includes final review and approval by its Executive Board, Board of Directors and, when applicable, the General Assembly.

Management of Proceeds

Internal records will be periodically adjusted to show the actual amount of net proceeds from the Term Loan B spent on Eligible Blue Projects as well as the net proceeds pending allocation. Pending allocation, an amount equal to the net proceeds of the Term Loan B may be temporarily invested in cash, cash equivalents, and/or held in accordance with its internal liquidity policy. Ultimately, an amount equal to the net proceeds of Term Loan B is intended to be allocated to new projects and/or the refinancing of Eligible Blue Projects within 36 months after the date of disbursement of the Term Loan B. For the avoidance of doubt, the Initial Purchasers assume no responsibility for verifying or monitoring the use of proceeds. Annually, the Working Group will review the approved Blue Projects to ensure their continued alignment with the Eligibility Criteria and strategic objectives outlined in the Sustainable Finance Framework.

Any payments of principal and interest on any Notes may be made by the Issuer following receipt of the interest and principal under the Participation Agreement and will not be linked to the performance of any Eligibility Project.

Reporting

Sabesp's sustainable finance working group will report annually, as provided in the Sustainable Finance Framework and the Loan Agreement on the allocation of net proceeds (or the equivalent amount) to Eligible Blue Projects. This annual report (the "Report") will be prepared observing market best practices and content agreed in the Sustainable Finance Framework and may be incorporated into the Sustainability Report, the Administration Report, or another specific document, at Sabesp's discretion, provided that it is properly disclosed on its website and Sabesp may hire a third party to assist in preparing and reviewing this report. The Report will include:

(i) the amount of net proceeds from the Term Loan B that have been allocated to one or more Eligible Blue Projects either individually or by category, subject to confidentiality considerations;

(ii) the list of Eligible Blue Project categories with a selection of brief descriptions;

(iii) the outstanding amount of net proceeds from the Term Loan B yet to be allocated to Eligible Blue Projects at the end of the reporting period.

Additionally, the environmental and social impacts resulting from the allocation will be reported annually in the Sustainability Report or another document that may replace it, ensuring transparency regarding the benefits generated by the Eligible Blue Projects and proper communications of this information to investors and other stakeholders. Expected impact metrics such as, by way of example and not limited to or bound by the usage of, the number of water consumer units (absolute number), the number of sewage consumer units (absolute number), volume of treated water (m^3/year), volume of treated effluent (m^3/year), volume of reuse water provided (m^3/year), total distribution loss index (IDPT), area managed under conservation (ha).

External Review

On a yearly basis until the full allocation of the net proceeds of the Term Loan B, an independent external reviewer will provide a limited assurance on the allocation of proceeds of the Term Loan B, in accordance with the Sustainable Finance Framework. The verifier's report will be publicly available on Sabesp website, which is not incorporated by reference into this Offering Memorandum.

The Report will be accompanied by a report from an independent external reviewer who will provide a limited assurance on the allocation of the proceeds of the Term Loan B.

Sabesp has retained an independent consultant with recognized environmental and social expertise to provide a second-party opinion on the environmental and social benefits of its Sustainable Finance Framework or the "Second-party Opinion," as well as the alignment to the Sustainable Finance Framework. For the avoidance of doubt, the Sustainable Finance Framework and the Second-party Opinion are not incorporated by reference into this Offering Memorandum.

"**Sustainable Finance Framework**" means Sabesp's sustainable finance framework developed in March 2025, in accordance with the following:

1. the International Capital Markets Association (ICMA) - Green Bond Principles (GBP) (2021),

2. the International Capital Markets Association (ICMA) - Social Bond Principles (SBP) (2023),

3. the International Capital Markets Association (ICMA) - Sustainability Bond Guidelines (SBG) (2021),

4. the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), and Loan Syndication & Trading Association (LSTA) - Green Loan Principles (GLP) (2023),

5. the Social Loan Principles (SLP) (2023),

6. the Guidelines for Blue Finance developed by the International Finance Corporation (IFC) (2022), and

7. the Guide for the Provision of Sustainable Securities ("*Guia Para Ofertas de Títulos Sustentáveis*") of the Brazilian Association of Financial and Capital Markets (ANBIMA).

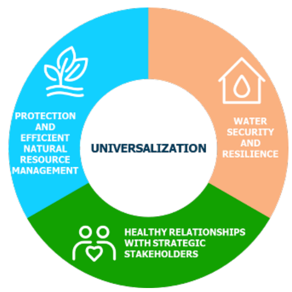
SUSTAINABLE DEVELOPMENT IMPACT

General

Sabesp is a leading water and sewage utility company in Brazil, serving millions of people across the São Paulo state with a commitment to providing universal and equitable access to water and sanitation. Sabesp has established itself as a key player in the sector, driven by its robust infrastructure, innovative solutions, and dedication to sustainable operations. The company operates under a comprehensive business model that integrates advanced technologies and efficient management practices to ensure reliable service delivery and environmental stewardship.

Sabesp is committed to supporting universal and equitable access to water and sanitation, to enhancing its sustainable operations, contributing to climate change mitigation and adaptation, and to reinforcing its dedication to health, safety, and community well-being.

Sabesp's Sustainability Strategy is fully aligned with its overarching commitment and is built on four pillars: Universalization of Access to Water and Sanitation; Protection and Efficient Natural Resource Management; Water Security and Resilience; and Healthy Relationships with Strategic Stakeholders.



Based on the sustainability strategy above, Sabesp aims to promote development impact in Brazil by:

1. Promoting universal access to water and sanitation services, ensuring equitable distribution and reducing health risks, decreasing hospitalizations from waterborne diseases, and reducing public health expenditures;

2. Implementing sustainable operations, prioritizing operational and energy efficiency, including the utilization of potential for renewable energy generation to minimize environmental impact and contributing to the depollution of water and the preservation of forests; and

3. Enhancing community well-being through health and safety initiatives and local development through job creation and increased labor productivity.

This section highlights Sabesp's forward-looking intentions to generate incremental positive impact in Brazil. The tables below outline (i) how Sabesp's initiatives contribute to specific UN Sustainable Development Goals (SDGs), (ii) the actions Sabesp intends to take to address identified SDG gaps in Brazil and the associated theory of change for each action, and (iii) the selected metrics to measure and monitor the progress of each intended action.

Sabesp has developed this impact chapter in line with the Impact Disclosure Guidance (the "Guidance"), which was published in October 2024 by the Impact Disclosure Taskforce, a working group composed of major capital markets participants and industry stakeholders. The Guidance is available on International Capital Market Association's website ("ICMA").[1] Notably, Sabesp first adopted this framework as part of its inaugural blue bond issuance in July 2025, demonstrating a commitment to continuity and alignment with emerging best practices in development impact disclosure.

Quantitative analysis of SDG contributions and development gaps primarily relies on the UN SDGs Database, benchmarking Brazil's performance on SDG indicators against other World Bank Group-eligible countries. Where data is unavailable or alternative indicators are more appropriate, the UN Sustainable Development Report is used. Results are normalized and categorized as "Low" (challenges addressed), "Moderate" (challenges remain), "High" (significant challenges remain), or "Very High" (major challenges remain), ensuring stakeholders receive clear, comparable, and ongoing information on Sabesp's impact and progress.

[1] The information disclosed in this section is related to Sabesp's overall sustainability strategy and should not be construed as a representation related to any kind of use of proceeds of the Notes. Failure to achieve the targets referred to herein will not constitute an event of default under the Notes or the Indenture, nor will any such failure have any other impact on the notes or the Offering. See "*Risk Factors—Risks related to the sustainability features of the Notes and Loan—The Notes may not be a suitable investment for all investors seeking exposure to "sustainable development finance" assets*" and "*Forward-Looking Statements*" elsewhere in this Offering Memorandum. The inclusion of the SDID in this Offering Memorandum does not constitute a label in respect of the Notes offered hereby.

	Intended Impacts	SDG Contribution[2]
Product & Services	**Impact Intention #1:** Universal and Equitable Access to Water & Sanitation	
Business Operations	**Impact Intention #2:** Sustainable Operations and Water Resilience	 
	Impact Intention #3: Health & Safety, and Community Well-being	

[2] The quantitative analysis related to SDG contributions and development gaps primarily takes into consideration the UN SDGs Database. The development gap assessment involves comparing a country's statistics for the SDG indicators with those of other countries eligible to borrow from the World Bank Group. The majority of SDG indicators have a one-to-one relationship with a corresponding SDG target. In cases where data is lacking, or if another indicator is more appropriate for the analysis, the assessment will be conducted using the Sustainable Development Report ("SDR"). To normalize the SDR's methodology and enable it to be compared to the development gap analysis on developing countries also displayed in this assessment, the following labels have been assigned: "Low," "Moderate," "High," and "Very High" correspond to "SDG achieved" (green), "Challenges remain" (yellow), "Significant challenges remain" (orange), and "Major challenges remain" (red), respectively.

Impact Intention #1: Universal and Equitable Access to Water & Sanitation

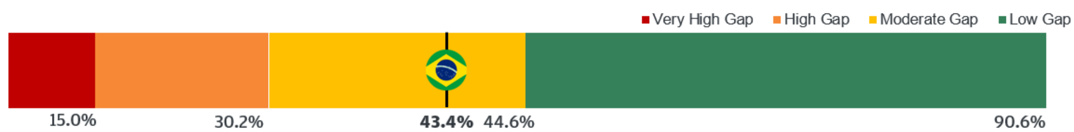
SDG Target 6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all

Indicator 6.1.1: Proportion of population using safely managed drinking water services[3]

The proportion of population using safely managed drinking water services is 88.6% in Brazil, which is above the median of 59.1% observed in comparable peer countries, indicating a low development gap.

SDG Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

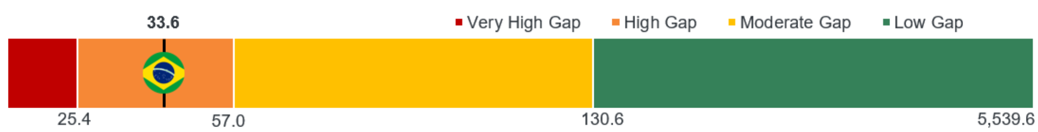
Indicator 6.3.1: Proportion of safely treated domestic wastewater flows (%).[4]



The proportion of safely treated domestic wastewater flows is 43.4% in Brazil, which is above the median of 30.2% observed in comparable peer countries, indicating a moderate development gap.

SDG Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

Indicator 6.4.1: Change in water-use efficiency over time (USD/m3)[5]



The value added from the use of water in Brazil and its economy at the global level is $33.6/m3, lower than the median of $57/m3, indicating a high development gap versus peer countries.

[3] Source: World Bank. Data retrieved from World Development Indicators database on August 8th, 2025 (n=93).

[4] Source: WHO 2020, WHO 2024. Data retrieved from UN SDGs database on December 22, 2025 (n=84).

[5] Source: Food and Agriculture Organization of United Nations (FAO). Data retrieved from UN SDGs database on December 22, 2025 (n=91).

SDG 6 Impact Intentions: To address the gaps above, Sabesp intends to:

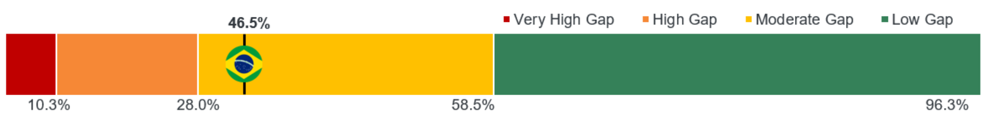
- Expand key programs such as *Integra Tietê*, focused on expanding sewage infrastructure, and *Água Legal*, which regularizes water supply in vulnerable areas;
- Expand and modernize sewage treatment plants, such as the ETE Barueri, the largest sewage treatment plant in South America, to increase capacity and efficiency in sewage treatment, thereby improving environmental outcomes;
- Implement the Social and Vulnerable Tariffs program to provide subsidized services, making water and sewage services more affordable and accessible to vulnerable populations;
- Subsidize internal works within residential properties, enabling low-income families to connect to the sewage network under the *Se Liga na Rede* Program;
- Conduct outreach to rural and vulnerable communities with tailored service models, ensuring that these communities receive appropriate and effective water and sewage services that meet their unique needs; and
- Focus on improving sewage collection and treatment in coastal areas through the *Onda Limpa* Program and others alike, enhancing beach quality and promoting sustainable development to support tourism and local economies.

SDG 6 Theory of Change: Sabesp's initiatives aim to contribute to addressing Brazil's water and sanitation challenges within its area of operation, with a focus on expanding sewage collection and treatment, while also ensuring the provision of water and sewage services to informal urban settlements and rural areas. These efforts align with Brazil's ambition to supply drinking water to 99% of its population and provide sewage treatment to 90% by 2033.[6] As of 2024, 11% of households lack access to safe drinking water (World Bank)[7], and only 62.5% of Brazilian households are connected to the sewage network, with over 37% relying on inadequate sewage solutions or direct discharge into rivers and soil.[8] Discrepancies between urban and rural areas are significant, with 93.4% of urban households connected to the water supply network compared to only 32.3% in rural areas.[9] By enhancing infrastructure and service delivery through private investment and targeted community outreach, the Issuer promotes inclusivity and equity. Programs such as Integra Tietê, Água Legal, Se Liga na Rede, and Onda Limpa not only mitigate health risks but also bolster environmental sustainability and economic development.

Impact Intention #2: Sustainable Operations and Water Resilience

SDG Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix

Indicator 7.2.1: Renewable energy share in the total final energy consumption (%)[10]



Renewable energy accounts for 46.5% of Brazil's total final energy consumption, which is above the median of 28% observed in comparable peer countries, indicating a moderate development gap.

SDG 7 Impact Intentions: To address the above gap, we intend to:

- Continue to promote renewable energy generation initiatives, strengthening a robust, diversified, and sustainable energy portfolio that is prepared to meet the Company's needs and contributing to the energy transition.
- Implement comprehensive energy efficiency measures, including the installation of hydraulic turbines and modernization of equipment and automation systems, to optimize energy use and reduce overall consumption.

SDG 7 Theory of Change: Sabesp's initiatives also aim to contribute to Brazil's renewable energy landscape through energy generation initiatives such as hydropower, solar, wind and biogas, while also enhancing energy efficiency. With hydroelectric plants

6 Source: Brazil Government.

7 Source: World Bank. Data retrieved from World Development Indicators database on August 8th, 2025 (n=93).

8 Source: 2022 IBGE Census.

9 Source: IBGE.

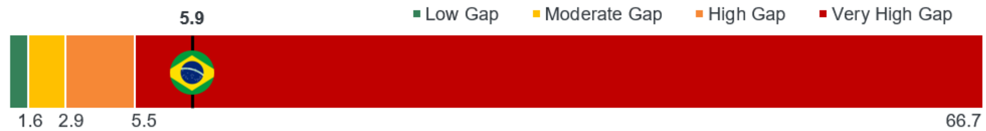
10 Source: Renewable energy consumption is the share of renewable energy in total final energy consumption. IEA Energy Statistics Data Browser, International Energy Agency (IEA), https://www.iea.org/data-and-statistics/data-tools/energy-statistics-data-browser, publisher: International Energy Agency (IEA), date accessed: 2025-03-25 (n=143).

Impact Intention #2: Sustainable Operations and Water Resilience

accounting for over 60% of energy generation, Brazil faces vulnerability during droughts.[11] Hydraulic turbines will improve plant efficiency, conserve water and extend reservoir capacity. Automation and modernizing equipment will reduce energy waste, minimizing reliance on costly thermoelectric plants and stabilize energy costs. These measures enhance energy security by diversifying the energy mix and reducing vulnerability to water shortages.

SDG target 13.2: Integrate climate change measures into national policies, strategies and planning.

Indicator: Total greenhouse gas emissions per year tCO2e per capita[12]



The total CO2 emissions in Brazil is 5.9 metric tons per capita, which is above the median of 2.9 metric tons per capita, indicating a very high development gap versus peer countries.

SDG 13 Impact Intentions: To address the above gap, we intend to:

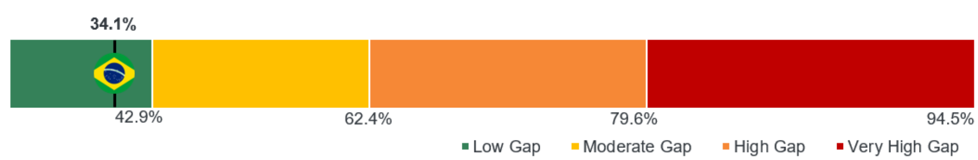
- Implement the planned measures and investments related to the expansion of wastewater collection and treatment using lower-carbon technologies and energy self-generation, with the aim of reducing GHG emissions in line with the climate targets established and disclosed to the market in November 2025;
- Improve emissions accounting and disclose in reports the positive impact of sanitation on GHG emissions, specifically through treating raw sewage in polluted water bodies.

SDG 13 Theory of change: Sabesp's initiatives aim to contribute to addressing Brazil's carbon emissions, which make up about 3.5% of global emissions.[13] By implementing planned measures and investments related to the expansion of wastewater collection and treatment using lower-carbon technologies and energy self-generation, Sabesp seeks to reduce greenhouse gas emissions and fuel costs. Additionally, Sabesp is improving emissions accounting by highlighting the positive impact of sanitation, specifically through treating raw sewage in polluted water bodies, which enhances data accuracy for informed sustainable decision-making. These efforts collectively support climate change mitigation and foster a sustainable approach to managing Brazil's carbon emissions.

Impact Intention #3: Health & Safety, and Community Well-being

SDG Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

Indicator 8.3.1: Proportion of informal employment (%)[14]



The proportion of informal employment in total employment is 34.1% in Brazil, which is below than the median of 62.4%, indicating a low development gap versus peer countries.

[11] Source: Climate Policy Initiative, EPE. Statistical Yearbook of Electric Energy 2024: Base Year 2023. 2024.

[12] Source: EDGAR (Emissions Database for Global Atmospheric Research) Community GHG Database, a collaboration between the European Commission, Joint Research Centre (JRC), the International Energy Agency (IEA), and comprising IEA-EDGAR CO2, EDGAR CH4, EDGAR N2O, EDGAR F-GASES version EDGAR_2025_GHG (2025) European Commission, JRC (Datasets).IEA-EDGAR CO2, a component of the EDGAR (Emissions Database for Global Atmospheric Research) Community GHG database version EDGAR_2025_GHG (2025) including or based on data from IEA (2024) Greenhouse Gas Emissions from Energy, www.iea.org/data-and-statistics, as modified by the Joint Research Centre (n=138). Note that the data includes Palau which as of 2024 has tCO2/Capita equal to 66.7

[13] Source: International Monetary Fund

[14] Given the lack of data for the indicator "Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status," we are using "Proportion of informal employment (%)" as a proxy measure. This substitution is based on the potential indirect link between informal employment and occupational safety, as informal workers may face higher risks due to less regulation and oversight. Source: LFS - Labour Force Survey; ILO modelled estimates, Nov. 2024; LFS - Employment Survey; LFS - Permanent Household Survey, Urban and Others. Data retrieved from UN SDG Database on September 29th, 2025, Activity=Non-Agricultural, (n=108).

Impact Intention #3: Health & Safety, and Community Well-being
SDG 8 Impact Intentions: To address the above gap, Sabesp intends to: • Enhance workplace safety by implementing a comprehensive inspection system, which includes increasing the frequency of inspections and utilizing electronic inspection tools to identify and mitigate potential risks, thereby reducing the likelihood of accidents and improving overall safety conditions. • Strengthen employee health monitoring by conducting regular occupational and complementary medical examinations, and dedicating resources to ergonomics and improving working conditions, which will contribute to a healthier and more productive workforce.
SDG 8 Theory of Change: Accidents at work in low- and middle-income countries such as Brazil represent 18% of deaths,[15] a concern often associated with informal employment conditions. By implementing a comprehensive inspection system and enhancing employee health monitoring, Sabesp aims to significantly reduce workplace accidents and fatalities. These initiatives focus on proactive risk identification and mitigation, ensuring safer working environments and promoting employee well-being. Through these efforts, Sabesp supports the advancement of safe and secure working environments for all workers, thereby contributing to improved labor conditions.

Policies and Procedures to Mitigate Negative Impact

Sabesp is committed to implementing comprehensive policies and procedures to address various aspects of corporate responsibility and sustainability. Its governance framework includes commitments to sustainability, environmental stewardship, and human rights, reflecting a holistic approach to corporate governance. Key initiatives and policy highlights include:

Sustainability and Climate Change Policy: Sabesp's Sustainability and Climate Change Policy establishes the guidelines for integrating environmental, social, and economic aspects into its business strategy. The policy emphasizes responsible management of natural resources, climate resilience, and alignment with global sustainability standards such as the UN Sustainable Development Goals and the GRI framework. It outlines principles for universal access to sanitation, efficient water resource management, biodiversity protection, emissions reduction, and climate-risk mitigation. The policy also incorporates stakeholder engagement, respect for human rights, diversity, and inclusive governance practices. Moreover, it requires Sabesp to communicate its socioenvironmental and financial performance through a Sustainability Report, in line with legal and Novo Mercado requirements.

Corporate Risk Management Policy: Sabesp's Corporate Risk Management Policy is designed to guide Sabesp in the practice of risk assessment within the corporate environment, contributing to improved governance and business planning, as well as the preservation and generation value for Sabesp. The policy is based on international standards such as COSO ERM and ABNT NBR ISO 31000, ensuring systematic, structured, and integrated risk management practices across all hierarchical levels. It emphasizes the identification, evaluation, treatment, and monitoring of risks, with a focus on strategic, financial, operational, and compliance categories.

Code of Conduct and Integrity: Sabesp's Code of Conduct and Integrity outline the ethical values and principles guiding the company's actions with various stakeholders. It emphasizes respect for society, customers, the environment, and people, integrity, competence, and citizenship. The code includes guidelines to prevent conflicts of interest, fraud, and corruption, and establishes whistleblowing channels to ensure transparency and accountability. It is supported by an Ethics Committee to address questions and ensure compliance.

Corporate Governance Practices: Sabesp adheres to corporate governance standards outlined by the B3's New Market (Novo Mercado) Regulations and NYSE rules. The company maintains a Board of Directors with independent members, a Fiscal Council, and an Audit Committee to ensure transparency, accountability, and integrity in financial reporting and compliance. Sabesp also conducts annual performance evaluations for administrators and follows best practices in corporate governance.

Sustainable Finance Framework: Sabesp's Sustainable Finance Framework supports the issuance of Green, Blue, Social, and Sustainability Financing Instruments to finance projects with environmental and social benefits. The framework aligns with international principles and guidelines, such as the UN SDGs, Green Bond Principles, Blue Finance Guidelines, ANBIMA, among others, ensuring transparency and disclosure in the use of proceeds, project evaluation, and reporting.

Long-Term Water Supply and Contingency Plan: Sabesp submitted a Long-Term Water Supply and Contingency Plan to the ARSESP in January 2025. The plan analyses the necessary expansions to existing water supply systems in the municipalities in which it operates, ensuring capacity to meet projected demand through 2060. Upon approval by the regulatory agency, the plan will be integrated into Sabesp's Multi-Year Investment Plan. Investments for water security will be guided by this framework, along with studies on alternative water supply solutions.

15 Source: Takala J, Hämäläinen P, Saarela KL, Yun LY, Manickam K, Jin TW, et al. Global estimates of the burden of injury and illness at work in 2012.

Occupational Health and Safety Master Plan: Sabesp has implemented this policy covering 100% of both direct and third-party employees. Aligned with legislation, standards, and best practices, it aims to ensure health, safety, and well-being by preventing work-related injuries and illnesses, eliminating hazards, and reducing risks. The plan seeks to reduce accidents, achieve legal compliance (including ISO 45001), foster a proactive safety culture, and promote quality of life.

Sabesp's policies and procedures are communicated to all employees and stakeholders, ensuring transparency and continuous improvement through regular reviews and integration with other management systems.

Reporting Table

Sabesp is committed to annual monitoring and reporting on all the following metrics, including those for which it has not established specific targets. This commitment ensures transparency and enables the company to effectively measure incremental impacts.

Metric	Baseline *(For the year ended December 31)*			Future Reporting	Target (*where applicable*)
	2022	2023	2024		2027
Universal and Equitable Access to Water & Sanitation					
Volume of Water Produced (millions of cubic meter)	2,864	2,946	3,128	Yes	-
Volume of Treated Sewage (millions of cubic meter)	1,180	1,188	1,342	Yes	-
Population Served with Water Supply (millions)	28.0	28.1	28.1	Yes	-
Population Served with Sewage Collection (millions)	24.7	24.9	25.1	Yes	-
Total Water Connections (millions)	10.1	10.3	10.4	Yes	-
Sewage Connections (millions)	8.6	8.8	8.9	Yes	-
Total Distribution Loss Index (liters/connection x day)	249	260	262	Yes	-
Total Water Loss Index in Distribution (%)	28.80	29.50	29.40	Yes	-
Families benefiting from Vulnerable or Social Tariff (thousands)[16]	868	964	1,212	Yes	-
Water Supply Service Coverage Indicator (%)*	-	-	-	Yes	99%
Sewage Collection or Removal Service Coverage Indicator (%)*	-	-	-	Yes	93%
Treated Sewage Collection or Removal Service Coverage Indicator (%)*	-	-	-	Yes	87%
* The first report for those metrics will be in 2028, aiming to achieve the target disclosed in this section.					
Sustainable Operations and Water Resilience					
Electricity Consumption per m³ of Water (kWh/m³)	0.8	0.73	0.76	Yes	-
Electricity Consumption per m³ of Sewage (kWh/m³)	0.43	0.41	0.42	Yes	-
Scope 1 Emissions (Ton CO2eq)[17]	1,884,783.37	1,728,773.96	1,765,045.87	Yes	-
Scope 2 Emissions (Ton CO2eq)	117,068.80	101,480.04	157,515.80	Yes	-

[16] It is important to highlight that the Sanitation Legal Framework provides for the existence of social (subsidized) tariffs as an economic policy instrument that contributes to the universalization of access to public sanitation services for low-income populations. The Sanitation Legal Framework provides for the existence of social (subsidized) tariffs as an economic policy instrument that contributes to the universalization of access to public sanitation services for low-income populations. Currently, Deliberation no. 1,544/2024 of ARSESP leverages the use of CadÚnico is an instrument for collecting, processing, systematizing, and disseminating information to identify and characterize the socioeconomic conditions of low-income families residing in the national territory. Under this legal framework, CadÚnico is used as criterion for classifying users into the Social Residential and Vulnerable Residential tariff categories in the public services that regulate water supply and wastewater collection activities

[17] The volume of treated wastewater is included in Scope 1, and the increase in emissions under this scope compared to 2023 reflects the corresponding rise in treated volume.

Metric	Baseline (For the year ended December 31)			Future Reporting	Target (where applicable)
	2022	2023	2024		2027
Scope 3 Emissions (Ton CO2eq) [18]	51,440.91	400,165.00	466,119.77	Yes	-
Health & Safety, and Community Well-being					
Number of work accidents with mandatory reporting (#)	170	142	116	Yes	-
Frequency rate of accidents with mandatory reporting (per MM MH)[19]	7,05	6,16	4,45	Yes	-

[18] For Scope 3, Sabesp has expanded its reporting to include additional categories; thus, the increase in reported emissions is due to broader accounting practices rather than a higher volume of treated wastewater.

[19] Million man-hours worked

CAPITALIZATION

The following table sets forth Sabesp's capitalization as of September 30, 2025, on (i) "Historical" basis as derived from Sabesp's 2025 Interim Consolidated Financial Statements, included elsewhere in this Offering Memorandum; and (ii) "As adjusted" to give effect to (a) the disbursement of R$5,000 million under Sabesp's 37th Issuance of Debentures, net of issuance costs, (b) the disbursement of R$1,000 million under a loan with JICA, and (c) the R$2,810 million increase in Sabesp's capital stock through the issuance of 20,264 million new shares; and (iii) "As further adjusted" to for the disbursement of U.S.$1,476.8 million under the Loans, net of fees and expenses.

This table should be read in conjunction with "*Summary—The Transaction," "Selected Financial Information," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" "Description of the Notes*," and the Interim Consolidated Financial Statements included elsewhere in this Offering Memorandum.

	As of September 30, 2025					
	Historical		**As adjusted(2)**		**As further adjusted(4)**	
	(U.S.$ millions)(1)	*(R$ millions)*	*(U.S.$ millions)(1)*	*(R$ millions)*	*(U.S.$ millions)*	*(R$ millions)*
Current borrowings and financing	1,087.2	5,782.6	1,087.2	5,782.6	1,087.2	5,782.6
Non-current borrowings and financing	5,479.6	29,143.8	6,607.7	35,143.8	8,084.5	42,998.2
Total equity	**8,030.4**	**42,710.3**	**8,558.7**	**45,520.3**	**8,558.7**	**45,520.3**
Total capitalization (3)	**14,597.2**	**77,636.7**	**16,253.6**	**86,446.7**	**17,730.4**	**94,301.1**

(1) Solely for the convenience of the reader, Brazilian real amounts have been translated into U.S. dollars at the selling rate at September 30, 2025 of R$5.3186 to U.S.$1.00. The U.S. dollar equivalent information presented in this Offering Memorandum is provided solely for the convenience of investors and should not be construed as implying that the amounts in reais represent, or could have been or could be converted into, U.S. dollars at such rates or any other rate.

(2) As adjusted for (i) the disbursement of R$5,000 million under Sabesp's 37th Issuance of Debentures, net of issuance costs, (ii) the disbursement of R$1,000 million from a loan with JICA, and (iii) the R$2,810.0 million increase in Sabesp's capital stock through the issuance of 20.264 million new shares. For further information, see "*Summary - Recent Developments*."

(3) Sabesp calculates total capitalization as current and non-current borrowings and financing *plus* total equity. This definition may differ from definitions used by other companies.

(4) As further adjusted for the disbursement of U.S.$1,476.8 million under Term Loan A together with Term Loan B, after deduction of fees and expenses.

As of September 30, 2025, Sabesp's outstanding capital stock consisted of 683,509,868 common shares, without par value, and one special class preferred share (the "Golden Share") owned by the State of São Paulo. All of Sabesp's issued capital is fully paid-up.

There has been no material change to Sabesp's capitalization since September 30, 2025, except for (i) the disbursement of R$5,000 million under Sabesp's 37th Issuance of Debentures, (ii) the disbursement of R$1,000 million under a loan with the Japan International Cooperation Agency ("JICA") and (iii) the R$2,810 million increase in Sabesp's capital stock through the issuance of 20.264 million new shares as approved by its Board of Directors on December 18, 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion should be read in conjunction with Sabesp's Consolidated Financial Statements, Interim Consolidated Financial Statements, and the Notes thereto, included elsewhere in this Offering Memorandum, as well the information presented under "Presentation of Financial and Other Information" and "Summary Financial and Other Information" in this Offering Memorandum and in Sabesp's 2024 Form 20-F. This discussion and analysis should also be read in conjunction with "Item 5. Operating and Financial Review and Prospects" in Sabesp's 2024 Form 20-F, which is incorporated by reference in this Offering Memorandum.

All financial information for the nine-month periods ended September 30, 2025 and 2024 has been prepared on a consolidated basis.

Results of Operations

Nine-month period ended September 30,2025 compared with the Nine-month period ended September 30,2024

The following table sets forth, for the nine-month periods ended September 30, 2025 and 2024, certain items from Sabesp's income statements of operations, each expressed as a percentage of net operating revenue:

	For the nine-month period ended September 30,			
	2025	**2024**	**Var ($)**	**Var (%)**
	(R$ millions)	*(R$ millions)*	*(RS millions)*	
Net operating revenue	**26,815.6**	**28,306.6**	**(1,491.0)**	**(5.3%)**
Operating costs	(16,551.5)	(11,827.9)	(4,723.7)	39.9%
Gross profit	**10,264.1**	**16,478.7**	**(6,214.6)**	**(37.7%)**
Selling expenses	(474.3)	(635.2)	160.9	(25.3%)
Allowance for doubtful accounts	28.4	(402.5)	430.8	(107.0%)
Administrative expenses	(1,119.5)	(1,573.9)	454.5	(28.9%)
Other operating income (expenses), net	(6.9)	(155.8)	148.9	(95.6%)
Equity accounting	32.0	25.6	6.4	24.9%
Profit from operations before finance income (expenses)	**8,723.8**	**13,736.9**	**(5,013.1)**	**(36.5%)**
Financial result, net	(4.2)	(1,324.7)	1,320.5	(99.7%)
Profit before income tax and social contribution	**8,719.6**	**12,412.2**	**(3,692.6)**	**(29.7%)**
Income tax and social contribution				
Current	(2,867.3)	(1,513.4)	(1,353.9)	89.5%
Deferred	(75.7)	(2,754.1)	2,678.4	(97.3%)
	(2,943.0)	(4,267.60)	1,324.5	(31.0%)
Profit for the period	**5,776.6**	**8,144.6**	**(2,368.0)**	**(29.1%)**

Net operating revenue

Net operating revenue for the nine-month period ended September 30, 2025 decreased by R$1,491.0 million, or 5.3%, to R$26,815.6 million from R$28,306.6 million in the nine-month period ended September 30, 2024 due to financial asset revenue related to the asset bifurcation occurred in the third quarter of 2024.

Adjusted Net Operating Revenue, for the nine-month period ended September 30, 2025 increased by R$290.6 million, or 1.8%, to R$16,451.2 million from R$16,160.6 million in the nine-month period ended September 30, 2024. Net operating revenue from sanitation services, considering payments to FAUSP and taxes was R$16,372.9 for the nine-month period ended September 30, 2025, which represents an increase of 6.7%, compared to R$15,344.7 million in the nine-month period ended September 30, 2024. The main factors that led to the increase were:

- an increase of 5.3% in tariffs (carry-over in price from 2024);
- an increase of 1.8% in billed volume, driven by improved measurements as a result of meter replacements and new connections;
- a decrease of 1.8% in net operating revenue due to changes in the consumption mix across various categories of consumers, largely in the residential category, which was particularly affected due to an increase in subsidized tariffs; and
- a decrease of 3.6% in net operating revenue due to certain mandatory payments made by Sabesp to FAUSP. For further information, see note 29(a) to Sabesp's Interim Consolidated Financial Statements.

Operating costs

Sabesp's operating costs for the nine-month period ended September 30, 2025 increased by R$4,723.7 million, or 39.9%, to R$16,551.5 million from R$11,827.9 million in the nine-month period ended September 30, 2024. As a percentage of net operating revenue, cost of services increased to 61.7% for the nine-month period ended September 30, 2025 from 41.8% in the nine-month period ended September 30, 2024.

The increase in operating cost was mainly due to an increase of R$5,547.2 million in construction costs due to higher investments in 2025.

Partially offset by:

- a decrease of R$513.9 million in depreciation and amortization costs, mainly due to higher amortizations in respect of program contracts and services provided thereunder; and
- a decrease of R$331.9 million in costs with general expenses, mainly due to the prepayments to municipal sanitation funds pursuant to the Concession Agreement for URAE-1.

Gross Profit

As a result of the factors discussed above, gross profit for the nine-month period ended September 30, 2025 decreased by R$6,214.6 million, or 37.7%, to R$10,264.1 million from R$16,478.7 million in the nine-month period ended September 30, 2024, mainly due to an increase of R$5,547.2 million in construction costs, aligned with higher investments due to the Universalization Targets.

Gross profit excluding construction margins and financial assets increased by R$1,851.5 million, or 24.5% for the nine-month period ended September 30, 2025 from R$7,565.7 million in the nine-month period ended September 30, 2024. As a percentage of net operating revenue, Sabesp's gross profit margin increased to 57.5% for the nine-month period ended September 30, 2025, from 49.3% in the nine-month period ended September 30, 2024, mainly due to reductions in operating costs, as mentioned above, and a R$748.8 million increase in revenue from water and sewage services in the nine-month period ended September 30, 2025 compared to the nine-month period ended September 30, 2024.

Selling Expenses

Selling expenses for the nine-month period ended September 30, 2025 decreased by R$160.9 million, or 25.3%, to R$474.3 million from R$635.2 million in the nine-month period ended September 30, 2024. As a percentage of net operating revenue, selling expenses were 1.8% for the nine-month period ended September 30, 2025, compared to 2.2% for the nine-month period ended September 30, 2024. The main reasons for the decrease in selling expenses were:

- a decrease of R$23.8 million with outsourced services, due to the transition to digital customer engagement channels, enhancing operational efficiency; and
- a decrease of R$19.9 million with depreciation and amortization consistent with the new Concession Agreement for URAE-1, reflecting the lower average amortization rates.

Allowance for Doubtful Accounts

Sabesp's allowance for doubtful accounts for the nine-month period ended September 30, 2025 decreased by R$430.8 million, or 107.0%, to R$28.4 million from R$402.5 million in the nine-month period ended September 30, 2024, due to a reversal of expected credit loss provisions (PECLD) due to the recognition of court-ordered payments (*precatórios)* to São Paulo City Hall.

Administrative Expenses

Administrative expenses for the nine-month period ended September 30, 2025 decreased by R$454.5 million, or 28.9%, to R$1,119.5 million from R$1,573.9 million in the nine-month period ended September 30, 2024. The main reasons for the decrease in administrative expenses were:

- a decrease of R$801.5 million in general expenses, mainly due to a reassessment of legal claims in respect of environmental proceedings and non-deductible losses;

Partially offset by:

- an increase of R$210.8 million in costs with salaries, payroll charges, and benefits and pension plan obligations, due to expenses related to the dismissal of employees pursuant to the *Sabesp Gente* Program and expenses with retiring employees from the São Paulo State Government; and
- an increase of R$86.6 million in outsourced services expenses for consulting and advisory services, IT support services and an increase in contracting of third-party technical services.

Other Operating Income (Expenses), Net

Other operating income and expenses, net amounted to expense of R$6.9 million for the nine-month period ended September 30, 2025 compared to an expense of R$155.8 million in the nine-month period ended September 30, 2024, representing an decrease of R$148.9 million. The improvement in other operating results was primarily due to accruals for losses in respect of construction and projects recorded in the nine-month period ended September 30, 2024, which were not incurred in the nine-month period ended September 30, 2025.

Other operating income includes revenue from the sales of property, plant and equipment, right to sell electricity, indemnities and reimbursement of expenses, fines and guarantees, property leases, reuse water, PURA projects and services, net of PIS and Cofins.

Other operating expenses include the derecognition of concession assets due to obsolescence, discontinued construction works, unproductive wells, projects considered economically unfeasible, losses on property, plant and equipment, estimated losses on operational assets and asset indemnification.

Equity Accounting

Equity accounting for the nine-month period ended September 30, 2025, increase by R$6.4 million, or 24.9%, to R$32.0 million from R$25.6 million in the nine-month period ended September 30, 2024, due to higher equity income from Sabesp's investees, primarily driven by the R$5.5 million increase in equity accounting recognized from Attend Ambiental.

Financial Result, Net

The financial result, net, for the nine-month period ended September 30, 2025 decreased by R$1,320.5 million to an expense of R$4.2 million from an expense of R$1,324.7 million in the nine-month period ended September 30, 2024. As a percentage of net operating revenues, the financial result amounted to 0.02% for the nine-month period ended September 30, 2025 compared to 4.7% in the nine-month period ended September 30, 2024. This decrease was mainly due to:

- a decrease of R$1,776.2 million in monetary adjustments, resulting from a gain from inflation adjustments due to the recognition of R$1,461.2 million in monetary restatements of registered warrants; and
- an increase of R$548.9 million in interest and charges over domestic borrowings and financings, mainly due to an increase in total domestic borrowings and financings as well as an increase in basic interest rates in Brazil, as the SELIC rate was 15.00% in September 30, 2025, and 12.25% in December 31, 2024.

Profit before income tax and social contribution

As a result of the factors discussed above, profit before income tax and social contribution for the nine-month period ended September 30, 2025 decreased by R$3,692.6 million, to R$8,719.6 million from R$12,412.2 million in nine-month period ended September 30, 2024. As a percentage of net operating revenue, Sabesp's profit before income tax and social contribution in the nine-month period ended September 30, 2025, decreased to 32.5% compared to 43.8% in the nine-month period ended September 30, 2024.

Income Tax and Social Contribution

Income tax and social contribution (current and deferred) expense for the nine-month period ended September 30, 2025 decreased by R$1,324.5 million, or 31.0%, to R$2,943.0 million from an expense of R$4,267.5 million in the nine-month period ended September 30, 2024, mainly due to the decrease in net operating revenue related to financial assets of the concession.

Profit for the period

As a result of the factors discussed above, profit for the nine-month period ended September 30, 2025 decreased by R$2,368.0 million, to R$5,776.6 million from R$8,144.5 million in the nine-month period ended September 30, 2024. As a percentage of net operating revenue, profit for the nine-month period ended September 30, 2025 decreased to 21.5%, from 28.8% in the nine-month period ended September 30, 2024.

Excluding construction margin and financial asset from Sabesp's profit for the nine-month period ended September 30, 2025, Sabesp's profit increased by R$2,468.5 million, to R$5,369.5 million from R$2,801.0 million in the nine-month period ended September 30, 2024. As a percentage of net operating revenue, profit for the nine-month period ended September 30, 2025 increased to 32.0%, from 17.3% in the nine-month period ended September 30, 2024.

Liquidity and Capital Resources

Capital Sources

In order to satisfy its liquidity and capital requirements, Sabesp has primarily relied on cash provided by operating activities, long-term financings from multilateral and development banks and capital markets debts. As of September 30, 2025, Sabesp had R$11,649.9 million in cash and cash equivalents and financial investments.

Sabesp's outstanding current indebtedness (composed of current borrowings and financing) was R$5,782.6 million as of September 30, 2025, of which R$345.1 million was denominated in foreign currency. Long-term indebtedness (composed of current borrowings and financing) was R$29,143.8 million as of September 30, 2025, of which R$8,508.0 million consisted of foreign currency-denominated obligations.

Management expects that Sabesp will have sufficient funds to meet its commitments and not compromise its planned investments, given the works carried out to improve water security and to reduce defaults, as well as the cash generated from operations and the availability of credit lines for investments.

In order to finance the constant investment needs in its infrastructure, Sabesp uses third-party funds to complement its own resources. Sabesp believes that it currently has sufficient sources of funds to implement its short- and medium-term strategy.

Cash Flows

	For the Nine-Month Period ended September 30,		
	2025	2024	AH(%) 2025x2024
Net cash generated from operating activities	7,454.4	4,740.1	57.3%
Net cash used in investing activities	(10,979.2)	(5,513.5)	99.1%
Net cash generated from financing activities	6,811.2	2,328.2	192.6%
Increase in cash and cash equivalents in the period	**3,286.4**	**1,554.8**	**111.4%**

Net Cash Generated from Operating Activities

Cash generated from operating activities is the single largest source of Sabesp's liquidity and capital resources, and it expects that this trend will continue in the future. Net cash generated from operating activities was R$7,454.4 million for the nine-month periods ended September 30,2025 and R$4,740.1 million for the nine-month periods ended September 30, 2024. The main cause of cash flow from operating activities relates to cash collections from customers, which is due to the nature of Sabesp's business and the expansion of its infrastructure. There was an increase of 57.3% in net cash generated from operating activities in the nine-month period ended September 30, 2025, compared to nine-month period ended September 30, 2024.

Net Cash Used in Investing Activities

Net cash used in investing activities was R$10,979.2 million in the nine-month periods ended September 30, 2025 from R$5,513.5 million in the nine-month periods ended September 30, 2024. This increase was primarily due to purchases of intangible assets, as required under Sabesp's concession agreements, due to the expansion of infrastructure and service coverage. There was an increase of 99.1% in net cash used in investing activities for the nine-month period ended September 30, 2025, compared to nine-month period ended September 30, 2024.

Net Cash Generated from Financing Activities

Sabesp's net cash generated by financing activities was R$6,811.2 million for the nine-month period ended September 30, 2025, compared to R$2,328.2 million in net cash generated for the nine-month period ended September 30, 2024. The main driver of cash flows from financing activities relates to the proceeds and repayments of loans generated to finance purchases of intangible assets related to Sabesp's concession agreements, in order to support the expansion of services and payment of interest on capital. For the nine-month period ended September 30, 2025, net cash generated from financing activities increased by R$4,483.0 million, or 192.6%, compared to nine-month period ended September 30, 2024.

Indebtedness

Sabesp's total indebtedness (corresponding to sum of borrowings and financing current and non-current) increased by 38.3%, from R$25,258.3 million as of December 31, 2024 to R$34,926.4 million as of September 30, 2025. In addition, Sabesp's total indebtedness denominated in foreign currency increased by 163.8%, from R$3,356.4 million as of December 31, 2024 to R$8,853.2 million as of September 30, 2025.

As of September 30, 2025, Sabesp had R$29,143.8 million in long-term indebtedness outstanding (corresponding to non-current borrowings and financing), of which R$8,508.0 million consisted of foreign currency-denominated, long-term debt. Sabesp had outstanding current indebtedness (corresponding to current borrowings and financing) of R$5,782.6 million as of September 30, 2025 were R$345.1 million denominated in foreign currency.

Various contractual agreements entered into by Sabesp, including certain financing agreements with CEF and BNDES, provide for liens over a portion of Sabesp's cash flows from the payment of water and sewage provision tariffs. In addition, Sabesp provides as guarantee a portion of its cash flow generation to transactions related to the Public-Private Partnership contracts of the São Lourenço Production System.

Pursuant to these agreements, cash received from operations is required to pass through designated accounts. In the event of a default under the relevant agreement, such cash and future cash flows that are required to be deposited in such accounts become restricted and are subject to security interests in favor of the relevant creditor. As of September 30, 2025, a substantial portion of Sabesp's monthly cash flows from operations was subject to these liens. As of September 30, 2025, the total amount of Sabesp's secured debt, including indebtedness benefiting from these liens, was R$4,732.3 million (R$4,687.8 million of principal and R$44.5 million related to interest and charges). For information on Sabesp's indebtedness outstanding as of December 31, 2024, please refer to "*Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Indebtedness Financing*" in Sabesp's 2024 Form 20-F.

Capital Expenditures

Historically, Sabesp has funded and plans to continue funding its capital expenditures with funds generated by operations and with long-term financing from international and national multilateral agencies and development banks. Sabesp generally includes in its capital expenditure program for the following year the amount of investment that was not realized in the previous year. For the nine-month period ended September 30, 2025, Sabesp recorded R$10,430.3 million due to investments in contract asset, intangible assets and property, plant, and equipment to improve and expand its water and sewage system and to protect water sources in order to meet the growing demand for water and sewage services in the State of São Paulo. Sabesp has budgeted investments in approximately R$67.8 billion from 2024 through 2029. For more information, see "*Item 4.A. History and Development of the Company—Capital Expenditures*" in Sabesp's 2024 Form 20-F.

INTRODUCTION TO THE BRAZILIAN SANITATION MARKET

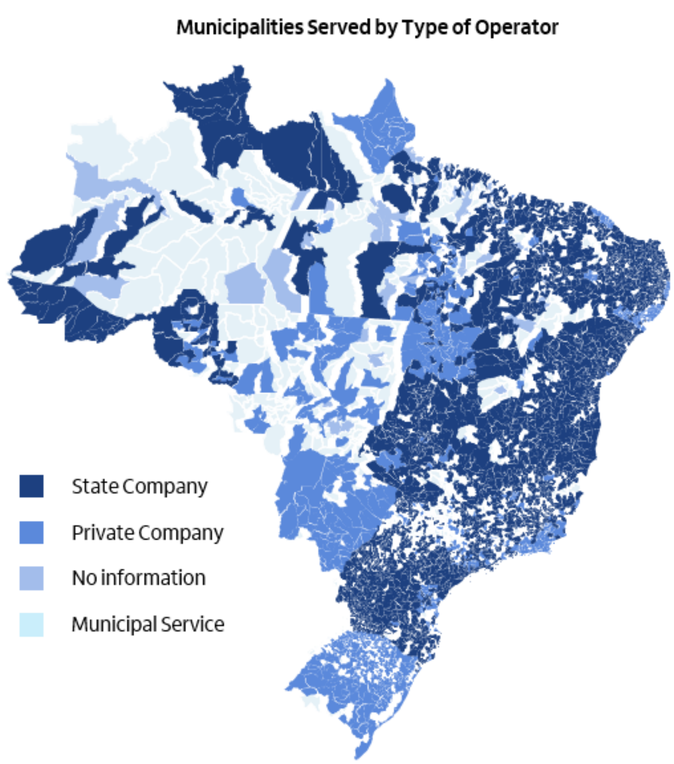
General

Pursuant to Law No. 11,445/2007, as amended by Laws Nos. 13,308/2016, 14,026/2020, 14,546/2023, 15,012/2024, and 15,112/2025, regulated by Decrees 7,217/2010, 11,598/2023 and 11,599/2023, sanitation in Brazil includes services, infrastructure and operational facilities for the supply of water, sewage collection and treatment, urban cleaning, urban drainage, solid waste management and rainwater treatment. According to the Brazilian Constitution, public sanitation services are a constitutional responsibility of municipalities, which in turn can render the services directly or indirectly through concessions. In the indirect modality, the municipality grants the provision of water and wastewater services to a state-owned (normally owned by the State, not the municipality) or a private company through a concession agreement.

Currently, Brazil's main state program for concessions and public-private partnerships ("PPPs") is called the Investment Partnership Program ("PPI"). Its management is directly linked to the Brazilian Presidency and was established by Law No. 13,334/2016, to foster partnerships between the state and private companies to bolster a cycle of investment in infrastructure. Brazil's water supply and sanitation service sector is characterized by its scale and variety of actors; it operates with federal, state, and municipal level authorities, as well as with providers, interacting to produce a wide range of outcomes across geographies. Brazil withdraws a huge volume of water to supply urban and rural communities and meet consumption needs, including for sanitation service provision, but due to low purchasing power and water losses, consumption per capita remains comparatively low. The sector is dominated by state-owned companies and contractual and tariff structures vary widely across state boundaries, as do the levels of service provision, service quality and costs.

Because of the high costs required for infrastructure and the dominance of state-run companies in the Brazilian water utilities industry, market participants do not compete for individual consumers but instead seek to enter into agreements that grant them control over a geographic region. For example, Sabesp controls most of the industry in the State of São Paulo, providing water and sewage services for 375 municipalities, supplying water daily to approximately 29.9 million people and sewage collection services to approximately 27.0 million people, which corresponds to approximately 67% of the urban population of the state.

Considering the latest data available from the Brazilian Government, in 2022, Brazil's water supply system encompassed 5,570 municipalities, serving a population of 203.1 million inhabitants. 55.2% of the service providers were categorized into the public category, as further illustrated in the map below.



Source: Brazilian Government

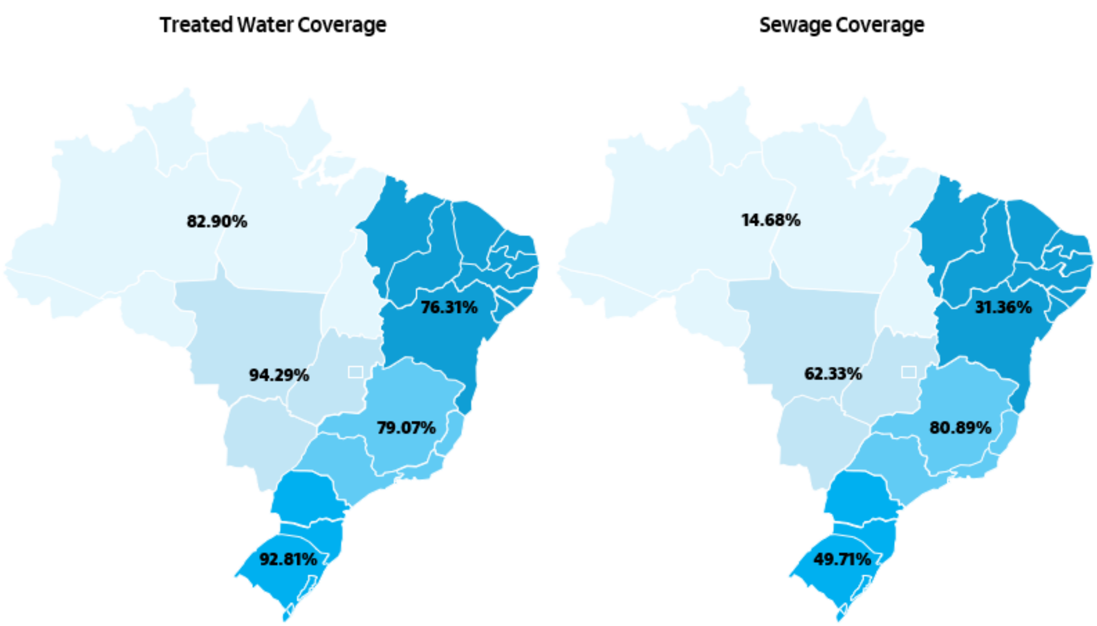
The water service index varied by region, although specific coverage percentages for the North, Northeast, Southeast, and South regions were not provided. Additionally, water loss in distribution networks was approximately 40.31% as of November 2023.

Investments in water systems totaled R$8.12 billion in 2023, compared to R$7.65 billion in 2022 and R$7.76 billion in 2021, which demonstrates a continued commitment to enhancing and maintaining the water infrastructure. These investments are essential for addressing challenges such as water loss, expanding coverage, and improving service quality.

As for sewage services, the total service index varied significantly by region: North (14.7%), Northeast (36%), Southeast (92%), South (47%), and Mid-West (53%) regions. Service providers included 1,276 public municipal entities, 26 public state-owned entities, and 18 private companies. The total population served by sewage services was approximately 112.8 million. Investments in sewage systems amounted to R$9.585 billion in 2022 and R$8.785 billion in 2021. The treatment of generated sewage included a treated sewage volume of 3,375 m³/s and an untreated sewage volume of 1,520 m³/s.

Sanitation Services Coverage in Brazil

Historically, Brazilian sanitation has been under development. According to the *Sistema Nacional de Informações sobre Saneamento - SNIS*, in 2023, the percentage of the Brazilian population sewage coverage ratio was approximately 82%. Regarding the treated water coverage ratio, approximately 85% of the total population was covered nationwide, with water distribution losses of 39.5%. In comparison, the State of São Paulo reported coverage of 95% of its population and water distribution losses of 32.1%. However, this is not heterogeneous across the different regions in Brazil. As of 2023, over 91% of the Southern region of Brazil had access to treated water, followed by the Southeast with over 90% and Mid-West with over 89%. The two regions that lacked treated water coverage the most were the Northeast, with approximately 77%, and the North, with approximately 64%. Additionally, in 2023, over 80% of the Southeast region had sewage coverage, with the State of São Paulo reaching over 90%. Despite that, the Mid-West, Northeast, South and North regions of Brazil had, respectively, approximately 62%, 31%, 49%, and 14% of sewage coverage. The following chart sets forth Brazilian water and sewage coverage ratios by region for 2023:



Source: SNIS

Regulatory Framework and Universalization of the Water Supply

The Federal Basic Sanitation Policy was established in Brazil in 2007 through Law No. 11,445/2007, which was later updated by Law No. 14,026/ 2020. Together, these laws form the legal framework for sanitation, a comprehensive legal, administrative, and regulatory structure designed to unify efforts from all levels of government (Federal, State, and Municipal), public administration bodies, and civil society to ensure universal access to potable water and sewage collection and treatment for the entire Brazilian population. Additionally, it sets guidelines for urban cleaning, solid waste management, and urban stormwater management.

Following the update of Law No. 11,455/2007 by Law No. 14,026 in 2020, the Brazilian government enacted Decree No. 10.588/2020. This decree added provisions on regionalization, technical and financial support as outlined in Article 13 of Law No.

14,026/2020, and the allocation of federal public resources and financing managed or operated by Brazilian entities or entities as described in Article 50 of Law No. 11,445/2007.

Law No. 11,445/2007 was also amended by Laws No. 13,308/2016, 14,546/2023, and 15,012/2024, and was regulated by Decree No. 7,217/2010, which established new rules for its implementation.

Decree No. 11,030, dated April 1, 2022, amended Decree No. 10,588/2020 to update points related to the regularization of operations, technical and financial support, and the allocation of federal public resources and financing managed or operated by Brazilian entities or private entities.

On May 31, 2021, the Brazilian government enacted Decree No. 10,710/2021, which sets out the methodology used to assess whether public providers of potable water supply and sanitary sewage services have sufficient economic and financial capacity to perform their obligations under existing service contracts.

In 2023, aiming to improve certain provisions, Decrees Nos. 10,588, 11,030, and 10,710 were revoked and replaced by Decrees Nos. 11,466 and 11,667, dated April 5, 2023. Finally, the Brazilian government enacted Decrees Nos, 11,598 and 11,599, dated July 12, 2023, revoking the decrees issued earlier in 2023.

While federal laws are regulated by decrees, they are also supplemented by norms applicable at the state and municipal levels. For instance, the State of São Paulo has enacted its own State Law No. 17,383/2021, demonstrating the constitutional authority of states to issue complementary laws within their territories.

The new legislation did not strengthen an integrated vision of managing the four components of basic sanitation. Instead, it prioritized water supply and sewage services, which weakened the integrated management approach outlined in the previous law. Consequently, the National Sanitation Policy included the creation of the CISB (Interministerial Committee for Basic Sanitation), with the MDR responsible for national coordination and regulation of federal policy. This covered federal financing and resources, economic-financial capacity, the National Information System on Basic Sanitation (SINISA), and PLANSAB. Meanwhile, ANA was responsible for reference standards for regulation.[20]

Moreover, the new law did not follow United Nations (UN) resolutions on water and sewage as human rights, missing the opportunity to incorporate into national legislation that potable water supply and sewage services are human rights. This would have regulated the UN resolutions to which Brazil is a signatory. Additionally, the goals for 2033 were ambitious, aiming to serve 99% of the population with potable water and 90% with sewage collection and treatment by December 31, 2033, with the possibility of extending to 2040.

Furthermore, ANA was granted additional authority to issue reference standards for regulation, with federal financing mechanisms encouraging their adoption by subnational regulatory agencies. The framework also moved away from so-called program contracts, which were direct agreements between state-owned sanitation companies and municipalities for the provision of services, typically entered into without a competitive bidding process. This opened the market for the provision of basic public sanitation services to private companies and required proof of the economic-financial capacity of current contracts to meet the service goals.

In light of the new legal framework, the basic sanitation sector in Brazil has begun operating in a clearer regulatory environment that is more conducive to attracting private capital. Although historical challenges persist—such as the fragmentation of service provision, the lack of technical capacity in smaller municipalities, and the need for the maturation of subnational regulation—the advances observed in recent years indicate a sector in transformation. Regionalization models, such as voluntary adhesion blocks, micro-regions, and metropolitan groups, are being implemented in different states, aiming to achieve economies of scale and greater attractiveness for investors.

The growing presence of private operators in concessions structured by states and municipalities has intensified competition in the sector. According to the latest data from SNIS, water supply coverage in Brazil reached 84.5% of the population in 2022, while sewage collection and treatment services reached 55% and 51% of the population, respectively—figures still far from the universalization targets.

[20] Pursuant to Article 25-A of the Law No. 14,026/2020, ANA has issued binding reference standards to harmonize the regulation of water and sanitation services nationwide. For the topic discussed here, the main ones are as follows: Normative Reference No. 4/2024 establishes governance standards for subnational regulatory agencies, aiming to ensure technical independence, transparency and regulatory capacity; Normative Reference No. 5/2024 defines a standardized risk allocation matrix for water and sanitary sewage contracts, promoting contractual balance and bankability; Normative Reference No. 6/2024 sets out tariff regulation models, including cost-recovery principles and efficiency incentives; Normative Reference No. 7/2024 provides general conditions for the provision of urban cleaning services, including solid waste management; Normative Reference No. 8/2024 establishes progressive universalization targets and performance indicators for water supply and sanitary sewage services; Normative Reference No. 9/2024 defines operational and quality performance indicators for service providers; Normative Reference No. 10/2024 regulates the methodology and procedures for tariff adjustments; Normative Reference No. 11/2024 lays down the general conditions applicable to the provision of potable water supply and sanitary sewage services, including users' rights and service standards; Normative Reference No. 12/2025 structures the public services of urban drainage and pluvial wastewaters management; Normative Reference No. 13/2025 regulates tariff structures and social tariffs to ensure affordability and inclusion; and Normative Reference No. 15/2025 establishes guidelines for the progressive reduction and control of water losses in distribution systems. The content can be accessed at the following link: https://www.gov.br/ana/pt-br/assuntos/saneamento-basico/Normativos-publicados-pela-ANA.

The sector is also directly linked to sustainable commitments, with measurable impacts on public health, workforce productivity, and the preservation of water resources, establishing itself as a priority vector for impact investment. In this context, basic sanitation is expected to remain one of the main drivers of national infrastructure expansion in the next decade.

Regionalization of Basic Sanitation Services

Additionally, Law No. 14,026/2020 and Decree No. 10,588/2020 introduced regionalized service provision, allowing one or more components of basic sanitation services to be offered across regions that encompass multiple municipalities.

A key principle of regionalized sanitation is achieving cross-subsidization. This means that economically viable municipalities can support investments in smaller, low-income municipalities, thereby providing access to basic sanitation services for the most vulnerable populations. Cross-subsidization can occur among cities within the same region, river basin, administrative region, or even within the state. This model allows for scaling up service provision and project construction by bringing together these localities.

Regionalized service provision can be carried out in four ways, as outlined in Article 3, II and VI, of Law No. 11,445/2007, as amended by Law 14,026/2020:

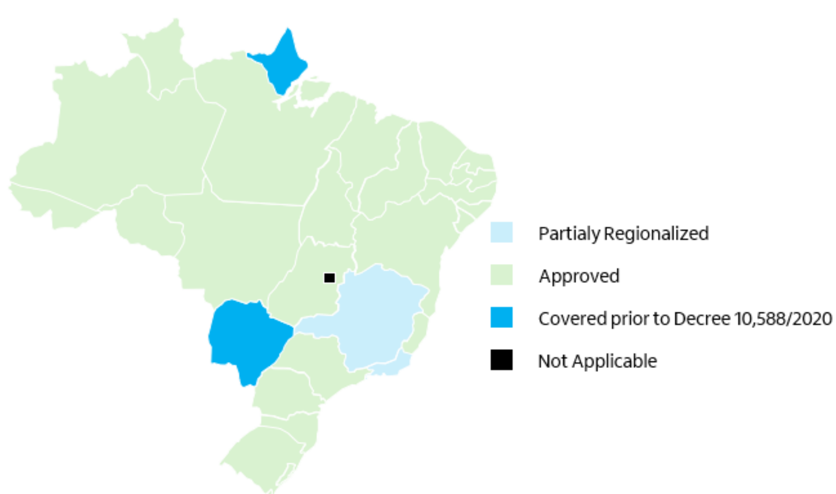
1. **Voluntary Associated Management**: This involves federative entities forming a public consortium or cooperation agreement.

2. **Metropolitan Regions, Urban Agglomerations, or Micro-Regions**: These units are created by the States through a complementary law, in accordance with Article 25, §3 of the Federal Constitution, and are composed of neighboring municipalities, established under Law No. 13,089/2015 (Statute of the Metropolis).

3. **Regional Basic Sanitation Units**: These units are established by the States through an ordinary law and consist of municipalities that are not necessarily neighboring. This arrangement aims to meet hygiene and public health requirements or to provide economic and technical viability to less favored municipalities.

4. **Reference Blocks**: These are groups of municipalities that are not necessarily neighboring, established by the Union under §3 of Article 52 of Law No. 11,445/2007 and formally created through voluntary associated management by the holders.

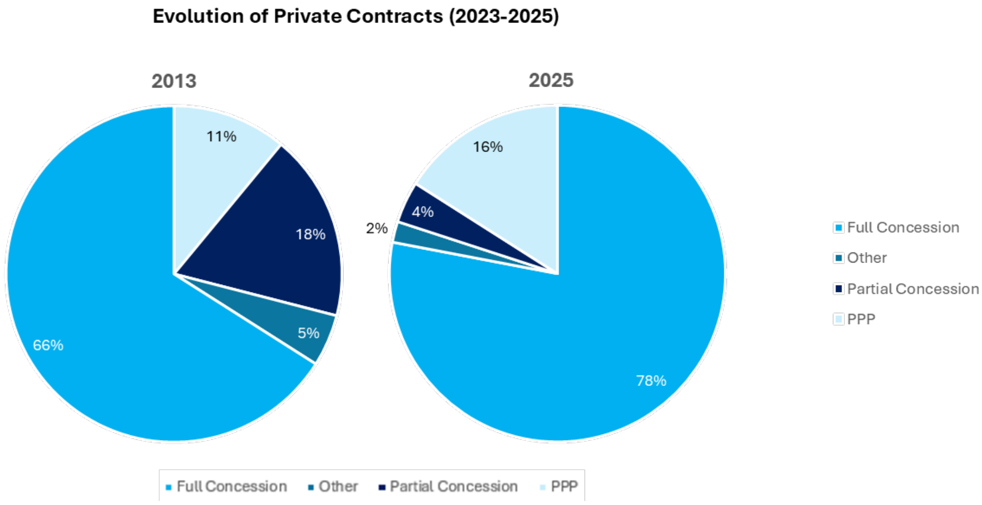
Standpoint of Regionalization by State (2024)



Source: SNIS

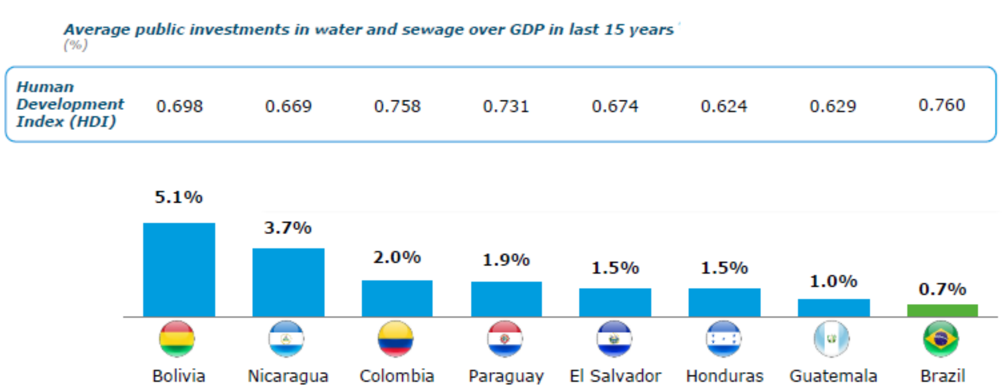
Private Sector Involvement in Brazilian Sanitation

As of November 21, 2025, the private sanitation sector operated as a service provider—either exclusively or in partnership with public companies—in 1.825 cities, which amounts to 32.8% of Brazilian municipalities. The population served is 52 million people. Since 2020, with the legal framework reform, the number of municipalities served by private operators has increased by 525%. Thus, the number of contracts with the private sector has grown from 113 in 2014 to 194. Full concessions accounted for 78% of contracts, with PPPs representing 16% of this amount.



Source: Associação e Sindicato Nacional das Concessionárias Privadas de Serviços Públicos de Água e Esgoto ("Abcon Sindcon")

When compared to other Latin American countries, Brazil has reverted fewer resources to water and sewage over the last 15 years. The chart below sets forth the average public investments in water and sewage over GDP from 2009 to 2023 for the following countries:

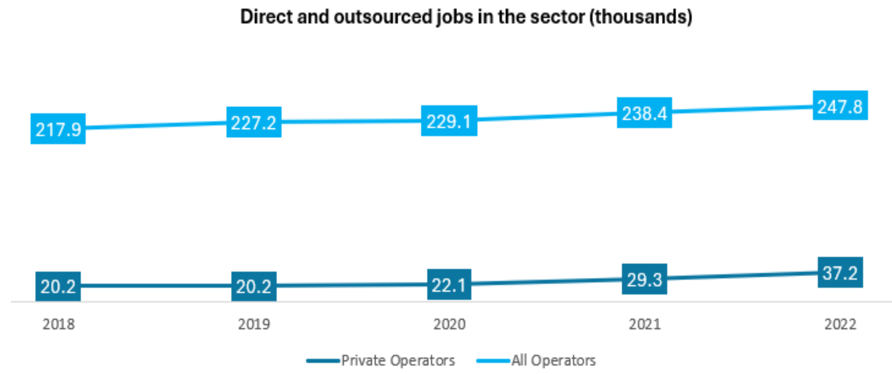


Source: Abcon Sindcon

The expansion of investments in water and sewage services through PPPs and concessions has seen a 60% increase since the approval of the legal framework reform for sanitation in July 2020. From 2013 to 2023, PPPs have become the second most common type of private contracts in the sector, surpassed only by full concessions. During this period, the PPP model experienced a growth of 91%.

Furthermore, the increase in the number of contracts as well as the number of municipalities served by private operators in recent years has also boosted investment from these companies. This rise is due to the demand for construction, equipment, creation of new jobs, etc. Private operations represented 27% of the total amount invested by operators in the sanitation sector (R$5.9 billion out of a total of R$21.6 billion) in 2022.

The benefits to society are further and beyond. According to an economic impact study conducted by Abcon Sindcon, with universal access in 2033 the number of jobs in the sanitation sector could reach 808,000. This means that the sanitation sector alone will increase the total number of jobs in the country by nearly 1% in the initial years. The number of people working for private concessionaires has consistently increased, as shown in the following image. In 2022, 9,400 people were added to the workforce in the sector. This represents growth of 4.0% in the total number of direct and outsourced jobs in the sector.



Source: Abcon Sindcon

Recent Auctions

Since Law 14,026/20 came into effect and by the end of 2025, sixty-six auctions have taken place. By encouraging competition, the resources committed by concessions and private sanitation companies have increased exponentially. Auctions were held in 21 states, in all regions of the country during this period, with more than R$160 billion in contracted investments and grants. Below there is a list with some examples:

Year	Auction	Asset	Capex + Grant (R$bn)	Inhabitants (mn)
2019	corsan	CORSAN/RS - PPP	1.8	1.6
2020	-	Alagoas Bloco A	4.6	1.4
2020		SANESUL/MS - PPP	1.0	1.7
2020	-	CARIACICA/ES - PPP	0.6	0.4
2021	CEDAE	CEDAE Bloco 1/RJ	15.4	2.8
2021	CEDAE	CEDAE Bloco 2/RJ	10.0	1.2
2021	CEDAE	CEDAE Bloco 4/RJ	23.1	7.0
2021	CAESA	Amapá	4.2	0.7
2021	casal	Alagoas Bloco B	3.1	0.6
2021	casal	Alagoas Bloco C	1.4	0.4
2021	CEDAE	CEDAE Bloco 3/RJ	7.8	3.0
2022	-	Crato/CE	0.3	0.1
2022	Cagece	Cagece Bloco 1/CE PPP	11.1	1.3
2022	Cagece	Cagece Bloco 2/CE PPP	14.8	3.3
2022	-	Cariri/CE	1.5	0.3
2022	corsan	CORSAN/RS	8.9	6.0
2023	PPP SANEPAR	RMC + coast / PR	12.2	3.6
2024	DESO	Sergipe	8.8	2.2
2024	PPP SANEPAR	Paraná	2.9	1.8
2024	AGESPISA	Agespisa/PI	8.6	3.4
2025	COMPANHIA DE SANEAMENTO DO PARÁ	COSANPA/PA	18.8	4.8
2025	CESAN	CESAN/ES	1.5	3.8

Source: Abcon Sindcon

The table above summarizes major Brazilian sanitation concession and PPP transactions from 2019 to 2025, showing the year, asset or block auctioned, as applicable, as well as total investment commitments (capex *plus* grants) and the number of inhabitants served by each project.

DESCRIPTION OF THE INTER-AMERICAN INVESTMENT CORPORATION

The Inter-American Investment Corporation ("IDB Invest"), established on March 23, 1986 pursuant to the Establishing Agreement, which was recognized by Brazil through the decree-law that recognizes the Establishing Agreement, Decree-Law No. 13, dated June 30, 1986 and Decree No. 93,153 dated August 22, 1986, is a multilateral organization that began its operations in 1989. IDB Invest is a legally separate and distinct member of the Inter-American Development Bank Group ("IDB Group"), which also includes the Inter-American Development Bank ("IDB") and the Multilateral Investment Fund (commercially known as IDB Lab). IDB Invest has an autonomous governance structure, including a separate Board of Governors, Board of Executive Directors, capital structure and balance sheet from other parts of the IDB Group. As of the date hereof, with more than 500 employees, IDB Invest was owned by 47 member countries, including the United States, 26 of which are regional developing countries in Latin America and the Caribbean, in which it operates, including Brazil. On April 10, 2025, Moody's affirmed IDB Invest's Aa1 rating (with stable outlook), on January 14, 2025, Fitch affirmed IDB Invest's stable outlook and affirmed its AAA rating, and on July 10, 2025, Standard & Poors affirmed IDB Invest's AA+ rating (with stable outlook).

IDB Invest's mission is to promote sustainable economic, environmental and social development of the countries in which it operates, by supporting the establishment, expansion, and modernization of private and state-owned enterprises in that region that do not benefit from a sovereign guarantee. IDB Invest provides financing through its operations, in the form of loans or guarantees, or investments in debt securities and equity. This includes instances where IDB Invest deploys capital directly where sufficient private capital is not otherwise available or where IDB Invest arranges funding from other investors and lenders, through loan syndications and other co-financing arrangements, loan participations, underwritings and guarantees. Additionally, IDB Invest provides financial and technical advisory services including environmental, social and corporate governance as well as other advisory services including publications, conferences and workshops, analysis of market trends, feasibility studies and provides regional expertise. The investment opportunities offered by IDB Invest aim primarily at improving infrastructure, facilitating healthcare, digitalization, climate change action, regional integration, increasing productivity and innovation, improving the quality of education, reducing gender inequality, expanding entrepreneurial ecosystems and empowering micro, small and medium enterprises.

Under the Establishing Agreement, IDB Invest has legal personality and full capacity to contract, acquire and dispose of immovable and movable property, and to institute legal and administrative proceedings. Actions may be brought against IDB Invest only in a court of competent jurisdiction in the territories of a member country in which IDB Invest has an office, including the United States; has appointed an agent for the purpose of accepting service or notice of process; or has issued or guaranteed securities. For more information, see "*The Participation Agreement,*" "*Transactions*" and *"Risk Factors—Risks Relating to the Lender and the Terms and Conditions of the Participation Agreement—Payments on the Notes will be made from funds received from the Lender pursuant to the Participation Agreement and holders of Notes will have limited recourse against the Lender and no recourse against Sabesp."*

As a multilateral development organization, IDB Invest enjoys certain privileges and immunities, including:

- **Taxes**: IDB Invest, its property, other assets, income, and the operations and transactions it carries out are immune from all taxation and from all customs duties in its member countries. IDB Invest is also immune from any obligation relating to the payment, withholding or collection of any tax or duty.
- **Seizure**: IDB Invest's property and assets, wherever located and by whomsoever held, are immune from all forms of seizure, attachment or execution prior to the issuance of a final judgment against IDB Invest. Even after a final judgment, IDB Invest's property and assets used or intended for use for official purposes remain immune from execution absent an express waiver. Immunity also applies against searches, requisitions, confiscation, expropriation and any other form of taking or foreclosure by executive or legislative action of IDB Invest's property and assets.

In addition, IDB Invest has enjoyed a preferred creditor status in time of economic crisis. This status has given IDB Invest preferred access to foreign currency in times of foreign exchange crisis, which has mitigated the risks involved in converting or transferring funds in certain investments. By participating in certain IDB Invest investments, investors share in any preferred creditor status that member countries may grant IDB Invest during an exchange crisis, and gain exemption from withholding taxes, as well as other advantages.

By participating in certain IDB Invest investments, investors will indirectly benefit from IDB's Invest's characteristics. For more information with respect to IDB Invest's role in the Term Loan B and the Offering and how the preferred treatment will apply to the Term Loan B and the Offering, see "*Transactions"* and *"Risk Factors—Risks Relating to the Lender and the Terms and Conditions of the Participation Agreement—Payments on the Notes will be made from funds received from the Lender pursuant to the Participation Agreement and holders of Notes will have limited recourse against the Lender and no recourse against Sabesp."*

THE LOAN AGREEMENT AND THE LOANS

The following summary describes certain material provisions of the Loan Agreement. This summary is subject to and qualified in its entirety by reference to the provisions of the Loan Agreement. You can find the definition of capitalized terms used in this description under "—Certain Definitions." Certain defined terms used in this description may have a different meaning elsewhere in this Offering Memorandum. For purposes of this description, the term (i) "Borrower" refers only to Companhia de Saneamento Básico do Estado de São Paulo – SABESP and its successors and not to any of its Subsidiaries, and (ii) "Issuer" refers to Nova Securitisation S.à r.l. as the Participant under the Participation Agreement.

General

Pursuant to the terms of the Loan Agreement among Inter-American Investment Corporation, as lender (the "Original Lender"), Companhia de Saneamento Básico do Estado de São Paulo – SABESP ("Sabesp"), as borrower (the "Borrower"), and UMB Bank, N.A., as the Loan Paying Agent, the Lender will agree to lend to the Borrower up to U.S.$2,000 million of senior unsecured loans, consisting of (i) up to U.S.$200 million in aggregate principal amount of term loan A (the "Term Loan A" and such commitment the "Term Loan A Commitment") and (ii) up to U.S.$1,800 million in the aggregate principal amount of term loan B, which may be issued in one or more tranches (any such tranche, "Term Loan B" and each of the Term Loan A and the Term Loan B, a "Loan" and collectively, the "Loans"). The Borrower may request up to four disbursements of the Term Loan A and up to four disbursements of the Term Loan B, in each case by delivering a disbursement request to the Lender (a "Disbursement Request") and following satisfaction of certain conditions precedent to such disbursement as summarized in "*—Representations and Warranties and Conditions Precedent to Disbursement.*" Each disbursement of a Term Loan A or Term Loan B under the Loan Agreement is referred to herein as a "Disbursement."

Substantially concurrently with the issuance of the Notes, the Lender will lend to the Borrower U.S.$150 million in aggregate principal amount of Term Loan A (the "A Loan First Disbursement"), U.S.$850 million in aggregate principal amount of Term Loan B-1 ("Initial B-1 Loan") and U.S.$500 million in aggregate principal amount of Term Loan B-2 (the "Initial B-2 Loan" and, together with the Initial B-1 Loan, the "Initial B Loan"). As described in "*The Participation Agreement*," the Issuer will purchase and pay for an undivided 100% participation interest (the "Participation") in the Initial B Loan pursuant to the Loan Agreement and the proceeds thereof and all rights and related interests with respect thereto out of the net proceeds of the sale of the Notes.

The Loans will not be subject to being repaid and reborrowed and once repaid may not be reborrowed. No Loans will be disbursed by the Lender and, except as provided under the Loan Agreement, no prepayment or repayment will be processed by the Lender if, after giving effect to such Disbursement Request, prepayment or repayment, the outstanding principal balance of the Term Loan A is less than 10% of the aggregate outstanding principal balance of the total amount of the Term Loan A and the Term Loan B.

The Loans will be senior unsecured and unsubordinated obligations of the Borrower and rank equal in right of payment with all other existing and future senior unsecured indebtedness of the Borrower, but be effectively subordinated to all existing and future secured indebtedness of the Borrower to the extent of the value of the assets securing such indebtedness, and be subordinated to obligations of the Borrower preferred by statute or by operation of law.

The Loan Agreement provides that principal, interest and premium, if any, on the Loans are payable only in U.S. dollars.

Principal and Maturity

The aggregate principal amount of the Term Loan A will be up to U.S.$200 million and the aggregate principal amount of the Term Loan B will be up to U.S.$1,800 million.

The Term Loan A will mature on February 3, 2038 (the "Term Loan A Maturity Date"), or if such date is not a Business Day, the immediately succeeding Business Day. The Term Loan B will mature on the date specified in the relevant Disbursement Request (each, a "Term Loan B Maturity Date" and together with the Term Loan A Maturity Date, the applicable "Loan Maturity Date"); *provided* that no Term Loan B Maturity Date shall be a date later than the Term Loan A Maturity Date. The Initial B-1 Loan will mature on February 3, 2031, or if such date is not a Business Day, the immediately succeeding Business Day (the "Initial B-1 Loan Maturity Date"), and the Initial B-2 Loan will mature on February 3, 2036, or if such date is not a Business Day, the immediately succeeding Business Day (the "Initial B-2 Loan Maturity Date").

Interest

The Term Loan A will bear interest at a variable rate per annum equal to the sum of (x) applicable Term SOFR on the applicable determination date for that Loan Interest Period, plus (y) an applicable spread as provided in the Loan Agreement (the "A Loan Interest Rate"), in each case subject to any increase, decrease or change pursuant to a market disruption event or benchmark transaction pursuant to the terms of the Loan Agreement.

The Term Loan B will bear interest at a fixed rate per annum specified by the Borrower in the relevant Disbursement Request, which fixed rate for such tranche of the Term Loan B shall be equal to the interest rate applicable to the corresponding series of Notes issued by the Issuer to fund such Disbursement (the applicable, "B Loan Interest Rate"). The Initial B-1 Loan will bear interest at a fixed rate of 5.750% per annum, and the Initial B-2 Loan will bear interest at a fixed rate of 6.500% per annum.

Interest on the Loans will be payable semi-annually in arrears on February 3 and August 3 of each year (the "Loan Interest Payment Date"), commencing on August 3, 2026. Interest on the Term Loan A and Initial B Loan will accrue from February 3, 2026. Interest on the Term Loan A will be computed on the basis of the actual number of days elapsed in such Loan Interest Period in a year of three hundred and sixty (360) days, and interest on the Term Loan B will be computed on the basis of a 360-day year of twelve 30-day months.

Evidence of Loans

To further evidence the Borrower's obligation to repay the Loans, and to pay accrued interest thereon, the Borrower shall issue and deliver to the Lender, on or prior to each disbursement date, a separate promissory note for each Disbursement of each Loan, each in the amount equivalent to one hundred fifteen percent (115.00%) of the principal amount of the relevant Disbursement. Each promissory note shall be signed by a legal representative of the Borrower with such representative's signature recognized by a Brazilian notary (*reconhecimento de firma*). Within five Business Days of the full prepayment or repayment of the relevant Loan, the Lender shall return all promissory notes delivered under the Loan Agreement to the extent not previously returned.

Following an assignment of the totality of a Loan by the Lender pursuant to the Loan Agreement, in order to effect an assignment of the corresponding promissory notes, the Lender shall endorse (*endossar*) the relevant promissory notes pursuant to article 910 et seq. of Law No. 10,406 of January 10, 2002, as amended or supplemented from time to time, for the benefit of the assignee. If (i) the Borrower exercises its Step-in Right as described below in "*—Step-in Right*" or (ii) the Lender decides to partially assign its respective rights and obligations under the Loan Agreement, the Borrower will promptly execute and deliver new promissory notes, in form and substance satisfactory to the Lender and/or the relevant assignee, as applicable, to substitute the promissory notes previously delivered under the Loan Agreement, and the Lender will promptly return the substituted promissory notes or deliver written confirmation to the Borrower of the destruction of such previously delivered and substituted promissory notes. The new promissory notes shall be addressed to the Lender or the relevant assignee, in an amount equivalent to one hundred fifteen percent (115.00%) of its proportionate share of the relevant Loans and in accordance with the Loan Agreement.

Voluntary and Mandatory Loan Prepayments

Voluntary Prepayments

At any time or from time to time, the Borrower may prepay all or any portion of the Loans on a *pro rata* basis on any Business Day, by giving at least 30 days' prior irrevocable written notice to the Lender, together with the fees, interests and Costs as described below in "*—Prepayment Fees*." Each partial prepayment of the Loans will be allocated to the Loans' outstanding principal amounts on a *pro rata* basis, and will be in a minimum amount so that each such Loan is prepaid in a minimum amount equal to U.S.$50.0 million, or, if less, the remaining principal balance of any Loan; *provided* that after giving effect to such prepayment, the outstanding principal balance of the Term Loan A is at least 10% of the aggregate outstanding principal balance of the Term Loan A and the Term Loan B.

Prepayment for Tax Reasons

The Borrower may prepay the Loan, in whole but not in part, at the Borrower's option, at any time by giving not less than 10 nor more than 90 days' notice to the Lender (which notice will be irrevocable) in an amount equal to (i) 100.000% of the outstanding principal amount of the Term Loan A and (ii) (a) prior to the Step-in Right Effective Date (if any), 100.000% of the outstanding principal amount of the Term Loan B or (b) following the Step-in Right Effective Date (if any), 101.000% of the outstanding principal amount of the Term Loan B, plus, in each case, accrued and unpaid interest (including Loan Additional Amounts, if any) to, but excluding, the prepayment date, if, as a result of any enactment of new laws or any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction, or any change in the official application, administration or interpretation of such laws, regulations or rulings (including, without limitation, a holding by a court of competent jurisdiction) in such jurisdiction, the Borrower has or will become obligated, or is reasonably expected to become obligated, to pay Loan Additional Amounts (x) prior to the Step-in Right Effective Date (if any), in excess of the Loan Additional Amounts payable as of the Effective Date or (y) following the Step-in Right Effective Date (if any), at a rate of greater than 15% as a result of such changes, in each case, on or in respect of the Loan Agreement or any other Financing Document, if such change or amendment is announced and becomes effective on or after the later of the Effective Date and the date the Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction and such obligation cannot be avoided by the Borrower taking reasonable measures available to it.

Mandatory Prepayments and Other Prepayments

Change of Control

Upon the occurrence of a Loan Change of Control, the Borrower will:

(i) within the time periods specified in clause (x)(A)(B) and (y) of the following paragraph, offer to prepay (the "Loan Change of Control Offer") (x) the total outstanding principal amount under the Term Loan A at a prepayment price of 100% of the principal amount thereof and (y) the total outstanding principal amount of the Term Loan B at a prepayment price of 101%, *plus*, in each case, accrued and unpaid interest to, but excluding, the date of such prepayment, any Loan Additional Amounts and Costs with respect thereto; *provided* that (I) no prepayment premiums shall be payable by the Borrower on the Loans except as described below in "—*Prepayment Fees*" or in sub-clause (y) above; (II) the Borrower shall not be required to prepay the Loans in the event and to the extent that it has unconditionally exercised its right to prepay all of the Loans as described above in "—*Voluntary Prepayments*" (or all conditions to such prepayment have been satisfied or waived); and (III) the Borrower shall be entitled to exercise its Step-in Right as described below in "—*Step-in Right*"; and

(ii) within the time periods specified in the Indenture, if required under the terms of the Indenture in connection with such Change of Control (as described in "*Description of the Notes—Change of Control*,") cause the Issuer to commence a Notes Change of Control Offer in respect of any applicable series of Notes in accordance with the terms of the Indenture and the Participation Agreement.

Any such Loan Change of Control Offer will be made by the Borrower, (x) (A) no later than 30 days following the occurrence of a Loan Change of Control or (B) promptly (and in any event within five Business Days) upon becoming aware of a Specified Change of Control or (y) at the Borrower's option, at any time prior to the occurrence of a Loan Change of Control or a Specified Change of Control, following the public announcement thereof by the Borrower or if a definitive agreement is in place for a Loan Change of Control. The Borrower shall give written notice (a "Change of Control Prepayment Notice") of such Loan Change of Control to the Lender stating, to the extent relevant, among other things:

(i) that a Change of Control has occurred (or may occur) and the date (or expected date) of such event;

(ii) the circumstances and relevant facts regarding such Loan Change of Control (including (x) in the case of a Specified Change of Control, the details of such Person that has or will acquire Share Capital in the Borrower and/or (y) whether such Loan Change of Control also constitutes a Notes Change of Control and, as a result, requires the commencement of a Notes Change of Control Offer in accordance with the terms of the Indenture);

(iii) the aggregate amount of the relevant Loans to be prepaid; and

(iv) the prepayment date which shall be fixed by the Borrower, which shall be (x) in the case of a Loan Change of Control other than a Specified Change of Control, on or after the date of receipt of the related Change of Control Response and on a Business Day no earlier than 10 Business Days nor later than 60 days from the date the Change of Control Prepayment Notice is delivered, and (y) in the case of a Specified Change of Control, within 10 Business Days of receipt of a Change of Control Response (as defined below from the Lender or, in the case of both sub-clauses (x) and (y) above, if applicable, such later date as is necessary to enable the Issuer to comply with the requirements under the Indenture to make a Notes Change of Control Offer (the "Change of Control Prepayment Date").

Within 30 days from the date of receipt of the Change of Control Prepayment Notice, the Lender will either accept or decline the Change of Control Prepayment Offer; provided that, if the Lender fails to notify the Borrower within such 30-day period, the Lender shall be deemed to have accepted the Loan Change of Control Offer (the "Change of Control Response").

If the Lender accepts, or is deemed to have accepted, the Loan Change of Control Offer, the Borrower will either elect or decline to exercise its Step-in Right by delivering a written notice to the Lender within five Business Days from the date of receipt of the Change of Control Response.

If the Borrower declines to exercise its Step-in Right, the Borrower will, to the extent lawful, prepay the total amount of the Loans on the Change of Control Prepayment Date at the price set forth above in the Loan Change of Control Offer.

If the Lender accepts, or is deemed to have accepted, such Loan Change of Control Offer and the Borrower elects to exercise its Step-in Right, on the Change of Control Prepayment Date, on the Step-in Right Effective Date, the Borrower will, to the extent lawful, prepay (a) if applicable, an aggregate principal amount of each tranche of Term Loan B equal to the aggregate principal amount of each series of Notes corresponding to such tranche that has been validly tendered for repurchase in the Notes Change of Control Offer *plus* 1.00% of the principal amount of the Term Loan B being prepaid, and (b) the total outstanding principal amount of the Term Loan A; *plus*, in each case, accrued and unpaid interest to, but excluding, such prepayment date and any Loan Additional Amounts and Costs with respect thereto.

If the Lender rejects the Loan Change of Control Offer, on the Change of Control Prepayment Date, the Borrower will, to the extent lawful, prepay (a) if applicable, an aggregate principal amount of each tranche of Term Loan B equal to the aggregate principal amount of each series of Notes corresponding to such tranche that has been validly tendered for repurchase in the Notes Change of Control Offer *plus* 1.00% of the principal amount of the Term Loan B being prepaid, and (b) a *pro rata* principal amount of the Term Loan A, *plus*, in each case, accrued and unpaid interest to, but excluding, such prepayment date and any Loan Additional Amounts and Costs with respect thereto; *provided* that after giving effect to such prepayments of the Loans, the outstanding principal balance of the Term Loan A is at least 10% of the aggregate outstanding principal balance of the total amount of the Term Loan A and the Term Loan B.

For the avoidance of doubt, if the Loan Change of Control does not constitute a Notes Change of Control and, as a result, a Notes Change of Control Offer is not required to be made under the terms of the Indenture in connection with such Loan Change of Control (or if no Notes are tendered in such Notes Change of Control Offer) and the Lender rejects the Loan Change of Control Offer, the Borrower will not be required to prepay any Loans in connection with such Loan Change of Control.

Illegality and Unauthorized Share Transaction

Promptly (and in any event within five Business Days) upon becoming aware of an Unauthorized Share Transaction, or, at the Borrower's option, at any time prior to the occurrence of an Unauthorized Share Transaction following the public announcement thereof or if a definitive agreement is in place for an Unauthorized Share Transaction, the Borrower will give written notice of such Unauthorized Share Transaction to the Lender offering to prepay the Loans in full and stating (A) that an Unauthorized Share Transaction has occurred (or may occur) and the date (or expected date) of such event; and (B) the details of such Person that has or will acquire Share Capital in the Borrower.

Upon the receipt by the Lender of a notification of an Unauthorized Share Transaction in accordance with the paragraph immediately above, the Lender will, by delivering a written notice to the Borrower no later than 30 days after the date of receipt of such notification of an Unauthorized Share Transaction, either accept or decline the prepayment of the Loans. If the Lender fails to deliver a notice requesting prepayment of the Loans to the Borrower within such 30-day period, the Lender will be deemed to have accepted the prepayment of the Loans.

If the Lender accepts, or is deemed to have accepted, the prepayment of the Loans following an Unauthorized Share Transaction, the Borrower will, by delivering a written notice to the Lender within five Business Days, notify the Lender whether the Borrower either elects or declines to exercise its Step-in Right.

The Lender may request a prepayment of the Loans in case of occurrence of any Change in Law that makes it unlawful for the Lender or the Issuer to fund or maintain its Loans or Participations, or any portion thereof (such event, an "Illegality").

If the Lender accepts, or is deemed to have accepted, the prepayment of the Loans as a result of an Unauthorized Share Transaction described in the first two paragraphs above under this "*—Illegality and Unauthorized Share Transaction*" or requests a prepayment of the Loans in case of occurrence of an Illegality, and subject to the Borrower's right to exercise its Step-in Right with respect to the Term Loan B, the Borrower will prepay, within 10 Business Days of receipt of such notice from the Lender accepting the prepayment offer or requesting the prepayment of the Loans, as the case may be, and on the Step-in Right Effective Date to the extent applicable, the total outstanding principal amount of the Loans (or in the case of any prepayment as a result of an Illegality, the total outstanding principal amount of the affected Loan), *plus*, in each case, accrued and unpaid interest (to, but excluding, the date of such prepayment), any Loan Additional Amounts and Costs with respect thereto; *provided* that no prepayment premiums will be payable by the Borrower on the Loans other than as described below in "*—Prepayment Fees*," or, in the case the Borrower declines to exercise its Step-in Rights in connection therewith as described below; *provided*, *further*, that the Borrower will not be required to prepay the Loans in the event and to the extent that it has unconditionally exercised its right to prepay all of the Loans as described above under "*—Voluntary Prepayments*" (or all conditions to such prepayment have been satisfied or waived).

For the avoidance of doubt:

if the Lender accepts, or is deemed to have accepted, the prepayment of the Loans following an Unauthorized Share Transaction, then:

(i) if the Borrower declines to exercise its Step-in Right, the Borrower will, to the extent lawful, prepay (in accordance with the paragraph immediately above) (a) the entire outstanding principal amount of the Term Loan B at a prepayment price of 101% of the principal amount thereof and (b) the entire outstanding principal amount of the Term Loan A, *plus*, in each case, accrued but unpaid interest to, but excluding, the prepayment date and any Loan Additional Amounts and Costs with respect thereto; and

(ii) if the Borrower elects to exercise its Step-in Right, unless otherwise required by the terms of the Indenture, the Borrower will not be required to prepay the Term Loan B, but will prepay the total outstanding principal amount of the Term Loan A, *plus*, in each case, accrued and unpaid interest to, but excluding, such prepayment date and any Loan Additional Amounts and Costs with respect thereto;

if the Lender rejects the prepayment of the Loans following an Unauthorized Share Transaction, the Borrower will not be required to prepay any Loans in connection with such Unauthorized Share Transaction;

if the Lender requests a prepayment of the Loans as a result of an Illegality in respect of the Lender's ability to maintain and fund the Loans, then:

(i) if the Borrower elects to exercise its Step-in Right, unless otherwise required by the terms of the Indenture or if the applicable Illegality would not prevent the Issuer from funding or maintaining the Term Loan B, the Borrower will not be required to prepay the Term Loan B, but will prepay the total outstanding principal amount of the Term Loan A, *plus*, in each case, accrued and unpaid interest to, but excluding, such prepayment date and any Loan Additional Amounts and Costs with respect thereto; and

(ii) if the Borrower declines to exercise its Step-in Right, the Borrower will, to the extent lawful, prepay in accordance with the paragraph immediately above (a) the entire outstanding principal amount of the Term Loan B at a prepayment price of 101% of the principal amount thereof and (b) the entire outstanding principal amount of the Term Loan A, *plus*, in each case, accrued but unpaid interest to, but excluding, the prepayment date and any Loan Additional Amounts and Costs with respect thereto;

if the Lender requests a prepayment of the Loans as a result of an Illegality in respect of the Issuer's ability to maintain and fund its Participation, then:

(i) if the Borrower elects to exercise its Step-in Right, unless otherwise required by the terms of the Indenture or if the applicable Illegality would not prevent the Issuer from funding or maintaining the Term Loan B, the Borrower will not be required to prepay the Term Loan B, but will prepay any affected outstanding principal amount of the Term Loan A, *plus*, in each case, accrued and unpaid interest to, but excluding, such prepayment date and any Loan Additional Amounts and Costs with respect thereto; and

(ii) if the Borrower declines to exercise its Step-in Right, the Borrower will, to the extent lawful, prepay in accordance with the paragraph immediately above (a) the entire outstanding principal amount of the Term Loan B at a prepayment price of 101% of the principal amount thereof and (b) the entire outstanding principal amount of the Term Loan A, *plus*, in each case, accrued but unpaid interest to, but excluding, the prepayment date and any Loan Additional Amounts and Costs with respect thereto.

Prepayment Upon Certain Tender Offers and Open Market Purchases

In the event that the Issuer, the Borrower or an Affiliate of the Borrower, or any third party making Notes tender offers or open market purchase of the Notes in lieu of the Issuer elects at any time (and from time to time) to make a tender offer in respect of the Notes (other than as required under the Indenture in connection with a Notes Change of Control) (a "Notes Tender Offer"), or to engage in one or more open market purchases in respect of the Notes (a "Notes Open Market Offer") or to exercise its Notes Squeeze-out Rights, in each case either (x) at a purchase price that is equal to the aggregate principal amount of the Notes offered to be purchased in such Notes Tender Offer, Notes Open Market Offer or Notes Squeeze-out Purchase (each a "Par Offer," and such purchase price, the "Par Purchase Price"), (y) at a purchase price that is lower than the aggregate principal amount of the Notes offered to be purchased in such Notes Tender Offer, Notes Open Market Offer or Notes Squeeze-out Purchase (each, a "Discount Offer," such purchase price, the "Discounted Purchase Price" and the difference between the aggregate principal amount of the Notes offered to be purchased in such Discount Offer and the Discounted Purchase Price, the "Discounted Amount") or (z) at a purchase price that is higher than the aggregate principal amount of the Notes offered to be purchased in such Notes Tender Offer, Notes Open Market Offer or Notes Squeeze-out Purchase (each, a "Premium Offer" such purchase price, the "Premium Purchase Price" and the excess above the aggregate principal amount of the Notes offered to be purchased in such Premium Offer and the Premium Purchase Price, the "Premium Amount"), and so long as the Premium Amount is less than the amount of the applicable prepayment fee payable in respect of the Term Loan B as described below in "—*Prepayment Fees*," then the Borrower may, to the extent lawful, prepay:

(i) an aggregate principal amount of the Term Loan B equal to the aggregate principal amount of the Notes validly tendered and accepted for purchase in such Notes Tender Offer, Notes Open Market Offer or Notes Squeeze-out Purchase (such amount, the "Discharged Amount"), *provided* that:

(A) in the context of a Par Offer, the Borrower will pay the Loan Paying Agent, on behalf of the Lender, an amount equal to the Par Purchase Price and the Discharged Amount shall be deemed prepaid;

(B) in the context of a Discount Offer, the Borrower will pay the Loan Paying Agent, on behalf of the Lender, an amount equal to the Discounted Purchase Price and the Discharged Amount shall be deemed prepaid (for the avoidance of doubt, and by way of example only, if the outstanding principal amount of the Term Loan B is U.S.$100,000 and the Discounted Purchase Price is U.S.$90,000, then the Term Loan B shall be deemed prepaid in an amount equal to U.S.$100,000 upon payment by the Borrower of U.S.$90,000 to the Lender); and

(C) in the context of a Premium Offer, the Borrower will pay the Loan Paying Agent, on behalf of the Lender, an amount equal to the Premium Purchase Price and the Discharged Amount shall be deemed prepaid (for the avoidance of doubt, and by way of example only, if the outstanding principal amount of the Term Loan B is U.S.$100,000 and the Premium Purchase Price is U.S.$101,000, then the Term Loan B shall be deemed prepaid in an amount equal to U.S.$100,000 upon payment by the Borrower of U.S.$101,000 to the Lender); and

(ii) an aggregate principal amount of the Term Loan A *pro rata* to the Discharged Amount being prepaid pursuant to paragraph (i) above, which prepayment shall be in an amount equal to the total aggregate principal amount of the Term Loan A required to be prepaid under this paragraph (ii), *plus* any applicable fee or premium payable as described below in "—*Prepayment Fees*;"

provided that after giving effect to the prepayments of Loans as described above, the outstanding principal balance of the Term Loan A should at least be 10% of the aggregate outstanding principal balance of the total amount of the Term Loan A and the Term Loan B. Loans prepaid as described under this "*Prepayment Upon Certain Tender Offers and Open Market Purchases*" shall be accompanied by all accrued and unpaid interest (to, but excluding, the date of prepayment) and, any Loan Additional Amounts and Costs with respect thereto.

Prepayment upon Specified Loan Event of Default

If the Borrower (i) fails to perform or observe any term, covenant or agreement described below in "*—Negative Covenants—Restricted Payments*," (ii) fails to implement or comply with the "Environmental and Social Action Plan" and fails to remedy said noncompliance within 45 days from Lender's corresponding written notice to the Borrower, or (iii) fails to implement or comply with the requirements in the Loan Agreement related to a corporate governance action plan and fails to remedy said noncompliance within 45 days from Lender's corresponding written notice to the Borrower, the Borrower will give written notice of such breach (any such breach a, "Specified Loan Event of Default") to the Lender offering to prepay the Loans in full and stating (A) that such Specified Event of Default has occurred (or may occur) and the date (or expected date) of such event; and (B) the details of such breach.

Upon the receipt by the Lender of a notification of Specified Event of Default, the Lender will, by delivering a written notice to the Borrower within 30 days after the date of receipt of such notification of Specified Event of Default, either accept or decline the prepayment of the Loans. If the Lender fails to deliver a notice requesting prepayment of the Loans to the Borrower within the time period specified in this paragraph, the Lender will be deemed to have accepted the prepayment of the Loans.

If the Lender accepts, or is deemed to have accepted, the prepayment of the Loans as described above, the Borrower can elect to exercise its Step-in Right.

If the Borrower declines to exercise its Step-in Right, the Borrower will prepay within ten Business Days of receipt of such notice from the Lender accepting the prepayment offer of the Loans, (a) the entire outstanding principal amount of the Term Loan B together with the fees, interests and Costs as described below in "—*Prepayment Fees*" and (b) the entire outstanding principal amount of the Term Loan A, *plus*, in each case, accrued but unpaid interest to, but excluding, the prepayment date and any Loan Additional Amounts and Costs with respect thereto; *provided* that no prepayment premiums shall be payable by the Borrower on the Term Loan A except as provided below in "—*Prepayment Fees*."

If the Borrower elects to exercise its Step-in Right, the Borrower will prepay, within ten (10) Business Days of receipt of such notice from the Lender accepting the prepayment offer of the Loans and concurrent with the Step-in Right Effective Date, the total outstanding principal amount of the Term Loan A, *plus*, in each case, accrued and unpaid interest (to, but excluding, the date of such prepayment), any Loan Additional Amounts and Costs with respect thereto; *provided* that no prepayment premiums shall be payable by the Borrower on the Term Loan A except as provided below in "—*Prepayment Fees*."

Application of Prepayments

Other than as set forth in the Loan Agreement and described above, amounts of principal prepaid under "—*Voluntary and Mandatory Loan Prepayments*" will be allocated pro rata among the Loans in proportion to their respective principal amounts outstanding, except if a prepayment of the Term Loan B is not required pursuant to the terms of the Loan Agreement following the exercise by the Borrower of its Step-in Rights. In connection with any such prepayment, the Lender will assign to the Issuer the portion of the Term Loan B corresponding to the principal amount of the Term Loan B prepaid by the Borrower to the Loan Paying Agent by means of a Step-Out Assignment as described in "—*Step-Out Assignment*"; *provided* that after giving effect to such prepayment, the outstanding principal balance of the Term Loan A is at least 10% of the aggregate outstanding principal balance of the total amount of the Term Loan A and the Term Loan B.

Prepayment Fees

On the date of each (1) prepayment of the Loans pursuant to "*—Voluntary and Mandatory Loan Prepayments—Voluntary Prepayments*," (2) prepayment of the Term Loan B pursuant to "*—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Change of Control*," "*—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Illegality and Unauthorized Share Transaction*" or "*—Voluntary and Mandatory Loan*

Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment upon Specified Loan Event of Default,” in each case under this clause (2), solely to the extent the Borrower does not exercise its Step-in Rights,” and (3) the prepayment of the Term Loan A as described under “*—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment Upon Certain Tender Offers and Open Market Purchases*” (and excluding, for the avoidance of doubt, any other prepayment or repayment of the Loans), the Borrower shall concurrently pay to the Loan Paying Agent, on behalf of the Lender:

(i) in respect of the Term Loan A, a prepayment fee equal to the following percentage of the amount prepaid calculated as follows: (a) 3.00% of the amount of the Term Loan A prepaid, if the prepayment is made on or prior to the first anniversary of the Effective Date; (b) 2.00% of the amount of the Term Loan A prepaid, if prepaid following the first anniversary of the Effective Date and on or prior to the second anniversary of the Effective Date; (c) 1.00% of the amount of the Term Loan A prepaid, if prepaid following the second anniversary of the Effective Date and on or prior to the third anniversary of the Effective Date; and (d) no prepayment fee will apply to any prepayment of the Term Loan A that is made after the third anniversary of the Effective Date;

(ii) in respect of each tranche of Term Loan B, a prepayment premium in an amount equal to the amount of any make-whole amount or premium (including any premium expressed as a percentage above the par value of the corresponding series of Notes) payable pursuant to the terms of the Indenture as described in “*Description of the Notes—Redemption and Purchase*;” and

(iii) (a) all accrued and unpaid interest on, and any Loan Additional Amounts and Increased Costs incurred in connection with, the Loans; (b) any Costs then due pursuant to the Loan Agreement; and (c) any other obligations relating to the Loans then due and payable.

Currency and Place of Payment

Payments of all obligations related to the Loans shall be made in Dollars, in immediately available funds to the Loan Paying Agent no later than 11:00 a.m. (New York City time). Any payment received after that time may be deemed to have been made on the next Business Day, and, accordingly, with respect to the Term Loan B, interest will accrue on the Issuer’s *pro rata* share of that payment with respect to which the Lender is unable to make same day remittance to the Issuer on or before 11:00 a.m. (New York City time) on the date of payment by the Borrower.

Allocation of Partial Prepayments

If the Loan Paying Agent at any time receives under, or in connection with, any Financing Document, less than the full amount then due in respect of the obligations in relation to the Loans, such amount shall be allocated in the following order: (i) *first*, for the payment of any fees, expenses, indemnities and other amounts due and payable to the Loan Paying Agent under any Financing Document; (ii) *second*, for the payment of any other fees and expenses due under any Financing Document; and (iii) *third*, *pro rata* among each Loan in proportion to their respective principal amounts outstanding in the following order, any: (a) Costs; (b) ordinary interest on each Loan; and (c) principal of each Loan. So long as the Loan Paying Agent receives funds in a timely manner in accordance with the terms of the Loan Agreement, the Loan Paying Agent will transfer to the Lender or the Issuer, as applicable, all amounts received by it on the same date.

Late Charges

If the Borrower fails to pay any obligations relating to the Loans (including interest payable on the Loans) when due (whether at maturity or upon acceleration or otherwise), then the Borrower shall pay interest on the unpaid amount at a rate equal to the sum of 2.00% per annum *plus* the applicable interest rate on the Loans as described under “*—Interest*.” Interest at such rates shall accrue from the date an obligation is due until the date paid and shall be due and payable on the earlier of the date of demand by the Lender and the next Loan Interest Payment Date. Should the late charges exceed the maximum allowed by applicable law, the maximum interest rate allowed by applicable law shall apply.

Payment of Fees, Costs and Expenses.

Pursuant to the Loan Agreement, the Borrower shall pay to the Lender certain customary fees, including a commitment fee equal to 30% of the applicable spread per annum calculated over the undisbursed and uncancelled portion of the Term Loan A Commitment, an up-front fee, an annual supervision and administrative fee, a mobilization fee and such other fees agreed upon in writing between the Lender or the Loan Paying Agent, as applicable, and the Borrower from time to time. In addition, the Borrower will be required to pay or reimburse to the Lender and the Loan Paying Agent their respective reasonable and/or documented out-of-pocket expenses (including travel and subsistence expenses), advances and disbursements as provided for in the Loan Agreement, and all fees and expenses of their respective legal counsels and consultants incurred in connection with, among other things, the Financing Documents.

On each Interest Payment Date the Borrower shall pay, in addition to any other amounts then due, the amount that the Lender from time to time notifies to the Borrower as being the Increased Costs accrued and unpaid prior to such Interest Payment Date. The Borrower will not be required to compensate the Lender for any Increased Costs incurred or reductions suffered more than 270 days prior to the date that the Lender notifies the Borrower of the event giving rise to such claim and of the Lender's intention to claim compensation therefor (except that, if the circumstance giving rise to such Increased Costs or reductions is retroactive, then the 270-day period shall be extended to include the period of retroactive effect thereof).

The Borrower shall pay to the Lender the amount of any Costs notified by the Lender to the Borrower as incurred by the Lender or the Issuer pursuant to any Financing Document in connection with the Borrower's failure to: (1) pay any obligation related to the Loans on the due date thereof, (2) borrow in accordance with any Disbursement Request, (3) make any prepayment in accordance with a notice of prepayment delivered pursuant to the Loan Agreement, and (4) prepaying or repaying any amount of any Loan on a date other than an Interest Payment Date. If the Borrower prepays or repays any amount of any Loan on a date other than an Interest Payment Date, then the Borrower shall pay to the Lender and the Issuer in addition to the amounts payable by the Borrower as described in the immediately preceding sentence, the amount determined by the Lender or the Issuer as the difference, if any, between (a) the amount of interest that would have accrued on the principal amount of the Loan had such prepayment or repayment not occurred, at the applicable A Loan Interest Rate or applicable B Loan Interest Rate, as the case may be, then applicable to such Loan for the remainder of the applicable interest period during which the relevant prepayment or repayment is made had such prepayment or repayment not occurred and (b) the amount of interest that the Lender and the Issuer would earn on such repaid principal amount for the remainder of such interest period if such principal amount were invested for such remaining period at the interest rate that would be bid to the Lender and the Issuer from prime banks in the New York interbank market at the time such prepayment or repayment occurs.

In addition, the Borrower shall pay to the Loan Paying Agent, on behalf of the Lender, certain costs and expenses of the Issuer and holders of Notes, in accordance with the Loan Agreement. See "*The Participation Agreement—General— Increased Costs, Late Charges and Other Costs*."

Step-in Right

At any time after the Effective Date, and in connection and concurrently with the occurrence of an Original Lender Payoff Event pursuant to clause (a) of such definition, the Borrower will have the right to require the Issuer to execute and deliver a Lender Joinder Agreement pursuant to which it will become a lender under the Loan Agreement (such right, the "Step-in Right" and the date of the exercise of such Step-in Right, the "Step-in Right Effective Date"). On the Step-in Right Effective Date, the Issuer will execute and deliver to the Original Lender and the Borrower, a Lender Joinder Agreement.

In the event that the Borrower elects to exercise its Step-in Right in accordance with the above paragraph, and subject to the Issuer acceding to the Loan Agreement by way of executing and delivering a Lender Joinder Agreement with effect from the Step-in Right Effective Date, an amount of the Term Loan B equal to the aggregate principal amount of the Term Loan B that remains outstanding as of the date of an Original Lender Payoff Event (the "Step-in Loan Principal Amount") will become a Converted B Loan on the date immediately preceding the Step-in Right Effective Date pursuant to a conversion process involving the simultaneous occurrence of the following steps (the "Step-in Conversion"):

(i) the Original Lender, in its capacity as the Lender of the Term Loan B, will declare by way of a notice to the Borrower (a "Step-in Reduction Notice"), that the Term Loan B will be reduced in an amount equal to the Step-in Loan Principal Amount with effect from the Step-in Right Effective Date (such portion of the Term Loan B so reduced, the "Converted B Loan") (for the avoidance of doubt, no prepayment premium, Costs or charges under the Loan Agreement will be payable with respect to any such reduction); and

(ii) the Converted B Loan will be deemed to be subject to the same terms and conditions applicable to the Term Loan B under the Loan Agreement (as amended in accordance with the provisions of the Loan Agreement) as of the Step-in Right Effective Date.

All amounts of fees, Costs and interest that have accrued or become due and payable in relation to the Term Loan B under the Loan Agreement as of the Step-in Right Effective Date in respect of the Term Loan B and which, in each case, are owed by the Borrower to the Original Lender, in its capacity as the lender of the Term Loan B, and proportionately reflect the Converted B Loan (such amounts, the "Ancillary Step-in Payments") will be assigned by the Original Lender, in its capacity as the lender of the Term Loan B, on the Step-in Right Effective Date to and assumed by the Issuer in accordance with the Lender Joinder Agreement and the Loan Agreement and the Original Lender, in its capacity as the lender of the Term Loan B, shall, upon receipt of such Ancillary Step-in Payments, promptly remit any such Ancillary Step-in Payments to an account designated by the Issuer.

Following the occurrence of the Step-in Conversion, with effect on and from the Step-in Right Effective Date:

(i) all applicable rights and obligations shall be assigned to and assumed by the Issuer without recourse to the Lender, and without representation or warranty by the Original Lender (as of such Step-in Right Effective Date, such Converted B Loan so assigned, "Step-in Loan"), and the Borrower acknowledges and agrees to such assignment;

(ii) the Original Lender, in its capacity as the lender of the Term Loan B, shall be released from all rights and obligations with respect to any such Step-in Loan;

(iii) each Step-in Loan relating to the Step-in Right Effective Date shall constitute part of the Indebtedness of the Borrower;

(iv) the rights and obligations of the Issuer with respect to its Step-in Loan and the terms of the Step-in Loan shall be governed by the Step-in Loan Agreement, and the other Financing Documents to which the Issuer is a party and the Borrower further acknowledges and agrees to such rights and obligations as set out in such Financing Documents;

(v) the Borrower shall be bound by and shall comply with the terms of the Step-in Loan Agreement, with respect to the Step-in Loans;

(vi) the Issuer shall accede to the Loan Agreement, in accordance with the terms thereof as applicable, in respect of its Step-in Loan, on the Step-in Right Effective Date;

(vii) upon the accession by the Issuer to the Loan Agreement pursuant to the Lender Joinder Agreement, the Original Lender, in its capacity as the lender of the Term Loan B, shall either: (x) endorse (without liability) the relevant promissory note(s) in favor of the Issuer and deliver each such promissory note to the Issuer or (y) request the Borrower to issue directly to the Issuer, the relevant new promissory note(s) in respect of the Step-in Loan in favor of the Issuer, and the Original Lender, in its capacity as the lender of the Term Loan B, upon the Borrower delivering such new promissory note(s) to the Issuer, shall deliver to the Borrower the relevant cancelled promissory note(s) in respect thereof, which shall be replaced by the new promissory note(s) delivered as described in this clause (vii);

(viii) the Borrower and the Original Lender, in its capacity as the lender of the Term Loan B, shall perform all and any necessary actions required by it to give effect to a Step-in Loan;

(ix) each Step-in Loan is deemed to be fully disbursed and outstanding in an amount equal to the aggregate principal amount of the Term Loan B equal to: (x) the principal amount of the Notes that are rejected for prepayment as described in "—*Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Change of Control*," (y) the aggregate principal amount of Notes if the Borrower exercises its Step-in Right in connection with an Illegality or Unauthorized Share Transaction as described in "*—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Illegality and Unauthorized Share Transaction*" or (z) the aggregate principal amount of Notes if the Borrower exercises its Step-in Right as described in "*—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment upon Specified Loan Event of Default*;"

(x) no prepayment of any portion of the Step-in Loan shall be required if the Borrower exercises its Step-in Right in connection with an Original Lender Payoff Event (except pursuant to the provisions described in "*—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Change of Control*").

Subject to the provisions of the Loan Agreement, and with effect from the Step-in Right Effective Date, the Issuer will be deemed to have lent and the Borrower will be deemed to have borrowed, the Step-in Loan.

On the Step-in Right Effective Date and concurrent with the occurrence of an Original Lender Payoff Event, the Loan Agreement shall be deemed to be automatically amended (the Loan Agreement, as deemed amended pursuant to this paragraph the "Step-in Loan Agreement") to reflect the following terms:

(i) all references to "Lender" shall be construed to refer to the Issuer and all references to the "Participation Agreement" shall be omitted,

(ii) certain provisions of the Loan Agreement (including, (1) the mandatory prepayment provisions described under "—*Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Illegality and Unauthorized Share Transaction*" and "*—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment upon Specified Loan Event of Default*" and (2) the covenants described under "—*Affirmative Covenants—Access to Premises and Records*," "*—Affirmative Covenants—Auditor*," "*—Affirmative Covenants—Environmental and Social Compliance*," "*—Negative Covenants—Prohibited Practices*," "*—Negative Covenants—List of Excluded Activities*," "*—Negative Covenants—Sanctions List*," "*—Negative Covenants—Restricted Payments*," "*—Notices and Information—Environmental and Social Compliance Report*" and, in each case, any related defined terms and default provisions of the Loan Agreement) will be suspended and will not be applicable to the Borrower,

(iii) provisions related to the confidential information will be replaced by a customary confidentiality undertaking provided by the Borrower,

(iv) any references to "Costs" will be omitted, and

(v) all references to the "Loan Agreement" will be construed to refer to the Step-in Loan Agreement.

Other than pursuant to the Participation Agreement, the Issuer will only be entitled to the benefit of the provisions contained in the Loan Agreement upon the execution and delivery of a Lender Joinder Agreement on or before the Step-in Right Effective Date. With effect from the Step-in Right Effective Date, the Issuer will assume the obligations and become entitled to all of the rights, as if it had been an original party to the Loan Agreement as a Lender (subject to the provisions of the immediately preceding paragraph).

Step-Out Assignment

On each Term Loan B Maturity Date or any date on which any portion of the Term Loan B is prepaid pursuant to the Loan Agreement as described in "—*Voluntary and Mandatory Loan Prepayments*" (each such date, a "Term Loan B Prepayment Date"), the Lender will be deemed to have assigned to the Issuer the portion of the Term Loan B corresponding to the principal amount of the Term Loan B actually paid by the Borrower to the Loan Paying Agent on such Term Loan B Maturity Date or Term Loan B Prepayment Date, as the case may be. Upon receipt of the applicable amounts and written notice thereof, the Loan Paying Agent on such Term Loan B Prepayment Date (any such assignment, a "Step-Out Assignment"), and the Issuer will be deemed to have assumed such portion of the Term Loan B corresponding to the principal amount of the Term Loan B actually paid by the Borrower to the Loan Paying Agent. On the date of such Step-Out Assignment, the Issuer will execute and deliver a Lender Joinder Agreement pursuant to which it evidences that it has become a lender under the Loan Agreement in respect of such portion of the Term Loan B. The failure by the Issuer to execute a Lender Joinder Agreement will not affect the validity and effectiveness of the Step-Out Assignment. The amount of any fees, Costs and accrued interest on, or in respect of, the Term Loan B through the applicable Term Loan B Maturity Date or Term Loan B Prepayment Date, as the case may be, shall not be subject to such assignment and shall be paid to the Loan Paying Agent for the account of the Lender.

Any Step-Out Assignment shall only become effective upon receipt by the Loan Paying Agent of an amount that is sufficient (after giving effect to the partial payment provisions of the Loan Agreement described in "—*Allocation of Partial Prepayments*," to the extent applicable) to repay or prepay any principal amount of the Term Loan B on the applicable Term Loan B Maturity Date or Term Loan B Prepayment Date, as the case may be, and the amount corresponding to any fees, Costs and accrued and unpaid interest on, or in respect of, the B Loan through such date to the Lender. Upon receipt of the applicable amounts, the Loan Paying Agent will pay (a) such amounts allocated to the payment of any portion of the principal amount of the Term Loan B and/or any applicable prepayment premium payable on the applicable Term Loan B Maturity Date or Term Loan B Prepayment Date, as the case may be, to the Issuer, and (b) the amount corresponding to any fees, Costs and accrued interest on, or in respect of, the B Loan through such date to the Lender.

Following the effectiveness of any Step-Out Assignment as described above:

(i) the portion of the Term Loan B corresponding to the relevant principal amount of the Term Loan B paid by the Borrower to the Loan Paying Agent shall be assigned to and assumed by the Issuer without recourse to the Lender, and without representation or warranty by the Original Lender, and the Borrower acknowledges and agrees to such assignment;

(ii) the Original Lender, in its capacity as the lender of the Term Loan B, shall be released from all rights and obligations with respect to such assigned portion of the Term Loan B and any applicable prepayment premium, including any obligation to return any amounts paid to it in respect of such portion of the Term Loan B to the Borrower as a result of an order from any governmental authority, including in connection with any Insolvency Event involving the Borrower, the Issuer, or any of their respective Affiliates;

(iii) the portion of the Term Loan B assigned to the Issuer and any applicable prepayment premium paid by the Borrower shall constitute part of the Indebtedness of the Borrower; and

(iv) the Issuer will be deemed to have acceded to the Loan Agreement, in accordance with the terms of the Loan Agreement, as a lender in respect of such assigned portion of the Term Loan B.

Subject to the provisions of the Loan Agreement, and with effect from the date on which any Step-Out Assignment becomes effective as described above, the Issuer shall be deemed to have lent, and the Borrower shall be deemed to have borrowed, the applicable principal amount of the Term Loan B being repaid or prepaid by the Borrower.

With effect from the date on which any Step-Out Assignment becomes effective as described above, the Issuer shall assume the obligations in respect of the principal amount of the Term Loan B and applicable prepayment premium being paid to it as described in this "—*Step-Out Assignment*" and become entitled to receive the payment of such principal amount of the B Loan and applicable prepayment premium.

Affirmative Covenants

Under the Loan Agreement, the Borrower is required to comply with certain affirmative covenants described below, among others.

Use of Proceeds

The Borrower will cause the proceeds of each Loan to be applied, in accordance with applicable law and the terms of the Loan Agreement, exclusively (i) to pay or reimburse the Borrower for Project costs, including the construction of new sewage treatment facilities, costs of upgrading existing sewage treatment plants, in each case, across 322 municipalities in the state of São Paulo, Brazil, and costs with the implementation of new collection systems and the expansion of almost 10,000 km of sewer network, (ii) for payment or reimbursement of expenditures of goods and services in the IDB Invest Member countries, and (iii) for payment of the fees and expenses related to the preparation, negotiation, execution and delivery of Financing Documents and the Disbursement of the Loans. None of the proceeds of the Loans shall be used for any activity set forth in the List of Excluded Activities.

Corporate Existence; Title to Property

The Borrower will, and will cause each of its Subsidiaries to, (x) maintain in effect its corporate existence and all registrations necessary therefor, (y) take all actions to maintain until the expiration date set forth in or pursuant to the terms thereof (and renew, if permitted by applicable law, and thereafter maintain until the expiration date set forth in or pursuant to the terms thereof) all rights, privileges, titles to property, franchises, concessions and the like necessary in the normal conduct of their respective businesses, activities or operations and (z) keep their respective property in reasonably good working order or condition; *provided*, *however*, that this covenant shall not require the Borrower to maintain any such right, privilege, title to property, franchise or concession or to preserve the corporate existence of any Subsidiary if the Board of Directors of the Borrower shall determine that the maintenance or preservation thereof is unnecessary to the business of the Borrower, determined on a consolidated basis, as conducted as of the date of determination; *provided further* that, to the extent the Borrower or any of its Subsidiaries is unable to renew any concession due to restrictions imposed by applicable law, the Borrower will, and will cause each of its Subsidiaries to use all reasonable commercial efforts to participate in any new bidding process for any such concession.

Conduct of Business; Compliance with Applicable Laws

The Borrower will conduct its business in accordance with (i) prudent industry practice, (ii) all (A) applicable laws that govern or make reference to Prohibited Practices, the activities comprising the List of Excluded Activities, corporate governance, and public procurement and (B) economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by the Sanctions Authorities, (iii) except for applicable laws covered in clause (ii) immediately above or the Environmental and Social Provisions (with regard to the latter of which the Borrower will make the undertakings described in "—*E&S Compliance*), all other applicable laws except where failure to do so would not reasonably be expected to have a Material Adverse Effect, as determined by the Lender, (iv) all of its General Business Authorizations (except where failure to do so would not reasonably be expected to have a Material Adverse Effect, as determined by Lender), (v) all Relevant Authorizations (other than the General Business Authorizations), and (vi) the Concession Agreement No. 01/2024 of URAE 1 – Sudeste, signed on May 24, 2024, among the Borrower, the Unidade Regional de Serviços de Abastecimento de Água Pótável e Esgotamento Sanitário - URAE 1 – Sudeste and Agência Reguladora dos Serviços Públicos do Estado de São Paulo – ARSESP, as amended (the "Concession Agreement").

Systems; Books and Records

The Borrower will maintain an accounting system, a management information system and books of account and other records adequate to reflect accurately and fairly the Borrower's financial condition and the results of its operations in conformity with GAAP, applicable law and prudent industry practice.

Access to Premises and Records

Upon the Lender's request, the Borrower will permit representatives and staff of the IDB Group (including the OII and the MICI) and any of their consultants, during normal business hours and with reasonable prior notice (except if a Default is continuing or if special circumstances so require), to:

(i) visit and inspect any premises where the Borrower's business is conducted, except for premises with controlled access due to applicable laws, to the extent that such applicable laws prohibit or restrict such access;

(ii) inspect all facilities, plants and equipment of the Borrower, except for premises with controlled access due to applicable laws, to the extent that such applicable laws prohibit or restrict such access and examine and make abstracts and/or reproductions of the Borrower's books of account and records, including records pertaining to compliance with Environmental and Social Requirements and Prohibited Practices; and

(iii) have access to the Borrower's employees, officers, agents, and auditors.

provided that, in each case above, with respect to MICI, such access shall be for the purpose of carrying out the MICI's role.

Auditor

The Borrower will maintain Deloitte Touche Tohmatsu Limited, PricewaterhouseCoopers (PwC), Ernst & Young Auditores Independentes, S/S Ltda., Klynveld Peat Marwick Goerdeler (KPMG), Grant Thornton or BDO or any of their respective subsidiaries or affiliates (each an "Acceptable Auditor") as its auditor.

Ranking of Obligations

The Borrower will take such action as may be necessary to ensure that, at all times, the obligations under the Loans are senior, direct and unconditional unsubordinated obligations of the Borrower that rank at least equal in right of payment with all other present and future unsubordinated and unsecured indebtedness and other obligations of the Borrower, other than those preferred solely by the applicable laws relating to bankruptcy, insolvency, liquidation or other similar laws of general application.

Environmental and Social Compliance

The Borrower will comply with certain environmental and social affirmative covenants set forth in the Loan Agreement, including:

(i) (a) conducting its business in an efficient and environmentally responsible manner; (b) complying with, and execute, the "Environmental and Social Action" plan and the environmental and social requirements set forth in the Base Indenture; (c) obtaining, maintaining in force, and complying with, all relevant authorizations, including, but not limited to, those required by any Environmental and Social Legislation; (d) design, build, operate, and maintain all of the Borrower's facilities, plants, and equipment in accordance with the requirements set forth in the "Environmental and Social Action" plan and the environmental and social requirements set forth in the Base Indenture;

(ii) upon the Lender's request, the Borrower shall permit representatives and staff of the Lender or the person it designates, to request information about the Borrower's state of its compliance with the requirements pertaining to the environmental and social issues and the implementation of the "Environmental and Social Action" plan, at appropriate times and with appropriate frequency, but in any event at least once a year);

(iii) upon (a) any non-compliance with the "Environmental and Social Action" plan, the environmental and social requirements, or (b) the occurrence of a serious incident, then the Borrower shall: (a) notify the Lender within 10 Business Days from occurrence in the event of any such noncompliance, or within 72 hours in the event of a serious incident, providing a reasonably detailed written description of such noncompliance or serious incident, including, but not limited to an account of (1) fatalities or serious injuries to personnel, and/or (2) releases of hazardous sub-stances, and/or (3) unplanned releases, and/or (4) explosions or fires; (b) engage, diligently and at its own expense, the services of a qualified professional satisfactory to the Lender, to investigate the noncompliance or serious incident and prepare a written report for the Lender describing the event, in the understanding that such report shall include a reasonable description of the event, detailing its extent, magnitude and im-pact; and (c) take, diligently and at its own expense, all the steps necessary to implement the pertinent corrective action plan in a form and substance satisfactory to the Lender;

(iv) deliver to the Lender: (a) the semi-annual "Environmental and Social Monitoring Reports" during two years following the signature of this loan agreement, which shall cover the periods from January 1 to June 30 and July 1 to December 31, and shall be delivered no later than October 30 and April 30, respectively, and (b) an annual "Environmental and Social Monitoring Reports from the third year after the signature of the Loan Agreement and thereafter until full repayment. The annual report shall cover the full fiscal year and shall be delivered no later than 120 days after the end of such fiscal year; and

(v) the Borrower shall not make any change or modification to the Environmental and Social Action Plan, previously unless previously approved in writing by the Lender.

Taxes

The Borrower will (i) pay and discharge all Taxes imposed upon its property, income or profits and deduct or withhold all Taxes required to be deducted or withheld and properly pay such Taxes to the appropriate authority when required under applicable law; *provided* that, the Borrower shall not be required to pay any such Tax which is being diligently contested in good faith by appropriate proceedings with respect to which the Borrower has established adequate reserves; (ii) file all tax returns as and when required by applicable law to be filed by it; and (iii) pay any Tax imposed by any authority of Brazil, if any, in relation to the execution, delivery, registration, notarization or enforcement of any Financing Document.

BCB Report

The Borrower will obtain and update, when necessary, each BCB Report (i) with respect to all applicable fees and charges set forth in the Loan Agreement to ensure the timely payment thereof, and (ii) with respect to the schedule of payments (*cronograma de pagamentos*) of each Disbursement of any Loan otherwise necessary to perform and satisfy all obligations undertaken thereunder, in each case, as required by applicable law. The Borrower will also maintain each BCB Report in full force and effect as required by applicable law. In addition, within 20 days after any (i) Disbursement, provide evidence satisfactory to the Lender that the relevant schedule of payments for the BCB Report regarding such Disbursement has been properly registered in a timely manner with the Brazilian Central Bank and that such BCB Report remains in full force and effect, and (ii) Step-In Right Effective Date, provide evidence satisfactory to the Lender and the Participant that the relevant BCB Report and corresponding schedule of payments was obtained or updated as required by applicable law.

Insurance

The Borrower will, and will cause each of its Subsidiaries to, maintain insurance with financially sound and reputable insurance companies in such amounts and covering such risks as is usually carried by Brazilian companies engaged in similar businesses and owning and/or operating properties or facilities similar to those owned and/or operated by the Borrower or such Subsidiary, as the case may be, except as failure to maintain such insurance or such coverage would not reasonably be expected to have a Material Adverse Effect.

Compliance with Laws against Money Laundering and Combating the Financing of Terrorism

The Borrower has, and will comply with, internal policies, procedures, and controls for anti-money laundering and combating the financing of terrorism ("AML/CFT") that promote and achieve compliance with applicable law, including, but not limited to, Brazilian Law No. 9,613 of March 3, 1998 and Brazilian Law No. 12,846 of August 1, 2013, in each case, as amended or supplemented from time to time, and, to Lender's satisfaction, are consistent with their business and customer profile and international AML/CFT best practices.

Negative Covenants

Under the Loan Agreement, the Borrower is limited in taking certain actions pursuant to the negative covenants described below, among others.

Restricted Payments

The Borrower will not make any Restricted Payment unless no Loan Event of Default (1) as a misrepresentation under the Loan Agreement related to Prohibited Practices and sanctions lists, (2) as a result of a breach of the Borrower's obligations described above under "*—Affirmative Covenants—Conduct of Business, Compliance with Applicable Laws*," "*—Affirmative Covenants—Environmental and Social Compliance*" or "*—Affirmative Covenants—Compliance with Laws against Money Laundering and Combating the Financing of Terrorism*" or described below under "*—Prohibited Practices*," "*—List of Excluded Activities*," "*—Sanctions Lists*" or clause (e) of "*—Notices and Information—Certain Additional Notices*," (3) under clause (i) or (ii) of "*—Loan Events of Default—Failure to Pay or Perform under Financing Documents*," or (4) under "*—Loan Events of Default—Failure to Pay or Perform with respect to other Indebtedness*," has occurred and is continuing or would exist after giving effect to such Restricted Payment; *provided* that nothing in this paragraph will prevent the declaration or payment of minimum compulsory dividends (*dividendos mínimos obrigatórios*) required under the Borrower's organizational documents and/or by applicable law.

Fundamental Changes to the Borrower

The Borrower will not merge, consolidate or otherwise combine with any other Person or dispose of substantially all of its undertaking, assets or revenues, present or future, determined on a consolidated basis whether by a series of transactions completed during the period since the Effective Date or otherwise unless (x) the corporation (if other than the Borrower) formed by or resulting from any such consolidation or merger or the corporation or corporations which shall have received such undertaking, assets or revenues (the "Surviving Entity") shall be a corporation or corporations organized and existing under the laws of Brazil or an IDB Invest Member country and shall have validly assumed the Borrower's obligations under the Loan Documents and Note Documents to which the Borrower is a party, (y) the Borrower or such successor corporation or corporations, as the case may be, shall not immediately thereafter be in Default under any Financing Document or Note Document, and (z) the Borrower, or the successor corporation or corporations, as the case may be, delivers to the Lender an opinion of counsel to the effect that such consolidation, merger, sale, conveyance, transfer or lease and the documentation entered into by a Surviving Entity to assume the Borrower's obligations under the Loan Documents and Note Documents to which the Borrower is a party (the "Assumption Documentation") comply with these conditions, that such Assumption Documentation has been duly authorized, executed and delivered and constitutes valid and binding obligations of the successor corporation or corporations, as the case may be, and that all conditions precedent in the Loan Agreement provided or relating to such transaction and such Assumption Documentation have been complied with.

The Borrower will not (a) dispose of any material part of its undertaking, assets or revenues, present or future, determined on a consolidated basis, unless such disposal is made on arm's length terms and there is, as a result of such disposal, no substantial change in the nature of the business of the Borrower, determined on a consolidated basis, or (b) assign, transfer, novate, delegate or otherwise dispose of, whether in whole or in part, the Concession Agreement or any of its rights or obligations thereunder, without the prior written consent of the Lender; *provided* that if no Loan Event of Default is continuing, the Borrower may assign or transfer all of its rights and obligations under the Concession Agreement to a wholly-owned Subsidiary so long as (i) such Subsidiary accedes to the Loan Agreement as a co-borrower pursuant to documentation in form and substance satisfactory to the Lender, (ii) the Borrower and such Subsidiary become jointly and severally liable for all obligations under the Loan Agreement and the other Financing Documents, and (iii) such assignment or transfer does not result in a breach of the Concession Agreement or any applicable law.

Scope of Business

The Borrower will not engage directly or indirectly in any business other than the businesses engaged in by it or contemplated by its bylaws as of the Effective Date; *provided* that this limitation will not apply to any business that is (i) ancillary or complementary thereto or (ii) not material to the Borrower on a consolidated basis.

Prohibited Practices

The Borrower will not commit, engage in, or be involved with (or authorize or permit any Affiliate or any other Person acting on its behalf to commit, engage in, or be involved with) any Prohibited Practice with respect to any transaction contemplated by any Financing Document or Note Document, including the use of proceeds of any Loans.

List of Excluded Activities

The Borrower will not engage in, or be involved with, any activity included in the List of Excluded Activities.

Sanctions Lists

The Borrower will not be included on any Internationally Recognized Sanctions Lists or the IDB Group List of Sanctioned Firms and Individuals.

Limitation on Security

The Borrower will (i) not create or permit to subsist any Security, except for Permitted Security, upon the whole or any part of its undertaking, assets or revenues present or future to secure (x) any of its Indebtedness, (y) any of its Guarantees or (z) the Indebtedness or Guarantees of any other Person; and (ii) procure that none of its Material Subsidiaries creates or permits to subsist any Security, except for Permitted Security, upon the whole or any part of such Material Subsidiary's undertaking, assets or revenues, present or future (including any uncalled capital), to secure (x) any of the Borrower's Indebtedness or Guarantees, (y) any of its own Indebtedness or Guarantees or (z) the Indebtedness or Guarantees of any other Person, unless, in each case, at the same time or prior thereto, the Borrower's obligations under the Financing Documents (x) are secured at least equally and ratably therewith, or (y) have the benefit of such other security, guarantee, indemnity or other arrangement which is not materially less beneficial to the Lender, in each case as shall be approved by the Lender or (z) in the case of any statutory lien created on any of the assets or income of the Borrower or any Material Subsidiary as security for any Indebtedness, are secured by at least an equivalent lien.

Waiver of Stay, Extension or Usury Laws

To the fullest extent permitted by applicable law, the Borrower will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Borrower from paying all or any portion of the principal of or interest on the Loans as contemplated under the Loan Agreement, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of the Loan Agreement. Pursuant to the Loan Agreement, the Borrower will expressly waive, to the fullest extent permitted by applicable law, all benefit or advantage of any such law, and will covenant that it will not hinder, delay or impede the execution of any power herein granted to the Lender, but will suffer and permit the execution of every such power as though no such law had been enacted.

Notices and Information

Under the Loan Agreement, the Borrower is required to provide certain information to the Lender described below, among others.

SEC Regulatory Information

The Borrower will provide to the Lender all information required under Rule 144A(d)(4) of the Securities Act, while the Notes are qualified as "restricted securities."

Audited Annual Financial Statements

The Borrower will provide to the Lender as soon as available but in any event within 120 days after the end of each Financial Year, (i) one copy of the Borrower's audited Financial Statements for such Financial Year setting forth in comparative form the corresponding figures for the previous Financial Year, and all associated notes to such statements, and (ii) a certificate of an authorized representative of the Borrower relating to such audited Financial Statements as set forth in the Loan Agreement.

Unaudited Quarterly Financial Statements

The Borrower will provide to the Lender as soon as available but in any event within 90 days after the end of each of the first three Financial Quarters of each Financial Year: one copy of the unaudited Financial Statements of the Borrower for the Financial Quarter most recently ended as of such date setting forth in comparative form the corresponding figures for the corresponding periods of the previous Financial Year and all associated notes to such statements prepared in accordance with GAAP accompanied by a review report for such period; *provided* that such quarterly Financial Statements will be deemed as delivered to the Lender on the date they are made available on the Borrower's investor relations website (https://ri.sabesp.com.br/en).

Certain Additional Notices

The Borrower will provide to the Lender promptly (and in any event within five Business Days) upon becoming aware of the occurrence thereof, notice of:

(a) any Default, specifying the nature thereof and any steps the Borrower is taking to remedy it;

(b) any Mandatory Prepayment Event;

(c) any action (commenced or ongoing) that could reasonably be expected to have a Material Adverse Effect, specifying the nature of the proceeds and the steps the Borrower is taking or proposes to take with respect thereto;

(d) any actual or proposed material change in the nature or scope of the Borrower's businesses; and

(e) any Prohibited Practice by the Borrower, its Affiliates, or any Person acting on its behalf with respect to the Loan or any transaction contemplated by any Financing Document or Note Document (including the use of proceeds of the Loans), or the imposition by any international financial institution of any sanction on the Borrower for any Prohibited Practice, including any information in its possession concerning such situation.

Environmental and Social Compliance Report

The Borrower will provide to the Lender as soon as available but in any event within 120 days after the end of each Financial Year, an Environmental and Social Compliance Report relating to certain environmental and social provisions as set forth in the Loan Agreement covering the Financial Year most recently ended as of such date.

Taxes and Loan Additional Amounts

The Borrower will timely pay or cause to be paid (i) all Taxes and other liabilities of whatsoever nature arising in connection with the payment of any obligation under the Loan Agreement that are imposed by any authority of Brazil or of any other jurisdiction from or through which any such payment is made (other than any Taxes on net income), including in respect of any payments made by the Borrower, the Lender or the Loan Paying Agent to the Issuer under the Participation Agreement, or by the Issuer to a Noteholder pursuant to the Note Documents, and further including, notwithstanding anything to the contrary in the foregoing, any and all Taxes of any kind levied or imposed on or with respect to the Issuer, including by way of withholding or otherwise and, without limitation, any Brazilian withholding tax resulting from any Step-In Event or Step-Out Assignment, by any authority of any jurisdiction (all such Taxes and other liabilities, collectively, "Transaction Taxes"), and including any Taxes and other liabilities on such payment of Taxes and (ii) any stamp, recording, documentary or similar taxes and all other charges or levies payable on or in connection with the execution, delivery, registration, consularization, apostille, translation, notarization or enforcement of the Loan Agreement, any Financing Document or any Note Document (collectively, the "Other Taxes").

All payments by the Borrower under any Financing Document shall be made free and clear of, and without deduction or withholding for, any Taxes, except as required by applicable law. If the Borrower is required by applicable law or otherwise to deduct or withhold any Transaction Taxes or Other Taxes from any such payment (or if the Borrower is required to make a payment to the Issuer in respect of payments of Transaction Taxes or Other Taxes as described under this "*—Taxes and Loan Additional Amounts*"), then (x) the amount payable by the Borrower will be increased by amounts (such amounts being the "Loan Additional Amounts") as necessary so that, after making any such required deductions (including deductions applicable to additional amounts payable as described under this "*—Taxes and Loan Additional Amounts*"), the Loan Paying Agent, the Lender or the Issuer, as applicable, receives the full amount it would have received had no such deduction or withholding for Transaction Taxes or Other Taxes been required (including such amounts necessary for the Issuer to make such payments in respect of Transaction Taxes or Other Taxes to a Noteholder pursuant to the Note Documents to ensure such Noteholder receives the full amount it would have received had no such deduction or withholding for Transaction Taxes or Other Taxes been required, in each case, as described in "*Description of the Notes—Payment of Notes Additional Amounts*") and (y) the Borrower will make such deduction or withholding and shall pay the full amount deducted or withheld to the relevant authority in accordance with applicable law.

Notwithstanding any other term of a Financing Document or Note Document, any amounts to be paid under any Financing Document or Note Document will be paid net of any withholding or deduction imposed pursuant to (1) Sections 1471 through 1474 of the Code, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) ("FATCA") and any current or future regulations or official interpretations thereof, (2) any treaty, applicable law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of any applicable law, regulation or other official guidance referred to in sub-clause (1) above or (3) any agreement pursuant to the implementation of any treaty, applicable law, regulation or other official guidance referred to in sub-clauses (1) or (2) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

If a payment made to the Loan Paying Agent, the Lender or the Issuer (with respect to itself) under the Loan Agreement or any Financing Document would be subject to withholding Tax imposed by FATCA if the Loan Paying Agent, the Lender or the Issuer was to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), the Loan Paying Agent, the Lender or the Issuer will deliver to the Borrower at the time or times prescribed by applicable law and at such time or times reasonably requested by the Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with its obligations under FATCA and to determine that the Loan Paying Agent, the Lender or the Issuer has complied with the Loan Paying Agent, the Lender or the Issuer's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of the paragraphs under this "*—Taxes and Loan Additional Amounts*," the term "FATCA" shall include any amendments made to FATCA after the Effective Date.

In addition, the Borrower shall indemnify the Issuer, for the full amount of any Transaction Taxes or Other Taxes (including Transaction Taxes or Other Taxes imposed or asserted on or attributable to amounts payable as described in the paragraphs under this "*—Taxes and Loan Additional Amounts*") paid by the Issuer, and any penalties, interest, additions to tax and reasonable expenses arising therefrom or with respect thereto, whether or not such Transaction Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant authority.

Loan Events of Default

Each of the following will constitute an event of default under the Loan Agreement (each, a "Loan Event of Default"):

Failure to Pay or Perform under Financing Documents

(i) Any failure to pay the principal of, or interest or premium (including any related Loan Additional Amounts), if any, on any Loans, when such principal, interest or premium becomes due and payable, including at the applicable Maturity Date or upon prepayment or otherwise, and such failure continues for one Business Day;

(ii) any failure to pay Loan Additional Amounts, if any, on any Loans or any other amount (other than principal and interest for the Loans) owed by the Borrower under the Financing Documents or the Note Documents to which it is a party when due and such failure continues for a period of 30 days;

(iii) the Borrower fails to perform or observe any term, covenant or agreement contained described above in "*—Affirmative Covenants—Use of Proceeds*," "*—Affirmative Covenants—Corporate Existence; Title to Property*," "*—Affirmative Covenants—Conduct of Business; Compliance with Applicable Laws*," "*—Affirmative Covenants—Ranking of Obligations*," "*—Affirmative Covenants—Compliance with Laws against Money Laundering and Combating the Financing of Terrorism*," or "*—Negative Covenants*" (other than any such term, covenant or agreement described in "*—Negative Covenants—Restricted Payments*"); or

(iv) the Borrower or any of its Material Subsidiaries fails to comply with any other of its obligations contained in any Financing Document, Note Document or any other agreement between the Borrower and the IDB Group (other than an obligation referred to elsewhere in this "*Loan Events of Default*,") provided that, if capable of being cured, such failure has continued for 60 days after the earlier of (x) notice of such failure to comply being provided by the Lender or (y) the date on which the Borrower becomes, or should have become, aware of such failure.

Failure to Pay or Perform with respect to Other Indebtedness

A default by the Borrower or any of its Material Subsidiaries under any Indebtedness which (i) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness which continues following the expiration of any applicable grace period provided in such indebtedness for borrowed money on the date of such default and has not been cured or waived; or (ii) results in the acceleration of such Indebtedness; and the principal or accreted amount of Indebtedness for borrowed money covered by (i) or (ii) at the relevant time, aggregates U.S.$100,000,000 (or the equivalent in other currencies) or more.

Misrepresentation

Any representation or warranty made by the Borrower in any Financing Document, Note Document or in any document delivered thereunder is found to have been incorrect or misleading in any material respect when made or deemed made (other than in respect of representations and warranties that were already conditioned as to materiality, in which case, any such representation and warranty is found to have been incorrect or misleading in any respect when made or deemed made)and, in the event that such representation or warranty is capable of remedy, the misrepresentation is not remedied within thirty days after the earlier of: (a) receipt by the Borrower of written notice thereof from the Lender and (b) the Borrower becoming aware of that misrepresentation.

Insolvency Events

Any Insolvency Event occurs.

Attachment; Judgments

(i) Any failure by the Borrower or any of its Material Subsidiaries to pay one or more final judgments against any of them, aggregating U.S.$100,000,000 (or the equivalent in other currencies) or more, that are not paid, discharged or stayed for a period of 60 days or more (to the extent not covered by a reputable and creditworthy insurance company); or

(ii) a distress, attachment, execution or other legal process is levied, enforced or sued out on substantially all of the property, assets or revenues of the Borrower or any of its Material Subsidiaries and is not discharged or stayed within 60 days.

Failure to Maintain Relevant Authorizations

Any action, condition or thing (including the obtaining or effecting of any necessary consent, license or approval (howsoever evidenced), registration, filing, notarization, certificate or exemption from) at any time required to be taken, fulfilled or done in order (i) to enable the Borrower lawfully to enter into, exercise its rights and perform and comply with its obligations under the Financing Documents and the Note Documents or (ii) to ensure that those obligations are legally binding and enforceable is not taken, fulfilled or done or once any such consent, license or approval (howsoever evidenced), registration, filing, notarization, certificate or exemption from, by or with any Authority, and all corporate, Shareholders', creditors' and any other third-party approvals or consents has been given, is removed, withdrawn, modified, withheld or otherwise fails to remain valid and subsisting in full force and effect.

Moratorium

Any authority of Brazil declares any general payment delay, refusal to pay or acknowledge a payment obligation or repudiation or other action (whether or not formally announced), which in any such case, (i) relates to its debts or debts or any category of debts of borrowers in the relevant country not to be paid in accordance with their terms or (ii) prevents the availability of foreign exchange to the Borrower for the purpose of performing any material obligation under the Loan Agreement or any other Financing Document.

Environmental and Social Action Plan

The Borrower fails to implement or comply with the "Environmental and Social Action Plan" and fails to remedy said noncompliance within 45 days from Lender's corresponding written notice to the Borrower.

Corporate Governance Action Plan

The Borrower fails to implement or comply with a specified corporate governance action plan pursuant to the terms of the Loan Agreement and fails to remedy said noncompliance within 45 days from Lender's corresponding written notice to the Borrower.

Documents cease to be binding

The Loan Agreement, any other Financing Document or any Note Document, shall for any reason be revoked, becomes void or cease to be binding on and enforceable against the Borrower or the Issuer, as applicable, in accordance with its terms, or becomes unlawful, or the binding effect or enforceability thereof shall be challenged by the Borrower or the Issuer or either the Borrower or the Issuer shall deny that it has any further liability or obligation under the Loan Agreement, any other Financing Document or any Note Document.

Legality / Unlawfulness

It is or will become unlawful for the Borrower or the Issuer, as applicable, to perform or comply with any one or more of its obligations under any Financing Document and Note Document.

Remedies

If a Loan Event of Default occurs and is continuing, the Lender may take any or all of the following actions: (i) by written notice to the Borrower, suspend or terminate the commitments in respect of the Loans, (ii) by written notice to the Borrower, declare the Loans, or such part of the Loan as is specified in such notice (with accrued interest thereon), and all other obligations under the Financing Documents to be immediately due and payable; and/or (iii) exercise any other remedies that may be available to the Lender under any Financing Document or applicable law.

If any Insolvency Event occurs with respect to the Borrower, then (a) the commitments in relation to the Loans will be automatically terminated and (b) all obligations arising under the Loan Agreement and the other Financing Documents will be automatically and immediately due and payable without any presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives.

Representations and Warranties and Conditions Precedent to Disbursements

The Loan Agreement will contain certain customary representations and warranties for facilities of that type, which are subject to exceptions and materiality qualifications.

The disbursement of the Loans on each disbursement date will be subject to conditions precedent usual for facilities of that type, including delivery of certain customary deliverables to the Lender (including opinions of counsel, corporate authorizations and disbursement request), bringdown of representations and warranties, absence of a Default or Event of Default and, in connection with any tranche of Term Loan B, receipt of proceeds of an offering of a corresponding series of notes by the Issuer.

Amendment

Any amendment or waiver of, or any consent given under, the Loan Agreement will be effective only if in writing and, in the case of any amendment, signed by the Borrower and the Lender or their permitted successors and assigns.

Successors and Assigns

The Loan Agreement binds and benefits the respective successors and assignees of the Borrower and the Lender; *provided*, *however*, that the Borrower will not assign or delegate any of its rights or obligations under any Financing Document without the Lender's prior written consent. Any assignment or delegation by the Borrower other than as permitted under the Loan Agreement will be *void ab initio*.

The Lender may, without the need of any consent from any party or any other action, and at any time, assign, participate or otherwise allot to one or more Persons all or any portion of its rights and obligations under any Financing Document; *provided* that the Lender will deliver a notice to the Borrower upon an assignment to one or more Persons of all or any portion of its respective rights and obligations under any Financing Documents.

Loan Paying Agent

UMB Bank, N.A. will act as Loan Paying Agent under the Loan Agreement. Except during the continuance of a Loan Event of Default, the Loan Paying Agent will perform only such duties as are specifically set forth in the Loan Agreement and the Participation Agreement. The Loan Paying Agent will facilitate payments on the Loans. The Lender may change the Loan Paying Agent at any time.

Governing Law

The Loan Agreement will be governed by, and construed in accordance with, the laws of the State of New York of the United States of America without regard to any conflict of laws principles thereof that would result in the application of the law of any other jurisdiction.

Jurisdiction

The Borrower will consent to the non-exclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States of America District Court for the Southern District of New York, and any appellate court from any thereof, in any action arising out of or relating to any Financing Document (other than any promissory notes) to which the Borrower is a party. Final judgment against the Borrower in any such action shall be conclusive and may be enforced in any other jurisdiction including Brazil by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the judgment, or in any other manner provided by applicable law. Notwithstanding anything to the contrary herein, the recognition and enforcement in Brazil of any judgment rendered by any court specified in this paragraph will be subject to, and carried out in accordance with, the procedures and requirements for recognition and enforcement applicable in Brazil, without prejudice to the Lender or the Loan Paying Agent's rights set forth in the Loan Agreement. In addition, the Borrower will appoint an authorized agent in New York, New York upon which service of process may be served in any action or proceeding that the Lender may bring in respect of any Financing Document to which the Borrower is a party or any Note Document to which the Borrower is a party in any court specified herein.

Certain Definitions

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by or under common Control with such Person; *provided*, *however*, that for purposes of the Loan Agreement, neither Brazil nor the Government of the State of São Paulo shall be considered an Affiliate of the Borrower or any of its Subsidiaries.

"**BCB Report**" means, in respect of each Loan, evidence of registration of the financial terms and conditions of such Loan with the Brazilian Central Bank through the SCE-Crédito, which generates an identification code, authorizing the Borrower to: (a) enter into the relevant foreign exchange transactions for the remittance of the funds disbursed in accordance with the Loan Agreement to Brazil; and (b) after the disbursement of a Loan, register the relevant schedule of payments that allows the Borrower to make repayments or payments of principal, interest, fees, commissions and expenses contemplated hereunder.

"**Board of Directors**" means, as to any Person, the board of directors of such Person or such other body performing similar functions with respect to such Person.

"**Brazilian Central Bank**" means the Central Bank of Brazil (*Banco Central do Brasil*).

"**Brazilian Insolvency Law**" means Law No. 11,101 of February 9, 2005, as amended or supplemented from time to time.

"**Brazilian Person**" means a Person that:

(a) is incorporated in Brazil (including any office or branch of such Person located outside of Brazil, but excluding, for the avoidance of doubt, a separate legal entity even if such entity is an affiliate of such Person incorporated in Brazil); or

(b) is an office or branch resident or domiciled in Brazil.

"**Business Day**" means (i) a day on which commercial banks in (a) the City of New York, New York, and (b) the City of São Paulo, São Paulo, Brazil are open for business, and (ii) for purposes of making any payment of interest, principal, fees or other amounts, such day that is also a U.S. Government Securities Business Day.

"**Capital Lease**" means any obligation which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such person prepared in accordance with GAAP; the amount of such obligation shall be the capitalized amount thereof, determined in accordance with GAAP; and the maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"**Change in Law**" means the occurrence, after the Effective Date (including any circumstance that is retroactive to a date prior to the Effective Date), of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty; (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any authority; or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any authority; *provided* that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"**Consolidated**" or "**Consolidated Basis**" means, with respect to any Financial Statements to be provided, or any financial calculation or determination to be made, under or for purposes of any Financing Document, the Financial Statements, financial calculation or determination made by making reference to the consolidated Financial Statements of the Borrower. The entities whose accounts are to be consolidated with the accounts of the Borrower are all the Subsidiaries of the Borrower.

"**Consolidated Operating Income**" means, for any period, the sum of (i) the Borrower's revenues, minus (ii) the cost of goods sold, minus (iii) general, administrative, and sale expenses, minus (iv) depreciation and amortization, on a Consolidated Basis in accordance with GAAP.

"**Consolidated Total Assets**" means the total consolidated assets of the Borrower and its Material Subsidiaries, as shown on the most recent balance sheet of the Borrower, calculated in accordance with GAAP and, if applicable, calculated on a pro forma basis to give effect to any acquisition or disposition of companies, divisions, lines of businesses or operations by the Borrower and its Material Subsidiaries subsequent to such date and on or prior to the date of determination.

"**Control**" means (i) the possession, directly or indirectly, of shareholder rights that permanently ensures the holder of such rights (x) a majority of votes in general shareholders' meeting resolutions of the applicable Person and (y) the power to elect a majority of the applicable Person's board of directors; and (ii) effectively using such power to direct social activities and guide the functioning of the applicable Person's bodies ("**Controls**," "**Controlling**" and "**Controlled**" have corresponding meanings).

"**Costs**" means any costs, expenses or losses incurred by the Lender or the Issuer in connection with the Loans (as determined by the Lender or the Issuer), including: (i) any breakage of funds, termination, redeployment or other unwinding cost, if positive, or losses incurred by the Lender or the Participant, (ii) interest paid and/or payable to cover any unpaid amount; (iii) any loss, premium, penalty and expense that may be incurred in liquidating or employing deposits of, and/or borrowings from, third parties in order to fund and/or maintain all or any part of the relevant Loan; (iv) any foreign exchange loss and/or hedge liquidation costs; and (v) in the case of a late payment, any late payment interest due to the Lender under the Loan Agreement.

"**CVM**" means the *Comissão de Valores Mobiliários* (or any successor or similar authority in Brazil).

"**Dollars**" and the sign "**$**" mean the lawful currency of the United States of America.

"**Effective Date**" means the date of execution of the Loan Agreement.

"**Equity Rights**" means, in respect of a Person (other than a natural person) any subscriptions, subscription bonuses, options, warrants, commitments, preemptive rights or agreements of any kind (including any shareholders' or voting trust agreements) for the issuance, subscription, sale, registration or voting of, or any securities convertible into, any Share Capital of such Person.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**Fee Letter**" means each fee letter agreed between (i) the Borrower and the Lender; and (ii) the Borrower and the Loan Paying Agent, in each case, setting forth the fees payable in respect of the transactions contemplated herein.

"**Financial Quarter**" means each period commencing on the day after a Financial Quarter Date and ending on the immediately succeeding Financial Quarter Date.

"**Financial Quarter Date**" means each March 31, June 30, September 30 and December 31.

"**Financial Year**" means the accounting year of the Borrower commencing each year on January 1st and ending on the following December 31st or such other period as the Borrower, with the Lender's consent, designates as its accounting year.

"**Financial Statements**" means, with respect to any Person, as of any relevant date and period, such Person's balance sheet, income statement, cash flow statement, statement of sources and uses of funds, statement showing changes in equity and any exhibits and notes thereto, which shall be prepared in r*eais* on a consolidated basis, all prepared on a consistent basis in accordance with GAAP.

"**Financing Documents**" means, collectively:

(i) the Loan Agreement;

(ii) each promissory note;

(iii) the Fee Letters; and

(iv) all documents relating to the Loans that are entered into after the Effective Date designated as a Financing Document by the Lender and the Borrower.

"**GAAP**" means (i) International Financial Reporting Standards (formerly International Accounting Standards) ("**IFRS**") promulgated by the International Accounting Standards Board (IASB)or (ii) generally accepted accounting principles in Brazil that are based on the Brazilian corporate law, the rules and regulations of the CVM and the accounting standards issued by the Brazilian Accounting Pronouncements Committee, in each case in effect from time to time, applicable to any person to the extent that such person is subject to such rules.

"**General Business Authorization**" means each authorization that is or may be at any time necessary under applicable law for the Borrower or any Subsidiary, as applicable, to conduct its business as it is presently carried on and is contemplated to be carried on (other than those authorizations necessary under applicable law for the Borrower to comply with the environmental and social provisions set forth in the Loan Agreement).

"**Guarantee**" means any obligation of a person to pay the Indebtedness of another person including, without limitation: (a) an obligation to pay or purchase such Indebtedness; (b) an obligation to lend money or to purchase or subscribe for shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness; (c) an indemnity against the consequences of a default in the payment of such Indebtedness; or (d) any other agreement to be responsible for such Indebtedness.

"**IDB**" means the Inter-American Development Bank, an international organization established by the Agreement Establishing the Inter-American Development Bank among its member countries.

"**IDB Group**" means jointly the IDB, the Lender and the Multilateral Investment Fund.

"**IDB Group List of Sanctioned Firms and Individuals**" means the list of firms and individuals listed in, and accessible at: https://www.iadb.org/en/who-we-are/transparency/sanctions-system/sanctioned-firms-and-individuals or any successor website or location.

"**IDB Invest Members**" means the member countries of the Lender listed in https://www.idbinvest.org/en/countries.

"**Increased Costs**" means the amount certified in an certificate furnished by the Lender to the Borrower to be the net incremental costs of, or reduction in return to, the Lender or, as the case may be, the Issuer in connection with making or maintaining the Loans, in the case of the Lender, or its Participation, in the case of the Issuer, as applicable, that results from: (i) any Change in Law; or (ii) any compliance with any request from, or requirement of, any central bank or other monetary or other authority; or (iii) any applicable A Loan Interest Rate being calculated following a market disruption event, where Increased Costs shall also include any difference between the base rate applicable following a market disruption event and the actual cost to the Lender of making, funding or maintaining the Term Loan A for the relevant Loan Interest Period, including Increased Costs incurred if the Lender incurs Costs in switching from the then-current benchmark-based funding to such base rate, that in any such case, subsequent to the Effective Date:

(a) imposes, modifies or makes applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirements against property of, or deposits with or for the account of, or credit extended by the Lender or the Issuer;

(b) imposes a cost on the Lender as a result of its having made or committed to make the relevant Loan or reduces the rate of return on the overall capital of the Lender that it would have been able to achieve had it not made or committed to make the relevant Loan;

(c) subjects the Lender or the Issuer to any Tax in respect of the relevant Loan or Participation, as applicable (other than a change in taxation of the overall net income of the Lender or Issuer imposed by a jurisdiction to which the Lender or the Issuer is subject); or

(d) imposes on the Lender or the Issuer any other cost or condition regarding the making or maintaining of the relevant Loan.

"**Indebtedness**" means any obligation (whether present or future, actual or contingent): (a) for the payment or repayment of money which has been borrowed or raised (including money raised by acceptances and leasing if such leasing, according to GAAP, would be classified as a Capital Lease); (b) evidenced by bonds, debentures, notes or other similar instruments; (c) for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (except to the extent incurred in the ordinary course of business and such obligation is satisfied within 10 Business Days of incurrence); (d) represented by guarantees or other contingent obligations in respect of indebtedness referred to clauses (a) through (c) and clause (f) below; (e) of the type referred to in clauses (a) through (d) that are secured by Security on any property or asset of such person, the amount of any such obligation being deemed to be the lesser of the fair market value or asset securing such obligation or the amount of such obligation; and (f) under derivative agreements (the amount of any obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such person at such time).

"**Insolvency Event**" means any of the following: (i) the Borrower or any of its Material Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent, seeking liquidation, in *recuperação judicial* or *recuperação extrajudicial*, *concordata*, *falência* or bankrupt or unable to pay its debts stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Borrower or any of its Material Subsidiaries; (ii) an order is made or an effective resolution passed for the winding-up, liquidation or dissolution of the Borrower or any of its Material Subsidiaries and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 consecutive days, or the Borrower ceases or threatens to cease to carry on all or a material part of its business or operations except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation, in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Borrower or any of its Material Subsidiaries; (iii) any event that under the laws of Brazil has an analogous effect to any of the events referred to in any of the clauses (i) and (ii) above, (including any request for bankruptcy, *recuperação judicial* or *recuperação extrajudicial*, requested by the Borrower or any Material Subsidiary), as well as any request for judicial anticipation of the effects of the processing of a *recuperação judicial*, as provided in paragraph 12 of Article 6 of the Brazilian Insolvency Law, or any preparatory or anticipatory measures for judicial or extrajudicial reorganization, including any similar proceeding in another jurisdiction, as provided in Article 20-B of the Brazilian Insolvency Law).

"**Internationally Recognized Sanctions Lists**" means sanctions lists maintained by Sanctions Authorities.

"**Lender**" means the Original Lender and its successors and assigns

"**Lender Joinder Agreement**" means an accession agreement substantially in the form attached to the Loan Agreement.

"**List of Excluded Activities**" means the list of activities not financed by the Lender as set forth in the Loan Agreement.

"**Loan Change of Control**" means the occurrence of any transaction (including without limitation any merger of consolidation) the result of which is a Person or "group" (other than Equatorial S.A. and the Government of the State of São Paulo together, directly or indirectly) (as such term is used for purposes of Section 13(d) and 14(d) of the Exchange Act):

(a) becomes the "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, in the aggregate of more than 50.0% of the total voting power of the Borrower; or

(b) has the power to direct or cause the direction of the management and policies of the Borrower, whether through the ownership of voting securities, by contract or otherwise.

"**Loan Default**" means any event or condition that constitutes a Loan Event of Default or any event or condition that, but for notice, lapse of time or the making of a determination, or any combination thereof, would constitute a Loan Event of Default.

"**Loan Interest Period**" means (i) each period beginning on a Loan Interest Payment Date and ending on the day immediately before the next Loan Interest Payment Date, except for the first period following each disbursement for which it shall mean the period beginning on such disbursement date and ending on the day immediately before the next Loan Interest Payment Date, or (ii) the last interest period of either Loan that begins on the Interest Payment Date immediately preceding the applicable Loan Maturity Date and ends on the applicable Loan Maturity Date.

"**Material Adverse Effect**" means a material adverse effect on: (i) the business, property, liabilities, operations or financial condition of the Borrower; (ii) the ability of the Borrower to perform any of its obligations under any Financing Document or Note Document to which it is a party; (iii) the rights or remedies of the Lender or the Issuer under the Financing Documents or Note Documents; or (iv) the validity or enforceability of any material provision of any Financing Document or Note Document.

"**Material Subsidiary**" means a Subsidiary of the Borrower that, at the time of determination, had either (i) total assets in excess of 10% of the Consolidated Total Assets of the Borrower, or (ii)operating revenues for the twelve-month period ending on the date of the Borrower's most recently quarterly consolidated statement of income which constituted at least 10.0% of the Borrower's total operating revenues on a consolidated basis for such period.

"**MICI**" means the Independent Consultation and Investigation Mechanism of the IDB Group that impartially responds to environmental and social concerns of affected communities and aims to enhance outcomes (https://mici.iadb.org/en).

"**Note Documents**" means each of: (i) each note; (ii) the Participation Agreement; (iii) the Indenture; (iv) the Notes Security Documents; (v) any fee letter between the Borrower and the Trustee and/or any Agent; and (vi) any other document so designated by the Trustee and the Issuer from time to time.

"**Notes Security Documents**" has the meaning provided to such term in "*Description of the Notes*."

"**Noteholder**" refers to each holder of a Note pursuant to and as such term is defined in the Indenture.

"**Notes**" has the meaning provided to such term in "*Description of the Notes*."

"**Notes Change of Control Offer**" has the meaning provided to such term in "*Description of the Notes*."

"**Notes Squeeze-out Rights**" means, in connection with any Notes Squeeze-out Tender Offer for any series of Notes, the right of the Issuer or an Affiliate of the Borrower, or any third party making the Notes Squeeze-out Tender Offer in lieu of the Issuer to purchase the aggregate principal amount of Notes of such series that remain outstanding following such tender offer at a price equal to the price paid to each other Noteholders holding Notes of such series in such tender offer, *plus*, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the date of such prepayment (a "**Notes Squeeze-out Purchase**").

"**Notes Squeeze-out Tender Offer**" means any tender offer for any series of Notes made by the Issuer or an Affiliate of the Borrower, or any third party making such tender offer in lieu of the Issuer where Noteholders holding Notes of such series of not less than 85% of the aggregate principal amount of the then outstanding Notes of such series validly tender and do not validly withdraw such Notes in such tender offer and the Issuer, or any such Affiliate or any third party making such tender offer in lieu of the Issuer, purchases all of the Notes of such series validly tendered and not validly withdrawn by such Noteholders.

"**OII**" means the Office of Institutional Integrity of the IDB Group (https://www.iadb.org/en/who-we-are/transparency/sanctions-system/office-institutional-integrity).

"**Original Lender**" means Inter-American Investment Corporation, in its capacity as the lender of the Term Loan A and the Term Loan B.

"**Original Lender Payoff Event**" means that (a) the Borrower has fully paid and discharged in full all obligations owed to the Original Lender in accordance with "*—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—*

Change of Control," "*—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Illegality and Unauthorized Share Transaction*" or "*—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment upon Specified Loan Event of Default*" and in each case, "*—Step-In Right*" and concurrently (b) all or a portion of the Converted B Loan has been assigned by the Original Lender to the Issuer in accordance with "*—Step-In Right*."

"**Participation**" means a participation interest acquired in any Loan pursuant to a Participation Agreement.

"**Participation Administrative Agent**" has the meaning provided to such term in "*The Participation Agreement*."

"**Participation Agreement**" means each participation agreement entered into between the Lender, the Issuer, and the Participation Administrative Agent, in the Lender's customary form, pursuant to which the Issuer acquires a Participation.

"**Permitted Security**" means:

(i) Security granted in respect of Indebtedness which is exchangeable into shares of the Borrower or any of its Subsidiaries, *provided* that Security is only granted over the shares into which such Indebtedness is exchangeable;

(ii) Security granted by the pledge or assignment of current or future accounts receivable due to the Borrower or any of its Subsidiaries and created to secure Indebtedness incurred, in the ordinary course of business, by the Borrower or any of its Subsidiaries;

(iii) Security over all or part of any property, assets (without limitation, equity interests) or revenues to secure Indebtedness incurred by the Borrower or any of its Subsidiaries solely for purposes of financing the acquisition, construction or installation of any property or asset incurred concurrently with or within 365 days after the acquisition of the property or asset or completion of the construction or installation, or Security on any property, assets (including without limitation, equity interests) or revenues existing on the day of acquisition thereof;

(iv) Security granted in respect of a project and securing Indebtedness incurred in connection with the project financing of such project by the Borrower, any of the Borrower's Subsidiaries or any PPP, consortium or other venture in which the Borrower or any Subsidiary of the Borrower has any direct or indirect ownership or other similar interest; provided that no such Security shall extend to or cover any property or assets other than the property or assets of the project so acquired, constructed, improved or developed, as the case may be;

(v) any extension, renewal or replacement, in whole or in part, of any Security described in subclauses (i), (ii), (iii) or (iv) above, *provided* that (x) such extension, renewal or replacement does not extend to any property other than that originally subject to the Security being extended, renewed and replaced and (y) the principal amount of the Indebtedness secured by such Security is not increased;

(vi) Security granted in respect of Indebtedness incurred by the Borrower or any of its Subsidiaries, directly or indirectly, owed to (a) Banco Nacional de Desenvolvimento Econômico e Social – BNDES or any other Brazilian official developmental bank or official developmental government agency to finance water and/or sanitation projects (including loans from *Financiadora de Estudos e Projetos – FINEP*) or CEF (*Caixa Econômica Federal*), FEHIDRO (*Fundo Estadual de Recursos Hídricos*), FESAN ((*Fundo Estadual de Saneamento*) or any successor(s) thereto), or (b) any international or multilateral development bank, government-sponsored agency, export-import bank or official export-import credit insurer;

(vii) Security granted in connection with derivative agreements, provided that such agreements are non-speculative and have been entered into by the Borrower or its Subsidiaries;

(viii) (A) Security or deposits created to secure the performance of tenders, statutory obligations, surety bonds, commercial or equipment leases and other obligations of a similar nature incurred by the Borrower or any of its Subsidiaries in the ordinary course of business (exclusive of obligations for the payment of borrowed money); and (B) Security in connection with bidding requirements in a private or public bidding process (including for the acquisition of assets by the Borrower or any of its Subsidiaries), in accordance with the limits and timeframe determined by the respective bidding documents;

(ix) judgment liens in respect of administrative or judicial decisions that do not constitute an Event of Default;

(x) Security securing taxes, assessments and other governmental charges, the payment of which are not yet due or are being contested in good faith by appropriate proceedings and for which such reserves or other appropriate provisions, if any, have been established as required by applicable GAAP;

(xi) Security arising by operation of law and in the ordinary course of business in connection with any Indebtedness of the Borrower or any of its Subsidiaries, provided that such Security does not arise by exercise of rights of the holder or beneficiary as a result of any default or omission under such Indebtedness by the Borrower or any Subsidiary;

(xii) Security existing on the Effective Date;

(xiii) any statutory Security securing claims of mechanics, repairmen, materialmen, suppliers, warehousemen and other Security imposed by law incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by applicable GAAP shall have been made in respect thereof;

(xiv) any Security or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other social security legislation or other claims provided for by mandatory provisions of the laws of Brazil for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made in respect thereof;

(xv) any Security arising out of the title retention provision in connection with the purchase of goods and equipment by the Borrower or any of its Subsidiaries in the ordinary course of business;

(xvi) any Security securing reimbursement obligations with respect to commercial letters of credit given in connection with the purchase of goods and equipment in the ordinary course of business;

(xvii) any Security on any property resulting solely from the granting, performance or termination of a concession or similar right, arrangement or agreement in the ordinary course of business;

(xviii) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, licenses, restrictions on the use of property or minor imperfections in title granted in the ordinary course of business that do not materially adversely affect the value of such properties or materially impair their use in the operation of the business of such person;

(xix) any Security arising from a Capital Lease entered into by the Borrower or any of its Subsidiaries in the ordinary course of business; provided that such Security does not extend to any property or assets which is not leased property subject to such Capital Lease; or

(xx) in addition to the foregoing items set forth in clauses (i) through (xix) above or otherwise permitted by this covenant, security created in connection with Indebtedness of the Borrower or any Subsidiary (including, without limitation, guarantees of any Subsidiary) which do not in aggregate principal amount exceed 10.0% of the Borrower's Consolidated Total Assets.

"**Person**" means any natural person or any company, partnership, joint venture, firm, corporation, voluntary association, trust, enterprise, unincorporated organization or other corporate body or any authority or any other entity whether acting in an individual, fiduciary or other capacity, including that Person's successors and permitted assigns.

"**PPP**" means any public private partnership entered into pursuant to Law No. 11,079, of December 30, 2004, as amended or supplemented from time to time, and/or São Paulo State Law No. 11,688, of May 19, 2004, as amended or supplemented from time to time.

"**Prohibited Practice**" means any of the following:

(i) the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;

(ii) any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(iv) an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;

(v) destroying, falsifying, altering or concealing of evidence material to an IDB Group investigation, or making false statements to investigators with the intent to impede an IDB Group investigation;

(vi) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to an IDB Group investigation or from pursuing the investigation;

(vii) acts intended to impede the exercise of IDB Group's contractual rights of audit or inspection or access to information; or

(viii) use of IDB Group financing or resources for an improper or unauthorized purpose, committed either intentionally or through reckless disregard.

"**Project**" means investments and capital expenditures undertaken to support the Borrower to increase the percentage of the population of the State of São Paulo with access to sewage collection and treatment services from 85% (as of 2024) to 99% by 2029, through the expansion of sewage collection and treatment infrastructure in 322 municipalities.

"**Relevant Authorization**" means each authorization that is necessary under applicable law for: (i) the Borrower to borrow the Loan, perform its obligations under the Financing Documents, the Note Documents and conduct its business as it is contemplated to be carried on; (ii) the execution, delivery, validity and enforceability of the Financing Documents and the Note Documents; (iii) the enforcement by the Lender of its rights and remedies under the Financing Documents; (iv) the remittance to the Lender in Dollars of any amounts payable under the Financing Documents; and (v) for the Loans and the Borrower to comply with the environmental and social provisions set forth in the Loan Agreement.

"**Relevant Taxing Jurisdiction**" means (a) the government of the Grand Duchy of Luxembourg, the government of Brazil, or any other jurisdiction in which the Borrower or the Issuer is organized or otherwise considered to be resident for tax purposes, or any political subdivision or governmental authority thereof or therein having power to tax; (b) any jurisdiction from or through which payment on the Loans or the Notes is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or (c) any other jurisdiction in which the Borrower or the Issuer or any successor thereto is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax.

"**Restricted Payment**" means (i) any dividend or distribution (whether in cash, property or obligations) on, any other payment or deposit made on account of, any declaration of any dividend, distribution or similar payment in respect of, and the purchase, redemption, retirement or other acquisition of, any portion of the Borrower's Share Capital or Equity Rights in respect of the Borrower, including any dividends, distributions or other payments made or to be made by the Borrower to its Shareholders, Affiliates, or other Persons for or on account of capital reductions, repurchases or redemptions of outstanding stock, options or warrants, and investments in, and capital contributions, loans and advances to, the Borrower, and other similar payments in respect of Equity Rights, except for the minimum dividends provided for in the Borrower's by-laws in force and effect as at the Effective Date, according to article 202, §2º of Law No. 6,404 of December 15, 1976 as amended or supplemented from time to time; (ii) any payment, purchase, or retirement or other acquisition of any debt (whether or not subordinated), loan, account or other financial obligation owed to any Shareholder or Affiliate thereof (including any deposit or similar payment made to secure any such debt, loan, account or financial obligation); and (iii) any payment of development, management or operation fees to any Shareholder or Affiliate of the Borrower, but excluding any such amounts payable under any such agreements to which the Borrower is a party to the extent such amounts are payable on the basis of arm's-length arrangements.

"**Sanctions Authorities**" means the Office of Foreign Assets Control (OFAC) of the United States Department of Treasury, the United Kingdom of Great Britain and Northern Ireland, the United Nations and the European Union.

"**SCE-Crédito**" means the reporting system of the Brazilian Central Bank for foreign capital in the form of credit transactions (*Sistema de Prestação de Informações de Capital Estrangeiro - Crédito*).

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Security**" means any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance including, without limitation, any equivalent created or arising under the laws of Brazil or any other jurisdiction.

"**Share Capital**" means, as to any Person (other than a natural Person), all shares of capital stock of any class or other ownership interests of any kind, however called, in such Person, and any and all warrants, subscription bonus, convertible debentures or debt, options or other rights to purchase, subscribe or otherwise acquire title to any of the foregoing.

"**Shareholder**" means any Person that owns Share Capital of the Borrower.

"**SOFR**" means the secured overnight financing rate published by the SOFR Administrator on the SOFR Administrator's website, currently at https://www.newyorkfed.org, or any successor source identified by the SOFR Administrator from time to time.

"**SOFR Administrator**" means the Federal Reserve Bank of New York, as administrator of SOFR (or a successor administrator from time to time).

"**Specified Change of Control**" means a Loan Change of Control that also constitutes an Unauthorized Share Transaction.

"**Subsidiary**" means, at any particular time, any Person over which the Borrower has direct or indirect Control, whether by ownership of share capital or by shareholders' agreement, provided that any Person whose accounts either the CVM or GAAP do not require to be consolidated with those of the Borrower shall be excluded from this definition.

"**Taxes**" means all present and future taxes, charges, fees, duties, contributions, withholding obligations or other assessments of whatsoever nature levied by any authority, together with any interest, penalties, additions to tax or other liabilities imposed thereon by any authority.

"**Term SOFR**" means the forward-looking term rate based on SOFR administered by the Term SOFR Administrator.

"**Term SOFR Administrator**" means CME Group Benchmark Administration Limited (or any successor administrator of a forward-looking term rate based on SOFR selected by the Lender from time to time in its sole discretion).

"**U.S. Government Securities Business Day**" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the U.S. Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"**Unauthorized Share Transaction**" means any transaction affecting or changing the Share Capital held or to be acquired by any Person in the Borrower (whether directly or indirectly, through the ownership by such Person of Share Capital in any other Person) if (a) (i) such transaction or such Person violates, or would result in the Borrower violating, the applicable laws of Brazil, or (ii) such Person is included in the Internationally Recognized Sanctions Lists or in the IDB Group List of Sanctioned Firms and Individuals and (b) such Person holds or would as a result of such transaction hold in aggregate in excess of (i) if any portion of the Borrower's Share Capital is traded on any stock exchange, 10.0% of the total Share Capital of the Borrower or (ii) if the Borrower's Share Capital is not traded on any stock exchange, 5.0% of the total Share Capital of the Borrower.

THE PARTICIPATION AGREEMENT

The following summary describes certain material provisions of the Participation Agreement. This summary is subject to and qualified in its entirety by reference to the provisions of the Participation Agreement. You can find the definition of capitalized terms used in this description under "—Certain Definitions" or otherwise set forth in "The Loan Agreement and the Loans." Certain defined terms used in this description may have a different meaning elsewhere in this Offering Memorandum. For purposes of this description, the term "Issuer" refers only to Nova Securitisation S.à r.l. and its successors, as the Participant under the Participation Agreement; and the term "Borrower" refers only to Companhia de Saneamento Básico do Estado de São Paulo – SABESP and its successors and not to any of its Subsidiaries.

General

The Lender will enter into the Participation Agreement with the Issuer in order to grant a participation interest in substantially all of the rights and remedies of the Lender under the Term Loan B pursuant to the Participation Agreement between the Issuer, as participant, the Participation Administrative Agent and the Lender, which will remain the lender of record of the Term Loan B. The Issuer will purchase and pay for an undivided 100% participation interest (the "Participation") in the Term Loan B pursuant to the Loan Agreement and the proceeds thereof and all rights and related interests with respect thereto out of the net proceeds of the sale of the Notes. The Participation Agreement constitutes a purchase and true sale of the Participation and it is not construed as an assignment or a loan by the Issuer to the Lender or as creating a joint venture or any other relationship.

As a result of the purchase of the Participation, the Issuer shall be entitled to receive an amount equal to all of the payments of principal, interest and other amounts payable by the Borrower on, or with respect to, the Term Loan B pursuant to the Loan Agreement as are actually received by the Lender.

Repayment

Pursuant to the Participation Agreement, the Loan Paying Agent will pay to the Issuer any repayment of the Term Loan B (whether on a scheduled basis or as a result of acceleration) received by the Loan Paying Agent. The Lender or the Loan Paying Agent (on behalf of the Lender) will pay the Issuer any amounts (other than principal on the Term Loan B) paid in connection with a repayment of the Term Loan B, including any Costs and including any Loan Additional Amounts, if applicable, in each case, received by the Lender or the Loan Paying Agent, as applicable, from the Borrower pursuant to the Loan Agreement.

Prepayment

Subject to any Step-Out Assignment, the Lender or the Loan Paying Agent on behalf of the Lender, as applicable, will pay to the Issuer any prepayment of the Term Loan B received by the Lender or the Loan Paying Agent, as applicable. With respect to any voluntary or mandatory prepayment, the Lender shall deliver to the Issuer (with a copy to the Participation Administrative Agent) promptly upon receipt from the Borrower (and in any event no later than five Business Days of receipt thereof) of a copy of any notice of voluntary or mandatory prepayment, Unauthorized Share Transaction, Loan Change of Control Offer, any change in tax in the Relevant Taxing Jurisdiction, any prepayment described in "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment upon Specified Loan Event of Default*" or the Borrower's election in respect of its Step-in Right received by the Lender from the Borrower pursuant to the Loan Agreement from time to time, along with any other documents or certificates delivered by the Borrower.

If the Issuer (A) is obligated to undertake a Notes Change of Control Offer in accordance with the terms of the Loan Agreement and the Indenture or (B) otherwise elects, or the Borrower, an Affiliate of the Borrower, or a third party, elects, at any time (and from time to time) to make a tender offer (including a Notes Tender Offer) or a Notes Open Market Offer (together with a Notes Change of Control Offer and any such tender offer, each, a "Notes Offer"), the Lender shall send to the Issuer any information delivered by the Borrower to the Lender in order to execute any such Notes Offer. Upon the conclusion of any such Notes Offer, the Issuer shall promptly deliver to the Lender the relevant terms and any other information that the Lender may request in order to facilitate the corresponding prepayment of the Loans in accordance with the terms of the Loan Agreement.

Disbursement

Upon receipt of Disbursement Request for one or more tranches of the Term Loan B by the Borrower, the Lender will deliver to the Issuer and the Participation Administrative Agent a copy of such Disbursement Request and an instruction notice, provided that all the applicable conditions provided under the Loan Agreement are met or waived. To the extent the conditions precedent to such Disbursement Request (including any conditions precedent for the Issuer to issue Additional Notes under the Indenture) are satisfied as of the date of such Disbursement, the Issuer will issue Additional Notes of a series relating to such tranche of Term Loan B and enter into a Participation with the Lender with respect to such tranche.

Increased Costs, Late Charges and Other Costs

The Lender shall request that the Borrower remit to the Lender, in accordance with the Loan Agreement, such amounts as the Issuer may from time to time certify to the Lender as being its Increased Costs in connection with its Participation and will pay to the Issuer such amounts as are received by the Lender.

The Lender will pay to the Issuer any amount received by the Lender in respect of interest at the default rate as provided under the Loan Agreement as is attributable to the Term Loan B.

The Lender will demand payment by the Borrower of the amounts that the Issuer may from time to time certify to the Lender as being the Issuer's (or a holder of Notes) costs, expenses and indemnities in accordance with the Loan Agreement, including any Notes Additional Amounts (the "Participation Costs"), as notified by the Issuer or the Participation Administrative Agent (acting at the written direction of the Issuer), along with all relevant documents, invoices (if applicable) and detailed information regarding any demand for payment of any Participation Costs. Upon receipt of such notice (and information, documents and invoices), the Lender shall promptly deliver such documents and notice to the Borrower. On each Interest Payment Date, or any other date as otherwise agreed to by the Lender and the Issuer, the Lender shall pay to the Issuer any Participation Costs that are received by the Lender in respect of the Participation to the extent they are notified to the Lender by the Issuer.

Illegality

With respect to an Illegality event under the Loan Agreement, as described in "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Illegality and Unauthorized Share Transaction*":

(i) the Issuer will give written notice to the Lender of (i) any Change in Law that would make it unlawful for the Issuer to maintain or to fund the Participation or the Notes (in whole or in part) and (ii) any proposal or action that might result in a Change in Law, promptly upon the Issuer becoming aware of the Change in Law, proposal or action;

(ii) at the request of the Lender, if the Issuer is affected by a Change in Law as contemplated in clause (i) above, the Issuer (i) will use reasonable efforts, but without prejudice to it, to seek extensions of any applicable grace periods or exemptions from the application of the Change in Law, if there are reasonable grounds therefor and (ii) may not request the Lender to require the Borrower to repay the Term Loan B represented by its Participation until all such applicable grace periods above have expired; and

(iii) in the event that, despite the reasonable efforts of the Issuer under clause (ii) above, it is unlawful for the Issuer to maintain or to fund its Participation (in whole or in part), then upon written notice to the Lender from the Issuer, the Lender promptly shall request the Borrower to prepay the Term Loan B that is so affected by the Change in Law, together with all accrued and unpaid interest thereon, all accrued Increased Costs (if any), and any other amount payable pursuant to the Loan Agreement as described in "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Illegality and Unauthorized Share Transaction*."

Payments to the Issuer

Upon the receipt of any amounts by the Lender from the Borrower in respect of the Participation that the Issuer may be entitled to receive under the Participation Agreement, the Lender will:

(i) accept and hold such amounts for the account and sole benefit of the Issuer;

(ii) have no equitable or beneficial interest in such amounts and such amounts shall for all purposes constitute property of the Issuer; and

(iii) pay to the Issuer all such amounts received by the Lender in respect of the Participation promptly, or as soon as practicable after the Lender receives the corresponding amounts (but in no event later than two Business Days after the date on which the Lender receives such amounts), less any costs and expenses due to the Lender under the Loan Agreement.

All payments made to the Issuer by the Lender will be made in immediately available funds (together with any interest actually earned by the Lender on such funds from the date of receipt by the Lender to the date of payment to the Issuer) to the Loan Collection Account, or such other account as may be specified in writing by the Issuer to the Lender in accordance with the Participation Agreement. The Lender shall be entitled to unilaterally withhold and set off the reimbursable amounts in accordance with the Participation Agreement, or any portion thereof (as calculated by the Lender acting in its sole and absolute discretion, absent manifest error), against any future payments required to be made by the Lender to the Issuer under the Participation Agreement; *provided*, *however*, that the Lender shall have no liability to the Issuer (including with respect to interest) in respect of any payment which it is restricted from making to the Issuer as a result of any legal restriction on such transfer or any disruption to the applicable payment systems.

The Lender's determination as to the amounts and allocations of the payments described in this "—*Payments to the Issuer*" will be conclusive absent manifest error and the Lender shall have no responsibility to make any payment to the Issuer in respect of the Participation except as specifically provided in the Participation Agreement.

Reimbursement

The Lender will not be obligated to make any payment to the Issuer until the Lender establishes that it has actually received such amount from the Borrower. However, if the Lender makes such payment and it proves to be the case that the Lender had not received such amount, then the Issuer will, on demand by the Lender, promptly reimburse the sum paid to the Issuer together with interest on the repaid amount at the daily rate as announced by the Federal Reserve Bank of New York on overnight loans of excess reserves between member banks. Accordingly, each Holder agrees, by its acceptance of a Note, that it will promptly remit to the Issuer any of its pro rata share of amounts requested to be paid by the Issuer for onward payment to the Lender under the Participation Agreement in the event that the Lender is required by law or order of a court of competent jurisdiction to refund to any Person any payment received by the Lender in respect of the Term Loan B under the Financing Documents.

Allocation

In the event that the Lender receives at any time less than the full amount then due and payable under the Loan Agreement, the Lender shall allocate and apply such amounts on a *pari passu* basis between the Loans as set forth below:

(i) *first* to costs and expenses including any relating to any amendment, waiver or consent or to the enforcement of the rights of the Lender under the Participation Agreement or any other Financing Documents (if any), *second* to fees (if any) then due and payable in respect of the Loans (but excluding any prepayment premium due and payable pursuant to the Loan Agreement), *third* to interest and any other sums besides principal then due and payable in respect of the Loans (excluding any prepayment premium due and payable pursuant to the Loan Agreement), *fourth* to any unpaid principal of the Loans (but excluding, to the extent it is deemed principal, any prepayment premium due and payable pursuant to the Loan Agreement), and *fifth* to any prepayment premium due and payable pursuant to the Loan Agreement, then due and payable; and

(ii) such monies will be allocated by the Lender on a *pari passu* basis between Loans in proportion to the respective amounts of fees, interest, other sums or principal, as applicable, then due and payable on and in respect of the Loans, respectively.

Delivery of Documents, Information Covenants and Other Obligations

The Participation Agreement contains certain information covenants and other obligations pursuant to which, the Lender will deliver to the Issuer (with a copy to the Participation Administrative Agent) as promptly as practicable copies of all financial statements of the Borrower and other material notices received by the Lender from the Borrower pursuant to the terms of the Loan Agreement, including any information requested by the Lender as a result of the Issuer's request for such information; *provided* that to the extent any such financial statements, notices or other information or reports are filed on the SEC's website or on the Borrower's website such financial statements, notices or other information will be deemed to be provided to the Issuer and the Participation Administrative Agent without any further action by the Lender.

As promptly as practicable but, in any event, within 10 Business Days after the Lender becomes aware of an Event of Default and/or receives any request for a consent, amendment or waiver of any provision of the Loan Agreement, the Lender will notify in writing the Issuer (with a copy to the Participation Administrative Agent). Except in the case of a Loan Payment Event of Default, the Lender will be deemed not to have knowledge of any Event of Default unless notified in writing thereof by the Borrower or the Issuer.

The Issuer shall not amend or agree to amend or waive any provisions related to legends of the Notes or transfers and exchanges of Notes without the prior written consent of the Lender.

Representations and Warranties

The Participation Agreement contains certain customary representations and warranties by the Issuer and certain limited representations and warranties by the Lender with respect to its legal existence and the due authorization and due execution of the Participation Agreement and the Loan Agreement. The Lender makes no representation or warranty, nor will it have any responsibility to the Issuer with respect to, the merits of the purchase of the Participation, the past, present or future legal status, financial condition or creditworthiness of any party to the Financing Documents, the validity or enforceability of any Financing Document or any related agreement or the performance of, or compliance with, any of the terms of any of such agreements by any Person of its obligations contained in any Financing Document or any related agreements.

Administration of the Participation

Subject to the paragraph "—*Amendments*" below and subject to the other provisions of the Participation Agreement, (a) the administration of all matters under the Loan Agreement and each of the other Financing Documents to which it is a party shall be determined solely by the Lender; (b) except as otherwise provided in the Participation Agreement, the Lender specifically reserves the right, in its discretion and without notice to the Issuer, to administer the Loans and exercise, refrain from exercising or waive (or instruct any Agent to exercise or refrain from exercising or waive) any rights under or in relation to the Loan Agreement or any other agreement with the Borrower or under or in relation to any of the other Financing Documents to which it is a party or to modify any provisions of any of them; and (c) the Lender will communicate with the Issuer (with a copy to the Participation Administrative Agent as specified herein) for purposes of administering the matters contemplated in the Participation Agreement.

Appointment of Participation Administrative Agent.

The Issuer will appoint the Participation Administrative Agent pursuant to the Indenture to act as its agent under the Participation Agreement and the Note Documents. The Participation Administrative Agent will, except with respect to ministerial and administrative acts expressly provided for in the Participation Agreement, act solely in accordance with the written instructions received from the Issuer or the Trustee (acting at the written direction of the Issuer) and will distribute to the Trustee copies of any notices or other written communications received by it under the Participation Agreement from the Lender. The Participation Administrative Agent will have the rights, privileges, protections, indemnities, immunities and benefits granted to it under the Indenture and the Participation Agreement with respect to its entry into, and the performance of its duties and obligations under the Participation Agreement, as applicable.

Amendments

Amendments to Participation Agreement and Note Documents

Any amendment or waiver of, or any consent given under, the Participation Agreement shall be effective only if in writing and, in the case of any amendment or waiver, signed by all of the parties to the Participation Agreement, including the Issuer (subject to any limitations set forth in "*Description of the Notes—Amendments and Waivers*.") No amendments that would adversely affect the rights of the Lender shall be agreed without the prior written consent of the Lender (not to be unreasonably withheld, delayed or conditioned). No amendments that would affect the rights of the Participation Agent shall be agreed without the prior written consent of the Participation Administrative Agent.

As promptly as practicable, the Issuer shall notify the Lender in writing of any proposed consent, amendment or waiver of any provision of the Note Documents. Each of the Issuer, the Loan Paying Agent and the Participation Administrative Agent will (i) not amend, or grant any waivers or consents under, or otherwise agree to amend, or to grant any waiver or consent under, any Note Document (or enter into any agreement, instrument or other arrangement that would have such effect), and (ii) not enter into any other agreement or arrangement with the Borrower, in each case, without the prior written consent of the Lender.

Upon the written request of the Lender, the Issuer will make any amendments, modifications or supplements to the Note Documents as may be necessary so that the Lender is satisfied that the terms of the Note Documents (other than the Participation Agreement) are made consistent with the terms of the Participation Agreement in all material respects.

Amendments to the Loan Agreement

Amendments without the Consent of the Issuer

Subject to "*—Amendments with the Consent of the Issuer*," at any time and from time to time, the Lender may amend or waive a provision of, or give a consent under, the Loan Agreement and any other Financing Document, without the consent of the Issuer. The Lender shall promptly notify the Issuer (with a copy to the Participation Administrative Agent) of any exercise of its consent or waiver rights under the Loan Agreement and/or any other Financing Document and provide any amended documentation or waiver in connection therewith, as applicable, to the Issuer (with a copy to the Participation Administrative Agent).

Amendments with the Consent of the Issuer

The Lender will not, without the prior written consent of the Issuer (acting with the consent of holders of at least 90% of the aggregate principal amount of Outstanding Notes of the relevant series affected by the relevant action or decision in accordance with the Indenture (including by means of consents obtained in connection with a tender offer or exchange offer for the Notes)) to:

(i) reduce the principal amount of the Term Loan B or any tranche thereof or the stated rate of interest thereon;

(ii) reduce any Loan Additional Amounts or stated premium payable on the Term Loan B or any tranche thereof (including as described in "*The Loan Agreement and the Loans—Prepayment Fees*" or otherwise modify the provisions set forth in "*The Loan Agreement and the Loans—Taxes and Loan Additional Amounts*" or "*The Loan Agreement and the Loans—Payment of Fees, Costs and Expenses*" in each case, in any manner adverse to the Issuer or the holders of Notes;

(iii) change the date upon which the principal of or the interest on or Loan Additional Amounts or premium payable on the Term Loan B or any tranche thereof is due and payable or extend the time for any payment thereof or change the place of payment with respect thereto;

(iv) change the currency in which the Term Loan B or any tranche thereof, the interest thereon, any Loan Additional Amounts or any premium is payable (except to the extent such currency has been succeeded or replaced pursuant to applicable law), or the place of placement thereof;

(v) impair the right to institute suit for the enforcement of any such payment after the due dates therefor;

(vi) expressly subordinate the Term Loan B or any tranche thereof or the contractual right of payment under the Term Loan B to any other Indebtedness of the Borrower;

(vii) waive an existing Loan Payment Event of Default with respect of the Term Loan B or any Loan Event of Default resulting from a Payment Event of Default or Insolvency Event;

(viii) amend any provisions in the Loan Agreement described in "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments*," with respect to the Term Loan B in each case other than with respect to the notice periods set forth therein;

(ix) amend or reduce consent thresholds under the Loan Agreement related to the Term Loan B or with respect to the provisions in this "*—Amendments with the Consent of the Issuer*," or any consent or waiver with same effect as any such amendment (except to increase thresholds); and

(x) amend any provisions in the Loan Agreement described in "*The Loan Agreement and the Loans—Allocation of Partial Prepayments*."

The Lender will not, without the prior written consent of the Issuer (acting with the consent of holders of at least 75% of the aggregate principal amount of Outstanding Notes of the relevant series affected by the relevant action or decision in accordance with the Indenture (including by means of consents obtained in connection with a tender offer or exchange offer for the Notes)) to release any guarantor (if any) or co-borrower (if any) from any of its obligations under the Financing Documents or modify the terms of any guarantee or similar arrangement providing for a person to become jointly and severally liable with the Borrower for its obligations under the Financing Documents, except, in each case, in accordance with the terms of the Financing Documents.

In addition, notwithstanding any other provisions of the Participation Agreement, the Lender will not agree to amend or waive a provision of, or give a consent under, and in accordance with, the Loan Agreement or any other Financing Document without the prior written consent of the Issuer, acting on the instructions of holders of Notes representing at least a majority in aggregate principal amount of the then outstanding Notes in accordance with the Indenture (including consents obtained in connection with a tender offer or exchange offer for the Notes) to amend or waive a provision of, or give a consent under any provision of the Loan Agreement that would adversely affect the interests of the Noteholders in any material respect (as determined by the Borrower acting reasonably and in good faith and confirmed in an Officer's Certificate delivered to the Lender and the Issuer), excluding (1) any such provisions referred to in clauses (i)-(x) above, (2) amendments permitted without the consent of the Issuer as described in "*—Amendments without the Consent of the Issuer,*" (3) any covenant (and related definitions) described under "*The Loan Agreement and the Loans—Affirmative Covenants—Access to Premises and Records*," "*The Loan Agreement and the Loans—Affirmative Covenants—Auditor*," "*The Loan Agreement and the Loans—Affirmative Covenants—Environmental and Social Compliance*," "*The Loan Agreement and the Loans—Negative Covenants—Scope of Business,"* "*The Loan Agreement and the Loans—Negative Covenants—Prohibited Practices*," "*The Loan Agreement and the Loans—Negative Covenants—List of Excluded Activities*," "*The Loan Agreement and the Loans—Negative Covenants—Sanctions List*," "*The Loan Agreement and the Loans—Negative Covenants—Restricted Payments*," "*The Loan Agreement and the Loans—Notices and Information—Communication with Auditor*" "*The Loan Agreement and the Loans—Notices and Information—Environmental and Social Compliance Report*," or (4) any change to the interest rate of the Term Loan A, including amending the interest rate of the Term Loan A to be a fixed rate of interest per annum.

Acceleration

Voluntary Acceleration

At any time after the occurrence and during the continuation of a Loan Event of Default, the Lender may, in its discretion, declare the principal of, all accrued interest on and any other amounts payable (including any premium or Loan Additional Amounts, if applicable) in respect of, both of the Loans (concurrently) to be immediately due and payable and make demand on the Borrower for the payment thereof pursuant to the terms of the Loan Agreement.

Mandatory Acceleration and Remedies

If any Mandatory Acceleration Trigger Event has occurred and is continuing, the Lender will notify the Issuer (with a copy to the Participation Administrative Agent) in writing of such Mandatory Acceleration Trigger Event pursuant to the terms of the Participation Agreement, and the Lender and the Issuer will consult with each other in good faith regarding any potential exercise of the Lender's rights to deliver an Acceleration Notice or take any enforcement action with respect to any obligations under the Loans for a period of 30 days from the date that the Lender has delivered such notice to the Issuer (the "EOD Consultation Period").

If, following the expiration of any applicable EOD Consultation Period, the Lender does not exercise its right to deliver an Acceleration Notice, the Lender will, at the written request of the Issuer (acting on instruction of the holders of Notes representing at least 25% in aggregate principal amount of the then outstanding Notes in accordance with the Indenture), deliver an Acceleration Notice in respect of the Term Loan B; *provided* that following the delivery of any Acceleration Notice by the Lender; the Lender shall act in its sole discretion with respect to the manner of any enforcement action, without any further consultation with, involvement of or direction from the Issuer, subject the Issuer's consent rights described in "*—Amendments—Amendments to the Loan Agreement—Amendments with the Consent of the Issuer*."

Notwithstanding the above, the Lender may elect in its sole discretion to terminate the EOD Consultation Period with the Issuer, and the Lender shall be entitled to deliver an Acceleration Notice or take any enforcement action at any time prior to the end of any EOD Consultation Period if the Lender determines in good faith (and notifies the Issuer) that to enter into or continue any such consultation and thereby delay the commencement of enforcement could reasonably be expected to have a material adverse effect on its rights. In addition, to the extent that the Issuer has not elected, within 15 days following the expiration of any EOD Consultation Period, to require the Lender to deliver an Acceleration Notice in respect of the Term Loan B, the Lender shall be entitled to deliver an Acceleration Notice or take any enforcement action, without any further consultation with, involvement of or direction from the Issuer, subject the Issuer's consent rights described in "*—Amendments—Amendments to the Loan Agreement—Amendments with the Consent of the Issuer*."

Notwithstanding any of the other provisions of the Participation Agreement, and without prejudice to any enforcement action that the Lender might take, in the event that the Borrower institutes or consents to the institution of any proceeding under any Debtor Relief Law ("Restructuring Proceeding"), the Lender shall not agree or otherwise consent to a settlement, plan of reorganization or liquidation, or other arrangement in connection with any such Restructuring Proceeding that would affect the enumerated matters set forth in "*—Amendments—Amendments to the Loan Agreement—Amendments with the Consent of the Issuer*" in respect of any series of Notes without the prior written consent of the Issuer (acting on the instructions of the holders representing at least 90% of the Outstanding Notes of such series (the "Restructuring Proceeding Consent"), *provided*, *however*, that in the event that any of the relevant consent or voting thresholds required by the Debtor Relief Laws governing such Restructuring Proceeding, expressed as a percentage (the "Restructuring Proceeding Threshold") is lower than the corresponding threshold set forth in "*—Amendments—Amendments to the Loan Agreement—Amendments with the Consent of the Issuer*," then the applicable voting threshold required for the instructions from holders regarding the Restructuring Proceeding Consent under "*—Amendments—Amendments to the Loan Agreement—Amendments with the Consent of the Issuer*" shall be such Restructuring Proceeding Threshold.

Indemnification

The Participation Agreement contains customary indemnity provisions.

Lender's Standard of Care

The Lender shall exercise the same care in the administration and enforcement of rights under or in relation to the Term Loan B as it exercises with respect to the Term Loan A or any other loans which are for its own account. Notwithstanding the foregoing, the Lender shall not be liable for any loss, costs, damages or otherwise that may result from any act or omission on the part of the Lender unless caused by its gross negligence or willful misconduct as determined by a non-appealable final judgment of a court of competent jurisdiction.

No Liability of Lender

Pursuant to the Participation Agreement, the Issuer has agreed that (i) its participation thereunder (including its right to receive any payment of the obligations arising in respect of the Participation, to the extent not paid by the Borrower), is without recourse to the Lender; (ii) it expressly assumes all risk of loss in connection with its Participation under the Participation Agreement; and (iii) the Lender shall not be liable or responsible for (a) any failure of the Borrower or any other party to observe and perform any of its obligations under the Loan Agreement or any other Financing Documents or for any failure by the Issuer or the Participation Administrative Agent to perform its obligations under the Participation Agreement; (b) the consequence of relying on any notice, communication or document believed by the Lender to be genuine and correct, or of relying on the advice of any professional adviser, in connection with the transactions contemplated under the Participation Agreement and the Financing Documents; and (c) any statements, representations or warranties made or information provided by any other party in the Participation Agreement or any Financing Document.

Disposals

The Lender will be entitled to allot, assign or transfer any part of the Loans that is not sold to the Issuer under the Participation Agreement; *provided* that the Lender will hold for its own account at least 10% of the aggregate outstanding principal amount of the Loans.

The Issuer shall not make a disposal of the Participation or any portion thereof, or obtain a guarantee or insurance in respect of the Participation without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed).

Applicable Law and Jurisdiction

The Participation Agreement will be governed by the laws of the State of New York. The Issuer will irrevocably and unconditionally submit to the non-exclusive jurisdiction of courts of the State of New York sitting in the Borough of Manhattan and of the United States of America District Court for the Southern District of New York, and any appellate court from any thereof, in any action arising out of or relating to the Participation Agreement, any other Note Document to which the Issuer is a party or any Financing Document to which the Issuer is a party. Final judgment against the Issuer in any such action shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the judgment, or in any other manner provided by applicable law. The Lender has the right to commence legal proceedings or otherwise sue the Issuer in its country, in any other appropriate jurisdiction or concurrently in more than one jurisdiction or to serve process, pleadings and other legal papers upon the Issuer in any manner authorized by the laws of any such jurisdiction.

Termination upon Step-in Right or Step-Out Assignment

Upon the Borrower's exercise of a Step-in Right in accordance with the Loan Agreement, the Issuer will accede as a lender of record under the Loan Agreement. Upon the occurrence of such accession, the Participation Agreement shall automatically terminate.

Following the effectiveness of any Step-Out Assignment pursuant to the terms of the Loan Agreement, the Issuer will accede as lender of record under the Loan Agreement with respect to the relevant principal amount of the Term Loan B and the Participation with respect to such principal amount shall automatically terminate.

Certain Definitions

Certain defined terms in this section have the following meanings:

"**Acceleration Notice**" means a notice of acceleration given by the Lender to the Borrower pursuant to the Loan Agreement.

"**Debtor Relief Laws**" means Title 11 of the United States Code entitled "Bankruptcy" or the Brazilian Insolvency Law, in each case, as now and hereafter in effect, and any successor statute and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, winding up, reorganization or similar debtor relief laws of the United States, Brazil, or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Mandatory Acceleration Trigger Event**" means the occurrence of any of the following:

(a) a Loan Event of Default as a result of non-payment of the principal of, or interest or premium on, the Term Loan B as described in clause (i) or (ii) under "*The Loan Agreement—Loan Events of Default—Failure to Pay or Perform under Financing Documents*" ("Loan Payment Event of Default") following expiration of the applicable grace periods therein;

(b) a Loan Event of Default described under "*The Loan Agreement—Loan Events of Default—Failure to Pay or Perform with respect to Other Indebtedness*;" or

(c) a Loan Event of Default described under "*The Loan Agreement—Loan Events of Default— Attachment; Judgments*."

DESCRIPTION OF THE NOTES

The following summary describes certain material provisions of the Notes, the Indenture and the Notes Security Documents. This summary is subject to and qualified in its entirety by reference to the provisions of the Notes, the Indenture and the Notes Security Documents. You can find the definition of capitalized terms used in this description under "—Certain Definitions" and if not defined in this description, under "The Loan Agreement and the Loans." Certain defined terms used in this description may have a different meaning elsewhere in this Offering Memorandum. For purposes of this description, the term "Issuer" refers only to Nova Securitisation S.à r.l. and its successors; and the term "Borrower" refers only to Companhia de Saneamento Básico do Estado de São Paulo – SABESP and its successors and not to any of its Subsidiaries.

The Issuer will issue U.S.$850 million in aggregate principal amount of 5.750% Senior Secured Notes due 2031 (the "2031 Notes") and U.S.$500 million in aggregate principal amount of 6.500% Senior Secured Notes due 2036 (the "2036 Notes"), in each case, pursuant to a base indenture to be dated as of the Issue Date (the "Base Indenture") by and between Nova Securitisation S.à r.l. (the "Issuer") and UMB Bank, N.A., as indenture trustee (the "Trustee"), collateral agent (the "Collateral Agent"), participation administrative agent (the "Participation Administrative Agent"), registrar, transfer agent and paying agent, as supplemented by a supplemental indenture to be dated as of the Issue Date (the Base Indenture as so supplemented, the "Indenture"), by and between the Issuer, the Collateral Agent and the Trustee. Copies of the Indenture may be obtained upon written request to the Issuer, the Trustee or the Paying Agent. The Indenture will not be qualified under, incorporate provisions by reference to, or be subject to, the U.S. Trust Indenture Act of 1939, as amended. The holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Indenture.

The Issuer has applied to list the Notes on the official list of the Luxembourg Stock Exchange (the "LuxSE") and have the Notes admitted to trading on the Euro MTF of the LuxSE. See "*Risk Factors—Risks Relating to the Notes and the Loans— There is no existing market for the Notes and one may not develop in the future; thus it may be difficult to resell your Notes*."

The Loan Agreement and the Participation Agreement

Pursuant to the Participation Agreement, the net proceeds received from the sale of (x) the 2031 Notes will be used to purchase a Participation in the Initial B-1 Loan and (y) the 2036 Notes will be used to purchase a Participation in the Initial B-2 Loan, in each case, that will be disbursed by the Lender to the Borrower (pursuant to the Loan Agreement) simultaneously with, and using the proceeds from, the issuance of such Notes. The material provisions of the Loan Agreement and the Participation Agreement are summarized under "*The Loan Agreement and the Loans*" and "*The Participation Agreement*" respectively, which are included elsewhere in this Offering Memorandum. Subject to the conditions described below under "*—Additional Notes*," to the extent the Issuer acquires a participation interest of substantially all of the rights and remedies of the Lender under an additional aggregate principal amount of the Term Loan B under the Loan Agreement, the Issuer is authorized to issue, at any time and from time to time, additional Notes of an existing series or one or more new series of Notes to fund the acquisition of such participation, as described below under "*—Additional Notes*."

Step-in Right

Under the Loan Agreement, at any time after the Issue Date, and in connection and concurrently with the occurrence of an Original Lender Payoff Event whereby the Borrower fully pays and discharges in full all obligations owed under the Term Loan A pursuant to a mandatory prepayment in connection with a Loan Change of Control, an Unauthorized Share Transaction or Illegality or with respect to any Specified Loan Event of Default (see "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments*"), the Borrower will have the right to require the Issuer to execute and deliver a Lender Joinder Agreement (the "Step-in Right") pursuant to which the Issuer will become the Lender under the Loan Agreement (such event, the "Step-in Event" and the date of the exercise of such Step-in Right, the "Step-in Right Effective Date"). On the Step-in Right Effective Date, if it occurs, upon receipt of written instructions from the Borrower, the Issuer will execute and deliver a Lender Joinder Agreement. The Step-in Event will not require the consent of the holders of the Notes. Each Person who becomes a holder of the Notes or an owner of a beneficial interest in a Note will be deemed to have consented to entry into the Lender Joinder Agreement by the Issuer on the Step-in Right Effective Date.

On the Step-in Right Effective Date and concurrently with the occurrence of an Original Lender Payoff Event, the Loan Agreement will be deemed to be automatically amended as described under "*The Loan Agreement and the Loans—Step-in Right*" and the Participation Agreement will be automatically terminated. Furthermore, with effect from the Step-in Right Effective Date, the Issuer will be deemed to have lent and the Borrower will be deemed to have borrowed the Term Loan B in an aggregate principal amount equal to the aggregate principal amount of the Term Loan B that remains outstanding as of the date of the Original Lender Payoff Event (the "Step-in Loan").

The occurrence of a Step-in Event may give rise to a significant increase in applicable Brazilian withholding tax imposed on the Borrower which may affect the Borrower's ability to make interest payments under the Loan Agreement. See "*Risk Factors—Risks Relating to the Lender and the Terms and Conditions of the Participation Agreement—Payments under the Loan Agreement to the Issuer may lead to increased tax withholding*."

Step-Out Assignment

Under the Loan Agreement, on each maturity date for a tranche of the Term Loan B or on any date on which any portion of the Term Loan B is prepaid pursuant to the Loan Agreement, the Lender will assign to the Issuer the portion of the Term Loan B corresponding to the principal amount of the Term Loan B actually paid by the Borrower to the Loan Paying Agent on such maturity date or prepayment date, as the case may be, and, if applicable, any related prepayment premium actually paid by the Borrower to the Loan Paying Agent on such prepayment date (any such assignment, a "Step-Out Assignment"), and the Issuer shall execute and deliver a Lender Joinder Agreement pursuant to which it will become a lender under the Loan Agreement in respect of such portion of the Term Loan B. The amount of any fees, Costs and accrued interest on, or in respect of, the Term Loan B through the applicable maturity date or prepayment date, as the case may be, shall not be subject to such assignment and shall be paid to the Loan Paying Agent for the account of the Lender.

A Step-Out Assignment will not require the consent of the holders of the Notes. Each Person who becomes a holder of the Notes or an owner of a beneficial interest in a Note will be deemed to have consented to entry into the Lender Joinder Agreement by the Issuer following a Step-Out Assignment.

Upon the Step-Out Assignment, the portion of the Term Loan B corresponding to the relevant principal amount of the Term Loan B paid by the Borrower to the Loan Paying Agent shall be assigned to and assumed by the Issuer without recourse to the Original Lender, and without representation or warranty by the Original Lender, and the Borrower acknowledges and agrees to such assignment, as described under "*The Loan Agreement and the Loans—Step-Out Assignment*." Furthermore, with effect from the date on which any Step-Out Assignment becomes effective as described above, the Issuer shall be deemed to have lent, and the Borrower shall be deemed to have borrowed, the applicable principal amount of the Term Loan B being repaid or prepaid by the Borrower.

Source of Funds

The Issuer is a Luxembourg private limited liability company (*société à responsabilité limitée*), with no operations of its own. Its principal purpose is to issue the Notes (including any Additional Notes (as defined below)) and purchase the Participation. See "*Description of the Issuer*" for more information on the Issuer. The Issuer has no material business operations other than the rights and obligations that it will have under the Participation Agreement and the other Note Documents. As a result, the Issuer will be wholly dependent on payments by the Borrower to the Lender pursuant to the Loan Agreement and from the Lender to the Issuer pursuant to the Participation Agreement to provide the funds necessary to make the required payments of principal, interest, premium, Notes Additional Amounts and other amounts that may be payable by the Issuer pursuant to the Indenture and the Notes. See "*Risk Factors—Risks Relating to the Issuer—The Issuer is a special purpose vehicle and, consequently, has no operations of its own and limited sources of funds and assets*." The principal obligation of the Issuer will be to account to the holders of the Notes for all such payments when, as and if actually received by the Lender and, as a result of the Participation, by the Issuer pursuant thereto. The Notes do not represent an obligation of the Lender, the Trustee, any agent appointed pursuant to the Indenture (including the Participation Administrative Agent, the Collateral Agent and the Account Bank) or the Borrower and none of the foregoing will be required, in the event funds received in respect of the Term Loan B are insufficient to make payments described below that are due on the Notes, to make up any such shortfall from their own respective funds. Any costs (including certain taxes such as any Notes Additional Amounts) incurred by the Issuer in relation to this offering and the issuance of the Notes will be on-charged to the Borrower pursuant to the Participation Agreement and the Loan Agreement.

Additional Notes

From time to time, the Issuer may, without the consent of the holders, issue additional notes of an existing series or one or more new series of Notes (collectively, the "Additional Notes"), by entering into one or more supplements to the Base Indenture. The issuance of any Additional Notes would be subject to the conditions set forth below:

(i) in connection with the issuance of any Additional Notes, the Trustee and the Participation Administrative Agent have received (1) a compliance certificate signed by an officer of the Issuer to the effect that, to their actual knowledge, no Default nor Loan Default shall exist before or immediately after giving effect to the issuance of such Additional Notes and the incurrence of the Term Loan B, and (2) an officer's certificate and opinion of counsel, stating that all conditions precedent set out in the Indenture and the applicable Participation Agreement have been satisfied, that the issuance of such Additional Notes is authorized and permitted under the Note Documents, and that the incurrence of the corresponding principal amount of Term Loan B is authorized and permitted under the Loan Agreement, in each case, upon which the Trustee and the Participation Administrative Agent shall be permitted to fully rely with no liability therefor or obligation to verify or confirm;

(ii) Additional Notes of an existing series of Notes, (i) will have the same terms in all respects as the Notes of such series, except that such Additional Notes may have a different issue price, and (ii) will be treated as a single series for all purposes of the Indenture and will vote on all matters as one class with the Notes of the same series, provided, however, that unless such Additional Notes are fungible with the existing Notes for U.S. federal income tax purposes, such further securities shall be assigned a different ISIN or CUSIP number;

(iii) the Issuer will have complied with any other requirements for the issuance of Additional Notes included in the Indenture, any applicable supplemental indenture for any Additional Notes or any other Note Documents at the time of issuance of such Additional Notes;

(iv) the Trustee shall have received a duly executed copy of board resolutions or supplemental indenture, as the case may be, pursuant to which such Additional Notes are to be issued;

(v) all conditions to the issuance of such Additional Notes set forth in the Indenture shall have been satisfied; and

(vi) the net proceeds of such Additional Notes will only be applied to fund the acquisition by the Issuer of a Participation in a corresponding aggregate principal amount of Term Loan B and pay any related costs, fees and expenses due and payable in connection therewith.

General Terms of the Notes

The Notes

The 2031 Notes will mature on February 3, 2031 (the "2031 Notes Maturity Date"), and the 2036 Notes will mature on February 3, 2036 (the "2036 Notes Maturity Date" and, together with the 2031 Notes Maturity Date, as applicable, the "Maturity Date"). The Notes issued on the Issue Date will be in an aggregate principal amount of U.S.$1,350 million, consisting of an aggregate principal amount of U.S.$850 million of 2031 Notes and U.S.$500 million of 2036 Notes (with respect to each such series of Notes, the "Note Principal Amount"). The applicable Note Principal Amount will be payable in full in a single payment on the applicable Maturity Date unless redeemed or repaid earlier as a result of one or more redemption events described herein pursuant to the terms of the Indenture as a result of a prepayment or acceleration of the applicable tranche of the Term Loan B under the Loan Agreement. The Issuer will issue the Notes in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

The Notes will:

(1) be general, senior secured and unsubordinated obligations of the Issuer;

(2) rank *pari passu* in right of payment with any existing and future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes (including any Additional Notes), rank senior in right of payment to future obligations of the Issuer which are subordinated to the Notes; be effectively subordinated to any future Indebtedness of the Issuer that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness;

(3) be secured as described under "—*Security*";

(4) not benefit from a direct guarantee from the Borrower or any of its Subsidiaries; and

(5) be limited recourse obligations of the Issuer as described under "—*Limited Recourse Obligations.*"

Note Principal Amount

The Issuer will make payments of principal and premium, if any, in respect of the applicable Note Principal Amount to holders of the related series of Notes out of (a) payments in respect of principal arising as a result of repayment at maturity or earlier as a result of an acceleration or prepayment of the related tranche of the Term Loan B and (b) any payments of premium or other amounts payable in connection with any prepayment or repayment of the principal of the related tranche of the Term Loan B, in each case as received by the Lender from the Borrower and paid to the Issuer pursuant to the Participation (or on or following the Step-in Right Effective Date (if it occurs) paid to the Issuer directly under the Step-in Loan).

Neither the Trustee, the Paying Agent nor the Lender will have any responsibility to calculate, verify or determine the interest rate, nor shall it be liable to the Issuer or the Borrower, the holders or any party for, the calculation of the interest rate.

The applicable Note Principal Amount will be due and payable in full, together with accrued and unpaid interest due under a series of Notes and other amounts due under the Indenture, on the applicable Maturity Date (which is the same date as the maturity date for the related tranche of the Term Loan B), to the extent such series of Notes have not been redeemed or repurchased prior thereto as provided below under "—*Redemption and Purchase*." If a Maturity Date is not a Business Day, payment of the related Note Principal Amount will be due and payable in full on the immediately succeeding Business Day thereof.

Interest

The 2031 Notes will bear interest at a fixed rate of 5.750% per annum from the Issue Date until all required amounts due in respect thereof have been paid, which rate is equal to the rate of interest payable by the Borrower on the Initial B-1 Loan.

The 2036 Notes will bear interest at a fixed rate of 6.500% per annum from the Issue Date until all required amounts due in respect thereof have been paid, which rate is equal to the rate of interest payable by the Borrower on the Initial B-2 Loan.

If there is overdue (in each case following the expiry of any applicable grace period) principal, premium, interest or Notes Additional Amounts as a result of the Borrower being overdue on related payments to the Lender under the Loans, the Issuer will pay interest on any overdue principal and premium (and on overdue interest and Notes Additional Amounts only to the extent lawful), if any, at a rate that is 2.00% per annum in excess of the interest rate due under the Notes, to the extent received pursuant to the Participation (or on or following the Step-in Right Effective Date (if it occurs) pursuant to the Step-in Loan).

Interest on the Notes will be paid semi-annually on February 3 and August 3 of each year (each an "Interest Payment Date," commencing on August 3, 2026. The Issuer will make each interest payment, for so long as the Notes are Global Notes, to the holders of record of the Notes at the close of business on the Clearing System Business Day immediately before the due date for such payment (where "Clearing System Business Day" means a day on which each clearing system in whose name the Global Note is registered is open for business), or to the extent definitive registered notes have been issued (the "Definitive Registered Notes"), to the holders of record of the Notes on the immediately preceding January 12 and July 13 (the "Record Date"). Interest on the Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Issuer will make payments in respect of the interest due under the Notes to holders of the Notes, in accordance with the Indenture, out of payments of interest on the related tranche of the Term Loan B received by the Lender from the Borrower and paid to the Issuer pursuant to the Participation (or on or following the Step-in Right Effective Date (if it occurs) paid to the Issuer directly under the Step-in Loan).

Security

On the Issue Date, the Notes will be secured by a first-priority security interest in, control over and Security on substantially all of the Issuer's assets, including a pledge of:

(1) the Issuer's rights, title and interest (but not its obligations) under the Participation Agreement (and, following the Step-in Right Effective Date (if it occurs), the Issuer's rights, title and interest (but not its obligations) as Lender of the Step-in Loan under the Loan Agreement);

(2) the Loan Collection Account and any "deposit accounts" (as defined in Section 9-102(a)(29) of the New York UCC) and any "securities accounts" (as defined in Section 8-501 of the UCC) of the Issuer, all money, all investment property, instruments and other property on deposit from time to time in, credited to or related to the Loan Collection Account or such deposit accounts or securities accounts, and in all interest, dividends, earnings, income and other distributions from time to time received, receivable or otherwise distributed or distributable thereto or in respect thereof (including any accrued discount realized on liquidation of any investment purchased at a discount);

(3) all commercial tort claims, including all rights, claims and causes of action, if any, that it may have against any Person in respect of the foregoing;

(4) money, accounts, general intangibles, payment intangibles, contract rights, chattel paper, instruments, documents, goods, investment property, deposit accounts, supporting obligations, certificates of deposit, letters of credit, and advices of credit; and

(5) all personal property and fixtures of every kind and nature, including without limitation all goods (including without limitation inventory, equipment and any accessions thereto)

(collectively, the "Notes Collateral"). Any other additional security interests that may in the future be pledged to secure obligations under the Notes and the Indenture would also constitute Notes Collateral.

The Notes Security Documents will secure the payment and performance when due of all of the obligations of the Issuer under the Indenture and the Notes as provided in the Notes Security Documents. The holders of the Notes will have recourse to be paid on the amounts due on or in respect of the Notes solely to the Notes Collateral and no person or entity, other than the Issuer (subject to the limited recourse provisions described herein), will have any liability in respect thereof. The Trustee and the holders of the Notes may only take action to enforce the Notes Security Documents through the Collateral Agent in accordance with the terms of the Indenture and the other Notes Security Documents.

Release of the Notes Collateral

The Security on the Notes Collateral granted pursuant to the Notes Security Documents will be automatically and unconditionally released:

(1) upon the full and final payment and performance of all obligations of the Issuer under the Indenture, the Notes and the Notes Security Documents;

(2) to release and/or re-take a Security on the Notes Collateral to the extent otherwise permitted by the terms of the Indenture (including, without limitation, as may be permitted by the covenants described under "—*Certain Covenants of the Issuer—Impairment of Liens*");

(3) with the consent of holders of at least seventy-five percent (75%) in aggregate principal amount of the Outstanding Notes (including without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes); and

(4) upon satisfaction and discharge of the Notes as provided below under "—*Satisfaction and Discharge*."

Upon certification by the Issuer, the Trustee and the Collateral Agent will agree to take all reasonably necessary actions to effectuate any release that is in accordance with this Indenture without requiring any consent of the holders, subject to customary protections and indemnifications to the satisfaction of the Trustee and the Collateral Agent.

Loan Collection Account

The Issuer will establish and maintain a segregated non-interest bearing bank account in the name of the Issuer (the "Loan Collection Account") pursuant to an account agreement (the "Accounts Agreement"). The initial Loan Collection Account will be held by UMB Bank, N.A., as account bank (including any successor as account bank, the "Account Bank") and will be segregated on the books and records of UMB, Bank N.A. So long as the Notes are outstanding, the Issuer will deposit, or cause to be deposited (including pursuant to a request to the Lender), into the Loan Collection Account, all payments received by the Issuer from the Lender under the Participation Agreement (or on or following (i) the Step-in Right Effective Date (if it occurs) all payments received by the Issuer directly under the Step-in Loan or (ii) each Step-Out Assignment all payments received by the Issuer directly under the portion of the Term Loan B so assigned) in respect of the principal, interest and other payments due with respect to the Term Loan B pursuant to the Loan Agreement (excluding for the avoidance of doubt the Participation Costs (as defined in the Participation Agreement) received under the Participation Agreement that are not due and payable to the holders under the Indenture and the Notes. No funds contained in the Loan Collection Account will be used for any other purpose or in any manner not expressly provided for in the Indenture and the Notes Security Documents, nor will the Issuer or any other Person (other than the Account Bank in connection with payments due under the Notes and the Indenture) have any right of withdrawal or any other interest therein, except for any residual rights to the amounts on deposit in the Loan Collection Account that the Issuer may have under applicable Law. All such payments to the Trustee and/or the Paying Agent under the Indenture or the Note Documents shall be made by the Issuer (or on behalf of the Issuer by the Lender) by depositing or causing to be deposited immediately available funds in U.S. dollars to the Loan Collection Account as provided for therein and by directing the Account Bank in writing to disburse the relevant funds to the Trustee and/or the Paying Agent, as applicable

Pursuant to the Indenture, on each Payment Date, upon receipt of the relevant amounts (other than in respect of amounts deposited in relation to the payment of Participation Costs), released from the Loan Collection Account by the Account Bank in accordance with the terms of the Indenture and the Accounts Agreement for the purposes of payment of principal, interest and related Notes Additional Amounts, the Paying Agent shall apply such amounts in the following order of priority:

(1) *first*, to each holder of Notes, its proportionate interest of the accrued and unpaid interest then due and payable together with Notes Additional Amounts thereon, if any, in respect of the Notes held by such holder of Notes;

(2) *second*, to each holder of Notes, its proportionate interest of the principal then due and payable together with Notes Additional Amounts thereon, if any, in respect of the Notes held by such holder of Notes;

(3) *third*, to each holder of Notes, its proportionate interest of any premium due and payable in respect of the Notes, together with any Notes Additional Amounts thereon, if any, in respect thereof held by such holder of Notes; and

(4) *fourth*, to the Trustee and the Agents, on a *pro rata* basis, to the payment of any accrued and unpaid fees, expenses or indemnities and any other amounts due and payable to the Trustee and the Agents (including, without limitation, reasonable attorneys' fees) under the Indenture and the other Notes Security Documents.

For the avoidance of doubt, amounts for the payment of Participation Costs shall be paid from the relevant amounts then credited to the Loan Collection Account to the persons and in the amounts as instructed by or on behalf of the Issuer in writing to the Account Bank for direct payment from time to time.

The Collateral Agent will possess all right, title and interest in all available funds on deposit from time to time in the Loan Collection Account and in all proceeds thereof (including all income thereon) pursuant to the security interest granted to it under the terms of the relevant Notes Security Document.

Payment Procedures

Payments on the Global Notes will be made to the depositary or its nominee as the registered holder of the Global Notes.

The rights of holders of the Notes to receive the payments of principal, premium, if any, interest, and Notes Additional Amounts, if any, on such Global Notes are subject to applicable procedures of The Depository Trust Company ("DTC") and of its direct and indirect participants including, Euroclear SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). The Issuer will pay interest on the Notes to Persons who are registered holders at the close of business on the applicable Record Date preceding the interest payment date for such interest. Such holders must surrender their Notes to a Paying Agent to collect principal payments under the Notes.

Principal, premium, if any, interest, and Notes Additional Amounts, if any, on the Notes issued in Definitive Registered Notes will be payable at the corporate trust office of the Paying Agent in New York or such other corporate trust office of the Paying Agent as provided for in the Indenture, except that, at the option of the Issuer, payment of interest may be made by electronic wire transfer via the wire instructions of the holders of Definitive Registered Notes as such wire instructions appear in the register for Definitive Registered Notes. The Issuer will pay interest on Definitive Registered Notes to persons who are registered holders at the close of business on the record date immediately preceding the interest payment date for such interest. Such holders must surrender their Definitive Registered Notes to a Paying Agent to collect principal payments.

If the due date for the payment of any principal, premium, if any, interest, and Notes Additional Amounts, if any, in respect of any Note (other than the payment of the principal and any other amounts required under the Indenture on the applicable Maturity Date) is not a Business Day, the holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day and will not be entitled to any further interest or other payment in respect of any such delay.

The Indenture will provide that each holder of Notes will be deemed to assent and agree, by its acceptance of a Note, that it will promptly remit to the Issuer any of its *pro rata* share of amounts requested to be paid by the Issuer for onward payment to the Lender under the Participation Agreement in the event that the Lender is required by law or order of a court of competent jurisdiction to refund to any Person any payment received by the Lender in respect of the Term Loan B under the Loan Transaction Documents.

Form, Denomination and Title

The Notes will be issued in fully registered global form in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Rule 144A global notes will initially be represented by a single permanent global certificate (which may be subdivided) without interest coupons (the "Rule 144A Global Note"). Regulation S global notes initially will be represented by a single permanent global certificate (which may be subdivided) without interest coupons (the "Regulation S Global Note," and, together with the Rule 144A Global Note, the "Global Notes").

Each of the Global Notes will be deposited upon issuance with the Trustee as custodian for DTC, in New York, New York or such other corporate trust office as provided for in the Indenture, and registered in the name of DTC or its nominee for credit to an account of direct or indirect participants in DTC, including Euroclear and Clearstream, as described below under "*Form of the Notes, Clearing and Settlement—Depositary Procedures*."

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for notes in certificated form except in the limited circumstances described below under "*Form of the Notes, Clearing and Settlement—Exchange of Book-Entry Notes for Certificated Notes*."

Transfers of Notes

Transfer, Issue and Delivery: The Notes will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "*Transfer Restrictions*" in this Offering Memorandum. Specifically, as further described under "*Transfer Restrictions*" in this Offering Memorandum, the Notes may only be held by certain "qualified institutional buyers" (as defined in Rule 144A) in compliance with Rule 144A that are also (a) "qualified purchasers" (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") ("Qualified Purchasers") and (b) Eligible Purchasers, or (2) outside the United States to non-U.S. persons in reliance upon Regulation S who are also Eligible Purchasers.

In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Transfer Free of Charge: Registration of transfer of Notes will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment (or the giving of such indemnity and/or security as the Trustee, the Registrar or the relevant Transfer Agent may require) in respect of any Tax or other governmental charges which may be imposed in relation to it.

Closed Periods: No holder may require the transfer of a Notes to be registered (1) during the period of 15 days ending on the due date for any payment of principal on that Notes or (2) after any such Note has been called for redemption pursuant to the provisions of "*—Redemption and Purchase*."

Regulations: All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes in accordance with the Indenture. The regulations may be changed by the Issuer with prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any holder upon request.

Redemption and Purchase

Each series of Notes will be subject to redemption in the same aggregate principal amounts as amounts prepaid under the corresponding tranche of the Term Loan B and at the same prepayment price at which such amounts under Term Loan B are prepaid, upon the occurrence of any voluntary or mandatory prepayment by the Borrower of the amounts outstanding from time to time under such tranche of the Term Loan B pursuant to the following:

(i) any voluntary prepayment of the corresponding tranche of the Term Loan B as described in "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Voluntary Prepayments*" (a "Loan B Voluntary Prepayment");

(ii) a mandatory prepayment upon the following events (as described in "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments*"):

  (a) the occurrence of a Loan Change of Control pursuant to which the Lender has accepted (or has been deemed to have accepted) a prepayment of the Loan and following which the Borrower has declined to exercise its Step-in Rights;

  (b) a prepayment of the Loans for tax reasons as described in "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment for Tax Reasons*;"

  (c) following the acceptance (or deemed acceptance) by the Lender of a prepayment of the Loan in connection with certain covenant relief, as described in "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment upon Specified Loan Event of Default*" and following which the Borrower has declined to exercise its Step-in Right;

  (d) the occurrence of an Unauthorized Share Transaction or Illegality, in each case, pursuant to which the Lender has accepted (or has been deemed to have accepted) or requested a prepayment of the Loan and following which the Borrower has declined to exercise its Step-in Right; or

  (e) any acceptance to purchase Notes in any open market purchase or in any tender offer (other than a Notes Change of Control Offer) as described below in "*—Redemption upon Open Market Purchases and Certain Tender Offers*"; or

(iii) a mandatory prepayment upon the acceleration of the Loans as described under "*The Loan Agreement and the Loans—Loan Events of Default*" (together with any event described in clause (ii), a "Loan B Mandatory Prepayment," and together with any Loan B Voluntary Prepayment, a "Loan B Prepayment").

Optional Redemption; Loan B Voluntary Prepayment

If the Issuer receives notice from the Borrower or the Lender that the Borrower is exercising its right to make a Loan B Voluntary Prepayment with respect to all or any portion of the Initial B-1 Loan or the Initial B-2 Loan, the Issuer will redeem all or a portion of the 2031 Notes or 2036 Notes, respectively, as set forth below (an "Optional Note Redemption").

The aggregate principal amount of the 2031 Notes or 2036 Notes to be redeemed will be equal to the aggregate principal amount of the Initial B-1 Loan or Initial B-2 Loan to be prepaid, and the redemption date of Notes shall be the same as the date of the prepayment of the related tranche of the Term Loan B.

To the extent the Notes are redeemed prior to the applicable Par Call Date, the redemption price (expressed as a percentage of principal amount and rounded to three decimal places) will be equal to the greater of:

(i) 100% of the principal amount of the Notes to be redeemed, and

(ii) (a) the sum of the present values of each remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the Notes matured on the applicable Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate *plus* the Applicable Discount *less* (b) interest accrued to the redemption date, *plus*, in each case, accrued and unpaid interest thereon to (including additional interest, if any), and any Notes Additional Amounts, on the principal amount of the Notes to the date of redemption.

To the extent the Notes are redeemed on or after the applicable Par Call Date, the redemption price (expressed as a percentage of principal amount and rounded to three decimal places) will be equal to 100% of the principal amount of the Notes to be redeemed, *plus*, in each case, accrued and unpaid interest thereon to (including additional interest, if any), and any Notes Additional Amounts, on the principal amount of the Notes to the date of redemption.

As used herein,

"**Applicable Discount**" means, (i) with respect to the 2031 Notes, 35 basis points, and (ii) with respect to the 2036 Notes, 40 basis points.

"**Par Call Date**" means, (i) with respect to the 2031 Notes, January 3, 2031 (which is the date that is one month prior to the maturity of the 2031 Notes), and (ii) with respect to the 2036 Notes, November 3, 2035 (which is the date that is three months prior to the maturity of the 2036 Notes).

"**Treasury Rate**" means, with respect to any redemption date or all or a portion of any series of Notes, the yield determined by the Borrower in accordance with the following. The Treasury Rate shall be determined by the Borrower after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) – H.15" (or any successor designation or publication) ("H.15") under the caption "U.S. government securities—Treasury constant maturities—Nominal" (or any successor caption or heading) ("H.15 TCM"). In determining the Treasury Rate, the Borrower shall select, as applicable: (i) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the applicable Par Call Date (the "Remaining Life"); or (ii) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the following two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than, and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than, the Remaining Life – and shall interpolate to the applicable Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (iii) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date. If on the third business day preceding the redemption date H.15 TCM is no longer published, the Borrower shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding such redemption date of the U.S. Treasury security maturing on, or with a maturity that is closest to, the applicable Par Call Date, as applicable. If there is no U.S. Treasury security maturing on the applicable Par Call Date but there are two or more U.S. Treasury securities with a maturity date equally distant from the applicable Par Call Date, one with a maturity date preceding the applicable Par Call Date and one with a maturity date following the Par Call Date, the Issuer shall select the U.S. Treasury security with a maturity date preceding the applicable Par Call Date. If there are two or more U.S. Treasury securities maturing on the applicable Par Call Date or two or more U.S. Treasury securities meeting the criteria of the preceding sentence, the Issuer shall select from among these two or more U.S. Treasury securities the U.S. Treasury security that is trading closest to par based upon the average of the bid and asked prices for such U.S. Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable U.S. Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such U.S. Treasury security, and rounded to three decimal places.

Neither the Trustee, the Paying Agent nor the Lender will have any responsibility to calculate, verify or determine, nor shall it be liable to the Issuer or the Borrower, the holders or any party for, any calculation hereto, including, without limitation, the redemption price.

Redemption Upon a Loan Change of Control

If a Loan Change of Control pursuant to which the Lender has accepted (or has been deemed to have accepted) a prepayment of the Loan and following which the Borrower has declined to exercise its Step-in Rights, then the Issuer will redeem the Notes in full at a redemption price of 101.000% of the principal amount of such Notes, *plus* accrued and unpaid interest (including Note Additional Amounts, if any) to, but excluding, the redemption date.

Redemption upon Unauthorized Share Transaction

If an Unauthorized Share Transaction occurs and the Lender has accepted (or has been deemed to have accepted) a prepayment of the Loan and following which the Borrower has declined to exercise its Step-in Rights, then the Issuer will redeem the Notes in full at a redemption price of 101.000% of the principal amount of such Notes, *plus* accrued and unpaid interest (including Note Additional Amounts, if any) to, but excluding, the redemption date.

Redemption upon Illegality

If an Illegality event occurs and the Lender has accepted (or has been deemed to have accepted) a prepayment of the Loan and following which the Borrower has declined to exercise its Step-in Rights, then the Issuer will redeem the Notes in full at a redemption price of 101.000% of the principal amount of such Notes, *plus* accrued and unpaid interest (including Note Additional Amounts, if any) to, but excluding, the redemption date.

Redemption upon Open Market Purchases and Certain Tender Offers

In the event of a Notes Tender Offer or a Notes Open Market Offer as described in "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment Upon Certain Tender Offers and Open Market Purchases,*" the Issuer will redeem the Notes accepted for purchase in such Notes Tender Offer or Notes Open Market Offer, as the case may be, at a redemption price equal to, (i) in the case of a Par Offer, the Par Purchase Price, (ii) in the case of a Discount Offer, the Discounted Purchase Price, and (iii) in the case of a Premium Offer, the Premium Purchase Price, in each case, plus accrued and unpaid interest (including Note Additional Amounts, if any) to, but excluding, the redemption date.

In addition, in connection with any Notes Squeeze-out Tender Offer for any series of Notes, the Issuer will redeem the Notes of such series that remain outstanding following such Notes Squeeze-out Tender Offer at a price equal to the price paid to each other holder in such Notes Squeeze-out Tender Offer, *plus*, to the extent not included in the tender offer payment, accrued and unpaid interest (including Note Additional Amounts, if any) to, but excluding, the date of such redemption date.

Redemption upon a Loan Prepayment for Tax Reasons

If the Borrower has elected to prepay the Loans for tax reasons as described in "The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment for Tax Reasons," the Issuer will redeem the Notes in full at a redemption price of (i) 100.000% prior to the Step-in Right Effective Date (if any) and (ii) 101.000% following the Step-in Right Effective Date (if any), in each case, of the principal amount of such Notes, plus accrued and unpaid interest (including Note Additional Amounts, if any) to, but excluding, the redemption date.

Redemption upon a Loan Prepayment upon Specified Loan Event of Default

If the Lender has accepted (or has been deemed to have accepted) a prepayment of the Loan in connection with certain covenant relief as described in "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Prepayment upon Specified Loan Event of Default*" and following which the Borrower has declined to exercise its Step-in Rights, then the Issuer will redeem the Notes in full at a redemption price of 101.000% of the principal amount of such Notes, *plus* accrued and unpaid interest (including Note Additional Amounts, if any) to, but excluding, the redemption date.

Redemption upon an Acceleration of the Loans upon Loan Event of Default

If any tranche of the Term Loan B has been accelerated pursuant to the Loan Agreement, the Issuer will redeem the Notes in full at a redemption price of 101.000% of the principal amount of such Notes, *plus* accrued and unpaid interest (including Note Additional Amounts, if any) to, but excluding, the redemption date.

Note Redemption Procedures

Note Redemption Notice

Upon the Issuer's receipt from the Lender of a notice of a Loan B Prepayment with respect to any series of Notes in accordance with the Loan Agreement, the Issuer will deliver a copy of the notice to the Trustee and promptly send (or the Trustee, in the name of and at the expense of the Issuer, upon the Issuer providing written instruction to the Trustee at least three Business Days before the notice is to be given to the holders (or such shorter time as is acceptable to the Trustee) will give), to each holder of Notes of such series a notice of redemption (a "Redemption Notice"), setting forth:

(i) the reason for the redemption (as set forth in the notice given by the Borrower to the Lender pursuant to the Loan Agreement and forwarded or provided to the Issuer and the Trustee),

(ii) the expected amount of Notes of such series to be redeemed,

(iii) the applicable redemption price payable (or a calculation thereof, as applicable),

(iv) the applicable CUSIP and ISIN numbers,

(v) the applicable redemption date with respect to such redemption, and

(vi) with respect to any Loan B Voluntary Prepayment, any condition precedent to which the redemption may be conditioned.

A Redemption Notice with respect to any redemption (other than a redemption upon an acceleration of the Term Loan B) will be given at least 10 but not more than 60 days before the redemption date to the holders of the Notes to be redeemed in accordance with the provisions described below in "*—Notices.*"

For Notes that are represented by global certificates held on behalf of DTC, notices may be given by delivery of the relevant notices to DTC for communication to entitled account holders in substitution for the aforesaid publication. If the redemption date is on or after the Record Date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the person in whose name the Note is registered at the close of business, on such Record Date, and no additional interest will be payable to holders whose Notes will be subject to redemption.

Any Redemption Notice must include the appropriate calculation of the redemption price but need not include the redemption price itself. The actual redemption price must be set forth in an Officers' Certificate delivered to the Trustee no later than two Business Days prior to the redemption date.

Conditional Note Redemptions

To the extent any Loan B Voluntary Prepayment is subject to the satisfaction of one or more conditions precedent, an Optional Note Redemption may be subject to the same satisfaction of one or more conditions precedent as set forth in the Borrower's notice of a Loan B Voluntary Prepayment. If an Optional Note Redemption is subject to satisfaction of one or more conditions precedent, the Note Redemption Notice will state that, in the Borrower's discretion, the redemption date may be delayed until such time as any or all such conditions will be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions will not have been satisfied by the redemption date, or by the redemption date so delayed.

Note Redemption Payment

Upon payment by the Borrower to the Lender of the applicable prepayment amounts with respect to a Loan B Prepayment, as provided for under "*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments*" (a "Prepayment Amount"), the Lender or the Loan Paying Agent on its behalf will promptly pay over the Prepayment Amounts so received from the Borrower to the Issuer for deposit to the Loan Collection Account for the benefit of the Issuer for further distribution therefrom from the Account Bank to the Paying Agent for distribution on the applicable Redemption Date to the holders of the Notes being redeemed pursuant to such redemption. The aggregate principal amount of a series of Notes to be redeemed will be equal to the aggregate principal amount of the corresponding tranche of the Term Loan B to be prepaid, *plus* any Notes Additional Amounts, if any, and the redemption date of such Notes shall be the same as the date of the prepayment of such Term Loan B.

Notes called for redemption will become due on the date fixed for redemption. The Issuer will pay the applicable redemption price for the Notes together with accrued and unpaid interest thereon through but not including the date of redemption, *plus* any Notes Additional Amounts, if any. On and after the redemption date, interest will cease to accrue on the Notes so redeemed as long as the Issuer has deposited funds in the Loan Collection Account in satisfaction of the applicable redemption price together with accrued and unpaid interest thereon to, but excluding, the applicable redemption date, pursuant to the Indenture. Upon redemption of Notes, the redeemed Notes will be cancelled and cannot be reissued.

Notwithstanding anything herein to the contrary, the funds available to be used to so redeem the Notes will be limited to funds in respect of the prepayment amount actually received in the Loan Collection Account by the Issuer from the Lender following receipt of the same from the Borrower. To the extent amounts are due and owing and unpaid, there may be a Loan Event of Default under the Loan Agreement.

Partial Notes Redemption

If Notes are to be redeemed in part only, the Redemption Notice will state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof (if any) will be issued simultaneous with such redemption in the name of the holder thereof (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate).

If fewer than all of the Notes of a series are being redeemed, selection of the Notes of such series will be made as follows: (1) if the Notes of such series are listed on an exchange, in compliance with the requirements of such exchange, (2) if the Notes of such series are in global form, in accordance with DTC's applicable procedures (3) if the Notes of such series are listed on an exchange and in global form, in accordance with DTC's applicable procedures or (4) if the Notes of such series are not so listed and are not in global form, by the Trustee on a *pro rata* basis or by lot; provided that if the Notes of such series are redeemed in part, the remaining outstanding principal amount of any Note must be at least equal to U.S.$200,000 and be an integral multiple of U.S.$1,000.

Notes Change of Control

Upon the occurrence of a Change of Control Triggering Event, each holder will have the right to require that the Issuer purchase all or a portion (in integral multiples of U.S.$1,000; *provided* that the remaining principal amount of such holder's Note will not be less than U.S.$200,000) of the holder's Notes at a purchase price equal to 101% of the principal amount thereof, *plus* any accrued and unpaid interest thereon to, but excluding, the date of purchase (the "Notes Change of Control Payment").

Within 30 days following the date upon which the Change of Control Triggering Event occurs, unless the Issuer has delivered a Redemption Notice with respect to all the outstanding Notes in accordance with the provisions described under "—*Optional Redemption; Loan B Voluntary Prepayment*," the Issuer must send a notice to each holder, with a copy to the Trustee, offering to purchase the Notes as described above (a "Notes Change of Control Offer") as described in "—*Notices*" below.

The Change of Control Offer will state, among other things, the date the offer expires, instructions on how to participate in the offer, a description of the transaction or transactions that constituted the Change of Control and the purchase date, which must be at least 30 but not more than 60 days from the date the notice is given, other than as may be required by law (the "Notes Change of Control Payment Date"). The Change of Control Offer may, at the Issuer's discretion, be subject to the consummation of the transactions triggering the Notes Change of Control as a condition precedent.

On the Notes Change of Control Payment Date, as applicable, the Issuer will, to the extent lawful:

(i) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer;

(ii) deposit into the Loan Collection Account with a written direction to the Account Bank to disburse the relevant funds to the Paying Agent an amount equal to the Notes Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

If only a portion of a Note is purchased pursuant to a Notes Change of Control Offer, as applicable, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate). Notes (or portions thereof) purchased pursuant to a Notes Change of Control Offer, as applicable, will be cancelled and cannot be reissued.

The Issuer is only required to make a Notes Change of Control Offer in the event that a Notes Change of Control results in a Ratings Event. Consequently, if a Notes Change of Control were to occur that does not result in a Ratings Event, the Issuer would not be required to offer to repurchase the Notes.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent any such rule, laws and regulations are applicable in connection with the purchase of Notes in connection with a Notes Change of Control Offer, as applicable. To the extent that the provisions of any applicable securities laws or regulations conflict with the Notes Change of Control provisions of the Indenture, the Issuer will comply with such securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by doing so.

As described in "—*The Loan Agreement and the Loans—Voluntary and Mandatory Loan Prepayments—Mandatory Prepayments and Other Prepayments—Change of Control*," in connection with a Notes Change of Control, the Borrower will be required to prepay the corresponding tranche of the Term Loan B in the aggregate principal amount of Notes tendered in a Notes Change of Control Offer. Upon payment by the Borrower to the Lender of the applicable prepayment amounts with respect to such prepayment, the Lender or the Loan Paying Agent will promptly pay over such prepayment amounts so received from the Borrower to the Issuer for deposit to the Loan Collection Account for the benefit of the Issuer for further distribution therefrom to the holders of the Notes being repurchased pursuant to such Notes Change of Control Offer. Accordingly, the funds available to be used to so repurchase the Notes will be limited to funds in respect of the prepayment amount actually received in the Loan Collection Account by the Issuer from the Lender following receipt of the same from the Borrower. To the extent amounts are due and owing and unpaid, there may be a Loan Event of Default under the Loan Agreement. The Notes Change of Control Payment Date will be the same as the date of the prepayment of such Term Loan B.

Other existing and future Indebtedness of the Borrower may contain prohibitions on the occurrence of events that would constitute a Notes Change of Control or require that Indebtedness be purchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuer to repurchase the Notes upon a Notes Change of Control Triggering Event, and therefore a prepayment by the Borrower of the Term Loan B may cause a default under such Indebtedness even if the Notes Change of Control itself does not. If a Notes Change of Control Offer occurs, the Borrower may not have available funds sufficient to make the required prepayment under the Term Loan B and accordingly, the Issuer may not have funds sufficient to make the make the Notes Change of Control Payment for all the Notes that might be delivered by holders seeking to accept the Notes Change of Control Offer.

In the event the Issuer is required to purchase outstanding Notes pursuant to a Notes Change of Control Offer, and therefore the Borrower is required to prepay all or a portion of the Term Loan B, the Borrower expects that it would seek third-party financing to the extent it does not have available funds to meet its prepayment obligations and any other obligations it may have. However, we cannot assure you that the Borrower would be able to obtain the necessary financing, and the terms of the Loan Agreement may restrict the ability of the Borrower to obtain such financing.

Holders will not be entitled to require the Issuer to purchase their Notes in the event of a takeover, recapitalization, leveraged buyout or similar transaction that is not a Notes Change of Control.

Notwithstanding anything to the contrary herein, a Notes Change of Control Offer may be made in advance of a Notes Change of Control, conditional upon such Notes Change of Control or Ratings Event, if a definitive agreement is in place for the Notes Change of Control at the time of making of the Notes Change of Control Offer.

The Issuer will agree in the Indenture to obtain all necessary consents and regulatory approvals under the laws of Luxembourg prior to making any Notes Change of Control Offer. Any failure to obtain such consents and approvals will constitute an Event of Default.

Payment of Notes Additional Amounts

All payments by the Issuer in respect of the Notes will be made free and clear of and without any deduction or withholding for or on account of any present or future taxes, duties, levies, imposts, assessments or other government charges and any interest, penalties or other liabilities with respect thereto (“Taxes”) imposed or levied by or on behalf of any jurisdiction in which the Issuer is incorporated or resident for tax purposes or from or through which any payment in respect of the Notes is made by the Paying Agent or the Issuer, or any political subdivision thereof (a “Relevant Jurisdiction”), unless the withholding or deduction of such Taxes is required by applicable law or the official interpretation thereof, or by the administration thereof or pursuant to any agreement between the Issuer and any Relevant Jurisdiction or any authority thereof. If the Issuer is required by any applicable law of any Relevant Jurisdiction or any taxing authority of a Relevant Jurisdiction to withhold or deduct any Taxes from or in respect of any sum payable under the Notes, the Issuer shall (i) pay such additional amounts (“Notes Additional Amounts”) as may be necessary in order that the net amounts receivable by holders of any Notes after such withholding or deduction shall equal the respective amounts that would have been receivable by such holder in the absence of such withholding or deduction, (ii) make such withholding or deduction, and (iii) pay the full amount withheld or deducted to the relevant tax or other authority in accordance with applicable law, except that no such Notes Additional Amounts will be payable in respect of:

- any present or future Taxes that would not have been imposed but for any present or former connection between the holder or beneficial owner of Notes (or a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant holder if the holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company, or corporation) and the Relevant Jurisdiction (other than the mere receipt of a payment, the ownership or holding of a Note, or enforcing rights thereunder);

- any estate, inheritance, excise, personal property, sales, use, transfer, gift or similar Taxes imposed with respect to the Notes;

- any Taxes that would not have been imposed but for the failure of the holder or beneficial owner of the Notes, or any other person to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the Relevant Jurisdiction, if compliance is required by law, regulation or by an applicable income tax treaty to which the Relevant Jurisdiction is a party, as a precondition to exemption from, or reduction in the rate of, the Tax (including withholding taxes payable on interest payments under the Notes) and the Issuer has given the holder or beneficial owner at least 30 days’ notice, in writing, that a holder or beneficial owner will be required to provide such certification, identification or information;

- any Tax payable otherwise than by deduction or withholding from payments on or in respect of the Notes;

- any present or future Taxes with respect to a Note presented for payment, where presentation is required, more than 30 days after (i) the date on which the payment became due and payable or (ii) the date on which payment thereof is duly provided for and notice is provided to holders, whichever occurs later, except to the extent that the holder of such Note would have been entitled to such Notes Additional Amounts on presenting such Note for payment on the last day of such 30-day period;

- any present or future Taxes with respect to a Note presented for payment by or on behalf of a holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union;

- any Tax imposed pursuant to the Luxembourg law 23 December 2005, as amended, introducing a 20% withholding tax on certain payments made by a Luxembourg paying agent to individual residents in Luxembourg;
- any payment on the Note to a holder that is a fiduciary, a partnership, a limited liability company or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership, an interest holder in such a limited liability company or the beneficial owner of the payment would not have been entitled to the Notes Additional Amounts had the beneficiary, settlor, member or beneficial owner been the holder of the Note; or
- any combination of the items listed above.

Notwithstanding any other term of the Notes, any amounts to be paid on or with respect to the Notes will be paid net of any deduction or withholding imposed or required pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("FATCA"), any current or future Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA or any law enacted by such other jurisdiction to give effect to such agreement, or any agreement with the U.S. Internal Revenue Service under FATCA. Neither the Issuer nor any other person will be required to pay any Notes Additional Amounts in respect of FATCA with respect to the Notes.

The Issuer will provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of Taxes in respect of which Notes Additional Amounts have been paid, and will make copies of such documentation available to the holders of the Notes or the relevant paying agent upon request.

The Issuer will promptly pay when due any present or future stamp, court or documentary Taxes or any other excise or property Taxes that may be imposed in any jurisdiction from the execution, issue, delivery or registration of the Notes, the Indenture, the Notes Security Documents or any other document or instrument referred to herein or therein, or in connection with any enforcement action, excluding (i) any such Taxes imposed by any jurisdiction outside the jurisdiction of incorporation of the Issuer, other than those resulting from, or required to be paid in connection with, the enforcement of the Notes following the occurrence of any Default or Event of Default, (ii) any Luxembourg stamp duty, registration or other similar taxes (*droits d'enregistrement*) in case of registration of the Notes, the Indenture, the Notes Security Documents or any other document or instrument referred to herein or therein, by any party other than the Issuer with the *Administration de l'Enregistrement, des Domaines et de la TVA* in Luxembourg, when such registration is not required to maintain, preserve or enforce the rights of that party under such documents.

In the event that Notes Additional Amounts actually paid with respect to the Notes described above are based on rates of deduction or withholding of withholding Taxes in excess of the appropriate rate applicable to the holder of such Notes, and, as a result thereof such holder is entitled to make claim for a refund or credit of such excess from the authority imposing such withholding Tax, then such holder shall, by accepting such Notes, be deemed to have assigned and transferred all right, title, and interest to any such claim for a refund or credit of such excess to the Issuer.

Any reference in this Offering Memorandum, the Indenture, the Notes or the Notes Security Documents to principal, premium, interest or any other amount payable in respect of the Notes by the Issuer will be deemed also to refer to any Notes Additional Amount that may be payable with respect to that amount under the obligations referred to in this section.

Limited Recourse Obligations

All payments to be made by the Issuer under the Indenture (including any Notes Additional Amounts), the Notes and the Notes Security Documents to which it is a party will be made only from and to the extent of such sums received or recovered from the Notes Collateral, including the Issuer's rights under the Participation Agreement (and following any Step-in Event, under the Step-in Loan, or any Step-Out Assignment, under the Term Loan B) and the Loan Collection Account (or any other bank account thereof) and the Trustee, the Collateral Agent, the Participation Administrative Agent, any Paying Agent, the Registrar and the holders each agrees that it will not have any further recourse to the Issuer in respect thereof in the event that the amount due and payable by the Issuer under Note Documents exceeds the amounts so received or recovered under the Note Collateral.

The Trustee, the Collateral Agent, the Participation Administrative Agent, any Paying Agent, the Registrar and the holders will each agree that neither they, nor any person acting on their behalf, will be entitled at any time to institute against the Issuer, or join any institution, against any obligations of the Issuer arising under the Note Documents, of any bankruptcy, reorganization, arrangement, insolvency, examinership, winding-up or liquidation proceedings, proceedings for the appointment of a liquidator, examiner, administrator or other similar official or other proceedings under any applicable insolvency or similar applicable Law in connection with any obligations of the Issuer owed to the holders of the Notes under the Note Documents, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain declaration or judgment as to the obligations of the Issuer in relation thereto.

Each of the Trustee, the Collateral Agent, the Participation Administrative Agent, any Paying Agent, the Registrar and each holder acknowledges and agrees that the Issuer's obligations under the Note Documents are solely the corporate obligations of the Issuer, and that no Person will have any recourse against any of the directors, officers or employees of the Issuer for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with any transactions contemplated by Note Documents.

In addition, holders of the Notes will not have a direct claim on the cash flow or assets of the Borrower or any of its Subsidiaries, and neither the Borrower nor any of its Subsidiaries will have any obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments, other than the obligations of the Borrower to make payments to the Lender under the Loan Agreement.

Nothing in this section will limit the ability of the holders or the Trustee to accelerate the Notes or exercise other remedies in accordance with "*—Events of Default*."

Certain Covenants of the Issuer

For so long as any of the Notes are outstanding and the Issuer has obligations under the Indenture and the Notes, the Issuer will comply with the terms of the covenants set forth below.

Payment Obligations under the Notes and the Indenture

The Issuer will duly and punctually pay all amounts owed by it, to the extent such funds are available in the Loan Collection Account, and comply with all its other obligations, under the terms of the Notes and the Indenture. Whenever the Issuer receives a payment or prepayment in respect of a tranche of the Term Loan B under the Participation Agreement (or on or following the Step-in Right Effective Date (if it occurs) paid to the Issuer directly under the Step-in Loan or upon a Step-Out Assignment, paid to the Issuer directly) it will deposit (or cause to deposit) such amounts into the Loan Collection Account, and it will use the funds received into the Loan Collection Account to satisfy its obligations (to the extent of the amount owing in respect of such obligations) under the Indenture (including any premium payable to holders).

Performance Obligations under Note Documents

The Issuer will agree to duly and punctually perform, comply with and observe all obligations and agreements to be performed by it set forth in the Indenture, the Notes, the Notes Security Documents and the Participation Agreement.

Maintenance of Approvals

The Issuer will duly obtain and maintain in full force and effect all governmental approvals, consents or licenses of any authority under the laws of the Luxembourg or any other jurisdiction having jurisdiction over the Issuer, the Notes Collateral, the Issuer's business or any of the transactions contemplated in the Note Documents.

Merger and Consolidation

The Issuer will not consolidate with, or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any Person (other than any sale or other disposal of property or assets in connection with any enforcement action in accordance with the Notes Security Documents or as otherwise expressly permitted by the Indenture). Although there is a limited body of case law interpreting the phrase "*substantially all*," there is no precise established definition of the phrase under applicable Law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "*all or substantially all*" of the property or assets of a Person.

Limitation on Issuer's Activities

The Issuer will not engage in any business activity or undertake any other activity, except any activity:

(1) relating to the offering, sale or issuance of the Notes and any Additional Notes permitted to be incurred under the Indenture, including the purchase of a participation pursuant to the Participation Agreement (or future participation agreements permitted under the Indenture) (and the performance of its obligations thereunder) and, following the Step-in Right Effective Date (if it occurs) or any Step-Out Assignment, the granting of any loan, under the Loan Agreement;

(2) undertaken with the purpose of, and directly related to, fulfilling its obligations or exercising its rights under the Note Documents and the Loan Transaction Documents, as applicable;

(3) directly related to or reasonably incidental to the establishment and maintenance of the Issuer's corporate existence;

(4) directly related to investing amounts received by the Issuer in such manner not otherwise prohibited by the Indenture;

(5) of a type customarily entered into by orphan special purpose financing companies; or

(6) directly related to or reasonably incidental to other activities not specifically enumerated above that are de minimis in nature or that are of the same nature as activities exercised by the Issuer on the Issue Date.

The Issuer will not:

(1) issue any Capital Stock (other than to Stichting NOVA Securitisation);

(2) take any action which would cause it to no longer satisfy the requirements of an available exemption from the provisions of the Investment Company Act;

(3) commence or take any action or facilitate a winding-up, examinership, liquidation, dissolution or other analogous proceeding;

(4) amend its constitutive documents in any manner which would adversely affect the rights of holders of the Notes in any material respect;

(5) transfer or assign any of its rights under the Participation Agreement or, on or following the Step-in Right Effective Date (if it occurs) its rights under the Step-in Loan, in each case, except pursuant to the Notes Security Documents;

(6) issue, assume or guarantee any obligations or Indebtedness of any kind or nature whatsoever (other than the Notes and any Additional Notes permitted to be incurred under the Indenture) or grant any Security, pledge, charge, security interest or encumbrance of any kind or nature on any of its assets except as required under the Indenture; or

(7) establish any subsidiaries.

Transfer of Issuer Shares

Except as otherwise provided in the Indenture, the Issuer will take all actions that are necessary and within its power to prohibit the transfer of the issued shares in the Issuer.

Compliance with Laws

The Issuer will comply at all times with all applicable laws, rules, regulations, orders and directives of any authority having jurisdiction over the Issuer, the Notes Collateral, the Issuer's business or any of the transactions contemplated in the Note Documents, except where the failure by the Issuer to comply would not have a material adverse effect on the Issuer or a material adverse effect on the rights of the Lender, the Trustee or the holders of the Notes.

Payments of Taxes

Subject to reimbursement by the Borrower and the Lender under the Loan Agreement and the Participation Agreement, the Issuer will agree to pay (or cause to be paid), prior to delinquency, any tax, assessment or other governmental charge levied or imposed upon the Issuer; *provided*, *however*, that the Issuer will not be required to pay or cause to be paid any such tax, assessment or charge whose amount, applicability or validity is being contested in good faith by appropriate proceedings and as to which adequate reserves in accordance with IFRS have been made or where the failure to do so would not have a material adverse effect on the Issuer or have a material adverse effect on the rights of the holders of the Notes.

Tax Reimbursement Payments

The Issuer will comply with all applicable withholding tax requirements (including, without limitation, any United States backup withholding tax requirements). The Issuer will file (or cause to be filed) any required forms with all applicable tax authorities and, unless an exemption from withholding and backup withholding tax is properly established by a holder of the Notes, will remit amounts withheld with respect to the holder of the Notes to the applicable tax authorities. Under the Participation Agreement and the Loan Agreement, the Issuer will be entitled to receive funds to pay Notes Additional Amounts due under the Notes. The Issuer will provide required notifications to the Lender that under the terms of the Participation Agreement that such reimbursement amounts are payable and upon receipt thereof will cause such reimbursement amounts to be paid over to holders of the Notes in the manner described above.

Ranking

The Issuer will ensure that the Notes will constitute general senior, secured direct, unconditional and unsubordinated obligations of the Issuer and will rank pari passu in right of payment, without any preferences among themselves, with all other present and future unsubordinated obligations of the Issuer (other than obligations preferred by statute or by operation of law).

Stay, Extension and Usury Laws

The Issuer will agree that it will not (to the fullest extent permitted by applicable law) at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Issuer from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of the Indenture; and the Issuer will (to the fullest extent permitted by applicable law) expressly waive all benefit or advantage of any such law, and agrees that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

No Liquidation or Termination without Consent

To the extent applicable, the Issuer will not terminate or commence a voluntary case or other proceeding seeking winding up, liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seek the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or make a general assignment or conveyance for the benefit of creditors, or take any corporate action to authorize any of the foregoing without the unanimous consent of the holders of the Outstanding Notes.

Compliance Certificate; Notifications of Default or Event of Default; Amendments to Loan Agreement

The Issuer will deliver to the Trustee within 120 days after the end of each fiscal year of the Issuer an Officers' Certificate beginning with the year ending December 31, 2026, stating whether the signers thereof know of any Default or Event of Default that occurred during the previous fiscal year. If they do, the certificate shall describe the Default or Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto.

The Issuer will, so long as any of the Notes are outstanding, deliver to the Trustee within five Business Days after becoming aware of the occurrence of any Default or Event of Default an Officer's Certificate specifying such Default or Event of Default, its status and what action the Issuer, as applicable, is taking or proposes to take with respect thereto. Upon receipt of such notice from the Issuer, the Trustee will promptly furnish such notice to the holders of the Notes.

Promptly, and in any event within five Business Days of the Issuer receiving any notice from the Lender pursuant to the Participation Agreement (or if a Step-in Event has occurred, from the Borrower pursuant to the Loan Agreement) of a Loan Event of Default under the Loan Agreement, the Issuer will furnish such written notice to the Trustee. Upon receipt of such notice from the Issuer, the Trustee will promptly furnish such notice to the holders of the Notes.

The Issuer will promptly provide a copy of the Loan Agreement to the Trustee and will promptly furnish the Trustee with copies of any amendments thereto.

Provision of Financial Information and Reports

For as long as the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, to the extent required, furnish to any holder of Notes holding an interest in a Rule 144A Global Note, or to any prospective purchaser designated by such holder of Notes, upon request of such holder of Notes, financial and other information described in paragraph (d)(4) of Rule 144A with respect to the Issuer to the extent required in order to permit such holder of Notes to comply with Rule 144A with respect to any resale of its Notes, unless during that time, the Issuer is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act and no such information about the Issuer is otherwise required pursuant to Rule 144A.

In addition, the Issuer will provide to the Trustee (*provided*, *however*, that to the extent any such reports of the Borrower are filed on the SEC's website or posted on the Borrower's website, such reports will be deemed to be provided to the Trustee) the financial and other reports of the Borrower received from the Lender pursuant to the Participation Agreement (or directly from the Borrower following the Step-in Right Effective Date) as and when delivered by the Borrower in accordance with the terms of the Loan Agreement. See "*The Loan Agreement and the Loans—Notices and Information*" for a description of the reports that the Borrower will be obligated to provide to the Lender under the Loan Agreement.

Impairment of Liens

The Issuer will not take or omit to take any action that would have the result of materially impairing any Security in the Notes Collateral granted under the Notes Security Documents for the benefit of the Trustee, the Collateral Agent and/or the holders, and the Issuer will not grant to any Person other than the Collateral Agent, for the benefit of the Trustee, the Collateral Agent, the Agents and/or the holders and the other beneficiaries described in the Notes Security Documents any interest in any of the Notes Collateral except that the Notes Collateral may be discharged and released in accordance with the Indenture and the Notes Security Documents; *provided, however*, that, except with respect to any discharge or release of Notes Collateral in accordance with the Indenture, or the Notes Security

Documents, in connection with the incurrence of Security for the benefit of the Trustee, the Collateral Agent and holders, no Notes Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, except that, at the written direction of the Issuer and without the consent of the holders, the Trustee and the Collateral Agent may from time to time enter into one or more amendments to the Notes Security Documents to: (1) cure any ambiguity, omission, manifest error, defect or inconsistency therein; (2) provide for Additional Notes to the extent permitted to be incurred under the Indenture; (3) as is reasonably necessary to give effect to the Step-in Right; and (4) make any other change that does not adversely affect the holders in any material respect.

Events of Default

Each of the following is an "Event of Default" with respect to a series of Notes under the Indenture:

(1) any failure to pay the principal of or premium (including any related Notes Additional Amounts), if any, on any Notes of such series, when such principal becomes due and payable, at its Stated Maturity or upon redemption or otherwise when such failure continues for a period of one Business Day;

(2) any failure to pay interest and Notes Additional Amounts, if any, on any Notes of such series or any other amount (other than principal or premium for the Notes of such series) when due and such failure continues for a period of 30 days;

(3) the Issuer fails to make a Notes Change of Control Offer with respect to such series of Notes or and thereafter fails to repurchase all Notes validly tendered and not validly withdrawn in connection with any such offer as required pursuant to the Indenture;

(4) failure by the Issuer to comply for 60 days after notice from holders of 25% or more in aggregate principal amount of the Outstanding Notes with the obligations described under "*—Certain Covenants of the Issuer—Provision of Financial Information and Reports*," which failure is incapable of remedy or, if capable of remedy, is not remedied within 60 days after notice of such default shall have been given to the Issuer by the Trustee (acting at the written direction of the holders of 25% or more in aggregate principal amount of Outstanding Notes) or to the Issuer by holders of 25% or more in aggregate principal amount of Outstanding Notes;

(5) failure by the Issuer to comply with its other agreements (other than under clauses (1), (2), (3) and (4) above) contained in the Notes of such series, the Indenture, or the Notes Security Documents;

(6) certain events of bankruptcy, examinership, insolvency, winding up, liquidation, restructuring or reorganization of the Issuer have been commenced or consented to by the Issuer;

(7) failure by the Issuer to pay one or more final judgments against it, aggregating in excess of U.S.$10.0 million (or the equivalent in other currencies) or more, that are not paid, discharged or stayed for a period of 60 days or more (to the extent not covered by a reputable and creditworthy insurance company);

(8) any Security on the Notes Collateral created under the Notes Security Documents, (a) at any time, ceases to be in full force and effect in any material respect for any reason other than as a result of its release in accordance with the Indenture and the Notes Security Documents or (b) is declared invalid or unenforceable in a judicial proceeding and, in each case, and such Default continues for 30 days;

(9) the Indenture, the Notes of such series or the Participation Agreement shall for any reason cease to be binding on and enforceable against the Issuer in accordance with its terms, or the binding effect or enforceability thereof shall be contested by the Issuer, or the Issuer shall deny that it has any further liability or obligation under the Indenture, the Notes or the Participation Agreement;

(10) any Mandatory Acceleration Trigger Event;

(11) certain events of bankruptcy, examinership, insolvency, winding up, liquidation, restructuring or reorganization of the Borrower have been commenced or consented to by the Borrower;

(12) the Lender accelerates the Term Loan B, in whole or in part, prior to its stated maturity;

(13) following the Step-in Right Effective Date, the occurrence of a Loan Event of Default that is continuing; or

(14) at any time Stichting NOVA Securitisation, shall cease to own 100% of the Issuer.

If an Event of Default as specified in clauses (6), (11) or (12) above occurs, then the unpaid principal of and premium, if any, and accrued and unpaid interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Notes.

If an Event of Default (other than an Event of Default specified in clause (6), (10), (11) or (12)) has occurred and is continuing, the Trustee (acting at the written direction of the holders of at least 25% in aggregate principal amount of Outstanding Notes) or the holders of at least 25% in aggregate principal amount of Outstanding Notes of a series of Notes may declare the unpaid principal of and premium, if any, and accrued and unpaid interest on all Notes of such series to be immediately due and payable by notice in writing to the Issuer (and the Trustee if given by the holders of the Notes) specifying the Event of Default and that it is a "notice of acceleration."

Except as described above, the Issuer will not be entitled to request that the Lender deliver a Loan Acceleration Notice declaring the principal of, all accrued interest on and any other amounts payable in respect of, any tranche of the Term Loan B to be immediately due and payable and making demand on the Borrower for payment thereof pursuant to the Loan Agreement. As a result, except as described above, holders of the Notes will not be entitled to cause the Issuer to request that the Lender deliver a Loan Acceleration Notice declaring the principal of, all accrued interest on and any other amounts payable in respect of, any tranche of the Term Loan B to be immediately due and payable and making demand on the Borrower for payment thereof pursuant to the Loan Agreement.

At any time after a declaration of acceleration has occurred with respect to a series of Notes and before a judgment for payment of the money due has been obtained, holders of more than 50% of the aggregate principal amount of the Outstanding Notes of such series, by written notice to the Issuer (with a copy to the Trustee), may rescind and cancel such declaration and its consequences with respect to such series of Notes:

(i) if the rescission would not conflict with any judgment or decree;

(ii) if all existing Events of Default with respect to such series of Notes have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration;

(iii) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal on such series of Notes, which has become due otherwise than by such declaration of acceleration, has been paid; and

(iv) if the Issuer has paid (or caused to be paid) the Trustee and the Agents their respective compensation and reimbursed (or caused to be reimbursed) the Trustee and the Agents for their respective expenses, disbursements and advances (including, without limitation, reasonable and documented counsel fees and expenses) outstanding at that time.

No rescission will affect any subsequent Default or impair any rights relating thereto or any Default on a separate series of Notes.

No holder of any Notes will have any right to institute any proceeding with respect to the Indenture or the Notes or for any remedy thereunder, unless:

(i) such holder gives to the Trustee written notice of a continuing Event of Default;

(ii) holders of at least 25% in aggregate principal amount of the then outstanding Notes of such series make a written request to pursue the remedy;

(iii) such holders provide to the Trustee indemnity and/or security satisfactory to it;

(iv) the Trustee does not comply within 60 days after receipt of such notice or request; and

(v) during such 60-day period the holders of a majority in principal amount of the outstanding Notes of such series do not give the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with the request;

provided that a Holder of a Note may institute suit for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

Notwithstanding any provision of the Indenture to the contrary, no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb, or prejudice the rights of any other of such Holders (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders).

Subject to the limitations set forth in the Participation Agreement (as described in "*The Participation Agreement—Acceleration*," holders of a majority in aggregate principal amount of the then Outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee and/or Collateral Agent or of exercising any trust or power conferred on the Trustee and/or Collateral Agent. The Indenture will provide that in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use under the circumstances in the conduct of its own affairs. The Trustee and/or Collateral Agent, however, may refuse to follow any direction that conflicts with applicable law or the Indenture or that the Trustee and/or Collateral Agent determines is unduly prejudicial to the rights of any other holder of Notes (*provided* that the Trustee and/or the Collateral Agent shall not have a duty or obligation to determine if such direction is prejudicial to the rights of any other holder of Notes) or that may involve the Trustee and/or the Collateral Agent in personal liability.

Prior to taking any action under the Indenture, the Trustee and/or Collateral Agent will be entitled to security and/or indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

Remedies with respect to the Loan Agreement

Prior to a Step-in Event—Rights under the Participation Agreement

General

As described in "*The Participation Agreement*," the Issuer will enter into the Participation Agreement on or prior to the Issue Date, and each holder, by accepting a Note, will be deemed to have (i) authorized and directed the Issuer and the Participation Administrative Agent to enter into the Participation Agreement, (ii) agreed to all the terms and provisions of the Participation Agreement and (iii) irrevocably appointed and directed the Issuer (and/or the Participation Administrative Agent, as agent) to act on its behalf and to perform the duties and exercise the rights and powers that are specifically given to it under the Participation Agreement in accordance the Indenture.

Acceleration; Remedies

Under the Loan Agreement and the Participation Agreement, at any time after the occurrence and during the continuation of a Loan Event of Default, the Lender may, in its sole discretion, declare the principal of, all accrued interest on and any other amounts payable in respect of, both of the Loans to be immediately due and payable and make demand on the Borrower for the payment thereof pursuant to the terms of the Loan Agreement without the consent of the Issuer or any holders of the Notes.

If any Mandatory Acceleration Trigger Event has occurred and is continuing, the Lender will notify the Issuer (with a copy to the Participation Administrative Agent) in writing of such Mandatory Acceleration Trigger Event pursuant to the terms of the Participation Agreement, and the Lender and the Issuer will consult with each other in good faith regarding any potential exercise of the Lender's rights to deliver a Loan Acceleration Notice or take any enforcement action with respect to any obligations under the Loans for a period of 30 days (or 10 days to the extent such Mandatory Acceleration Trigger Event occurred on or after the Stated Maturity of any Notes) from the date that the Lender has delivered such notice to the Issuer (the "Loan EOD Consultation Period").

If, following the expiration of any applicable Loan EOD Consultation Period, the Lender does not exercise its right to deliver a Loan Acceleration Notice, the Lender will, at the written request of the Issuer (acting on the instruction of the holders of Notes representing at least 25% in aggregate principal amount of the then Outstanding Notes), deliver a Loan Acceleration Notice in respect of the Term Loan B; *provided* that following the delivery of any Loan Acceleration Notice by the Lender; the Lender shall act in its sole discretion with respect to the manner of any enforcement action, without any further consultation with, involvement of or direction from the Issuer, subject the Issuer's consent rights described in "*The Participation Agreement—Amendments—Amendments to the Loan Agreement—Amendments with the Consent of the Issuer*."

Notwithstanding the above, the Lender may elect in its sole discretion to terminate the Loan EOD Consultation Period with the Issuer, and the Lender shall be entitled to deliver a Loan Acceleration Notice or take any enforcement action at any time prior to the end of any Loan EOD Consultation Period if the Lender determines in good faith (and notifies the Issuer) that to enter into or continue any such consultation and thereby delay the commencement of enforcement could reasonably be expected to have a material adverse effect on its rights. In addition, to the extent that the Issuer has not elected, within 15 days following the expiration of any Loan EOD Consultation Period, to require the Lender to deliver a Loan Acceleration Notice in respect of the Term Loan B, the Lender shall be entitled to deliver a Loan Acceleration Notice or take any enforcement action, without any further consultation with, involvement of or direction from the Issuer, subject the Issuer's consent rights described in "*The Participation Agreement—Amendments —Amendments to the Loan Agreement—Amendments with the Consent of the Issuer*."

Notwithstanding any of the other provisions of the Participation Agreement, and without prejudice to any enforcement action that the Lender might take, in the event that the Borrower institutes or consents to the institution of any proceeding under any Debtor Relief Law ("Restructuring Proceeding"), the Lender shall not agree or otherwise consent to a settlement, plan of reorganization or liquidation, or other arrangement pursuant to any such Restructuring Proceeding that would affect the enumerated matters set forth in "*The Participation Agreement—Amendments—Amendments to the Loan Agreement—Amendments with the Consent of the Issuer*" without the prior written consent of the Issuer, acting on the instructions of the requisite holders (the "Restructuring Proceeding Consent"), *provided*, however, that in the event that any of the relevant consent or voting thresholds required by the Debtor Relief Laws governing such court of competent jurisdiction under such Restructuring Proceeding, expressed as a percentage (the "Restructuring Proceeding Threshold") is lower than the corresponding threshold set forth in "*The Participation Agreement—Amendments—Amendments to the Loan Agreement—Amendments with the Consent of the Issuer*," then the applicable voting threshold required for the instructions from holders regarding the Restructuring Proceeding Consent under "*—Amendments—Amendments to the Loan Agreement—Amendments with the Consent of the Issuer*" shall be such Restructuring Proceeding Threshold.

If at any time the Issuer is notified in writing by the Lender of any action upon which the Issuer is entitled to exercise a right or remedy under the Participation Agreement, the Issuer will promptly and in any event within five Business Days of receipt of such notice send written notification to the Trustee. The Trustee will promptly, but no later than five Business Days after receipt of such notification from the Issuer, send notice to each holder of Notes (prepared by the Issuer and given in the manner provided under "—*Notices*"), which notice will contain (i) such information as is contained in such notice to the Trustee from the Issuer, (ii) a statement that the holders of the Notes at the close of business on a specified record date will be entitled, subject to any applicable provision of law or of the Note Documents, to direct the Issuer as to the exercise of such right or remedy and (iii) a brief statement as to the manner in which such specific directions may be given. Any notice that is given in the manner provided under "—*Notices*" will be conclusively presumed to have been duly given, whether or not the holders of the Notes receive such notice. In the absence of specific instructions from the holders of the Notes or the Trustee (acting at the written direction of holders of 25% of the Outstanding Notes), the Issuer will abstain from exercising its rights and remedies with respect to the Participation Agreement.

With respect to the exercise of any right or remedy under the Participation Agreement that requires the consent of the Lender, upon receipt by the Issuer of specific written direction from the holders of the Notes or the Trustee acting on behalf of and at the written direction of the percentage of holders of Outstanding Notes as may be permitted or required pursuant to the terms of the Participation Agreement and the Indenture to approve the exercise of such right or remedy, the Issuer will promptly notify the Lender, in writing, that it consents to such exercise.

The Issuer acknowledges and agrees that, to the extent permitted under the terms of the Participation Agreement, the Issuer (i) except to the extent permitted under "*Amendments and Waivers—Note Documents*," will not take any action, or refrain from taking any action, with respect to the Participation Agreement, without the written consent from the requisite outstanding aggregate principal amount of holders of the Notes as prescribed under the Participation Agreement and (ii) will take all action, or refrain from taking any action, as directed in writing by the requisite outstanding principal amount of holders of the Notes as prescribed under the Participation Agreement.

Rights following a Step-in Event

From the Step-in Right Effective Date, the Issuer will benefit from all the rights of the Lender under the Loan Agreement and the other Loan Transaction Documents, including with respect to (i) the ability to declare the principal of, all accrued interest on and any other amounts payable in respect of, the Term Loan B to be immediately due and payable pursuant to the Loan Agreement and (ii) pursue any remedy available under the Loan Transaction Documents with respect to the Step-in Loan.

On and with effect from the Step-in Right Effective Date, the Issuer will, upon receipt of any (i) notifications and information delivered by the Borrower under the Loan Transaction Documents or in respect of the Issuer's right, title and interest in the Term Loan B and related to the Loan Transaction Documents and (ii) other information the Borrower requests in writing that the Issuer transmit to the Trustee, the Issuer will promptly deliver such notifications and information to the Trustee who will in turn provide such notice to the holders of the Notes.

In administering the Loan Transaction Documents, on and after the Step-in Right Effective Date, the Issuer will seek instructions from the Trustee (who will seek written instructions from the requisite holders of the Notes) as to matters and actions that will be required to be taken under the Loan Transaction Documents in accordance with the previous paragraph, including the exercise of rights and remedies under the Loan Transaction Documents. Notwithstanding anything to the contrary herein:

(1) the Issuer will not agree to any amendment, waiver or consent or any other action with respect to the Loan Transaction Documents unless it complies with the provisions set forth under "—*Amendments and Waivers—Loan Transaction Documents following a Step-in Event*";

(2) the Issuer will not (i) suspend or terminate the commitments to make a Loan or (ii) declare the unpaid principal amount of all outstanding Step-in Loans to be immediately due and payable without having first received directions from the Trustee (acting at the written direction of the holders of 25% of the Outstanding Notes) or holders of at least 25% in aggregate principal amount of the Outstanding Notes; *provided* that, pursuant to the Loan Agreement, following a Loan Insolvency Event, all obligations under any Loan Transaction Document will be automatically and immediately be due and payable and the commitments to make a Loan will be automatically terminated; and

(3) holders of a majority in principal amount of Outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Issuer under the Loan Transaction Documents or applicable law.

With respect to the forgoing paragraphs, the Trustee's only duty will be to pass along to the Issuer any instructions it receives from the requisite holders of the Notes pursuant to the terms of the Indenture. Any written direction pursuant to the provisions set forth under this section "—*Rights following a Step-in Event*" by a holder of the Notes to the Trustee or the Issuer and by the Trustee to the Issuer, as to any proposed exercise of a right or remedy will constitute full protection to the Trustee and the Issuer for any action taken or omitted to be taken by it in good faith reliance thereon. The Trustee will have no duty to exercise any discretionary power and authority in directing the Issuer, but will, subject to its other rights and protections in the Indenture, pass through the direction of the holders as described in this "—*Rights following Step-in Event*."

Amendments and Waivers

Loan Transaction Documents Prior to a Step-in Event

Prior to a Step-in Right Effective Date, if the Lender seeks the consent of the Issuer for any amendment, waiver or consent or any other action with respect to the Loan Transaction Documents, the Issuer will not agree to such amendment, waiver or consent without first having received direction from the requisite amount of holders of the Notes as prescribed under the Participation Agreement as described in "*The Participation Agreement—Amendments*."

Loan Transaction Documents following a Step-in Event

On and with effect from the Step-in Right Effective Date (if it occurs), the Issuer will provide written notice to the Trustee promptly of any and all matters relating to the Loan Transaction Documents, including any request by the Borrower for an amendment, waiver or consent or any other affirmative action with respect to the Borrower and the Loan Transaction Documents and at least 10 Business Days prior to effectiveness of any such amendment, waiver or consent. Furthermore, the Issuer will not agree to any amendment, waiver or consent or any other affirmative action with respect to the Loan Transaction Documents unless it complies with the provisions set forth under "*—Note Documents*" *mutatis mutandis* for the Loan Transaction Documents.

Note Documents

Subject to certain exceptions, the Note Documents with respect to any series of Notes may be amended or supplemented with the consent of holders of more than 50% of the aggregate principal amount of the Outstanding Notes of such series (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any past default or compliance with any provisions of the Note Documents may be waived with respect to any series of Notes with the consent of holders of more than 50% of the aggregate principal amount of the Outstanding Notes of such series (including, without limitation, consents obtained in connection with a purchase of, or a tender offer or exchange offer for, the Notes). However, unless consented to by holders holding at least 90% of the Outstanding Notes of such series, an amendment may not:

(1) reduce the percentage of the principal amount of the Outstanding Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the rate of, or change or have the effect of changing the time for payment of, interest or Notes Additional Amounts on any Notes;

(3) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor (other than provisions relating to the number of days of notice to be given to holders and to the Trustee in the event of a redemption);

(4) make any Notes payable in money other than that stated in the Notes;

(5) make any change in the provisions of the Indenture entitling each holder to receive payment of principal of, premium, if any, and interest or Notes Additional Amounts on such Notes or under any Note Documents (including, through any subordination of the Issuer's contractual right of payment under the Participation Agreement) on or after the due date thereof or to bring suit to enforce such payment, or permitting holders of a majority in principal amount of Outstanding Notes to waive Defaults or Events of Default;

(6) amend, change or modify in any material respect any obligation of the Issuer to make and consummate a Change of Control Offer in respect of a Change of Control Triggering Event that has occurred;

(7) after the time any offer to purchase is required to have been made, reduce the purchase amount or purchase price, or extend the latest expiration date or purchase date thereunder;

(8) make any change to the provisions of the Indenture, the Notes or any other Note Document that adversely affects the ranking of the Notes; or

(9) make any change in the amendment or waiver provisions described in "*—Amendments and Waivers.*"

For the avoidance of doubt, the Issuer will not agree to any amendment, waiver or consent or any other affirmative action with respect to the Loan Transaction Documents unless it obtains the consent from the holders of Outstanding Notes required by the provisions described in "*The Participation Agreement—Amendments—Amendments to the Loan Agreement*."

In addition, without the consent of at least 75% in aggregate principal amount of Outstanding Notes, no amendment or supplement may modify any Notes Security Document or the provisions in the Indenture dealing with the Notes Security Documents or application of trust moneys in any manner, taken as a whole, materially adverse to the holders or otherwise release all or substantially all of the Notes Collateral other than pursuant to the terms of the Notes Security Documents or as otherwise permitted by the Indenture.

Notwithstanding the foregoing, without the consent of any holders of the Notes, the Issuer, the Collateral Agent, the Participation Administrative Agent and the Trustee may amend any Note Document to which it is a party to:

(1) cure any ambiguity, defect or inconsistency contained therein;

(2) add guarantees with respect to the Notes;

(3) add grant additional security or supplemental security to secure the Notes;

(4) add to the covenants of the Issuer for the benefit of the holders of the Notes or surrender any right or power conferred upon the Issuer under the Indenture, the Notes or any Notes Document;

(5) provide for the issuance of Additional Notes to the extent expressly permitted by, and in accordance with, the terms of the Indenture;

(6) evidence the replacement of the Trustee, Collateral Agent, the Account Bank or Participation Administrative Agent as provided for under the Indenture;

(7) release any Security created to secure the Notes to the extent expressly permitted by, and in accordance with, the terms of the Indenture;

(8) provide for uncertificated Notes in addition to or in place of certificated Notes;

(9) conform the text of the Indenture, the Notes or any Note Documents to any provision of this "*Description of the Notes*" or "*The Participation Agreement*," to the extent that such provision in this "*Description of the Notes*" or in the "*The Participation Agreement*" was intended to be a verbatim recitation of the Indenture, the Notes or the applicable Note Document; and

(10) give effect to the Step-in Right and/or Step-Out Assignment.

General

In formulating its opinion on such matters, the Trustee, the Participation Administrative Agent, the Account Bank and/or the Collateral Agent, as the case may be, will be entitled to require and rely on such evidence as it deems appropriate, including an Opinion of Counsel and an Officer's Certificate.

As long as the Notes are listed on the Exchange and the rules of the Exchange so require, the Issuer will notify the Exchange of any modification or supplement to the Note Documents and the Loan Transaction Documents.

The consent of the holders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any holder of Notes given in connection with a tender of such holder's Notes will not be rendered invalid by such tender.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes and the rights, powers, trusts, duties, indemnities and immunities of the Trustee (in each of its capacities thereunder), the Participation Administrative Agent, the Account Bank and the Collateral Agent and the obligations of the Issuer in connection therewith, as expressly provided for in the Indenture) as to all outstanding Notes, and the Trustee, on written demand of and at the expense of the Issuer, will execute proper instruments acknowledging satisfaction and discharge of the Indenture, when:

(i) either:

(a) all the Notes theretofore executed, authenticated and delivered (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable or will become due and payable at the stated date for payment thereof within one year, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds or certain direct, non-callable obligations of, or guaranteed by, the United States or a combination thereof sufficient without reinvestment to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be, together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment;

(ii) the Issuer has paid all other sums payable by it under the Indenture and the Notes; and

(iii) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

Listing

The Issuer has applied to list the Notes on the Official List of the LuxSE and have the Notes admitted to trading on the Euro MTF Market of the LuxSE, and the Issuer will use commercially reasonable efforts to maintain listing of the Notes on the LuxSE or such other listing authority, exchange or system within or outside the European Union that the Issuer may reasonably decide; *provided*, *however*, that if maintaining the listing of the Notes on the LuxSE or such other exchange would require the Issuer to publish financial information either more regularly than it otherwise would be required to, or according to accounting principles which are materially different from the accounting principles which it would otherwise use to prepare its published financial information, the Issuer may seek an alternative admission to listing, trading and/or quotation for the Notes by another listing authority, stock exchange and/or quotation system.

Indemnification of the Trustee

The Note Documents contain provisions for the indemnification of the Trustee (in each of its capacities thereunder), the Collateral Agent, the Participation Administrative Agent, the Account Bank and for their respective relief from responsibility. The Trustee, the Collateral Agent, the Participation Administrative Agent, the Account Bank and their respective subsidiaries and affiliates are entitled to enter into business transactions with the Issuer, the Borrower and/or the Lender and any entity related to the Issuer, the Borrower and/or the Lender without accounting for any profit.

Notices

Except as otherwise provided herein, all notices to holders shall be in English, in writing and shall be deemed given upon receipt by hand delivery, mail or overnight delivery at their respective addresses in the Register, or by fax or other electronic means. Notices to holders of Global Notes will be given to DTC in accordance with its applicable procedures. Notices will be deemed to have been given on the date of delivery to DTC or mailing, as applicable, or of publication as aforesaid or, if published on different dates, on the date of the first such publication.

Notices to holders shall be published by the Trustee at the expense of the Issuer, for so long as the Notes are admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and the rules of such exchange so require, on the website of the Luxembourg Stock Exchange. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

Prescription

Claims against the Issuer for payments of principal and interest under the Notes shall be prescribed unless made within a period of five years from the relevant payment date.

Trustee, Collateral Agent Paying Agent, Registrar and Participation Administrative Agent

UMB Bank, N.A. will be the Trustee and Collateral Agent under the Indenture. Except during the continuance of an Event of Default, the Trustee and the Collateral Agent will perform only such duties as are specifically set forth in the Indenture. During the existence of an Event of Default, the Trustee and the Collateral Agent will exercise such rights and powers vested in it by the Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. The Issuer may, without the consent of holders, remove the Trustee and the Collateral Agent and appoint a successor trustee and collateral agent at any time for any reason as long as no Event of Default has occurred and is continuing and the successor trustee and collateral agent maintain an office in The City of New York or such other corporate trust office as provided for in the Indenture.

In addition, the Issuer will maintain one or more paying agents (each, a "Paying Agent"). UMB Bank, N.A. will initially act as Paying Agent for the Notes. The Issuer will also maintain a registrar for the Notes (the "Registrar"). The initial Registrar will be UMB Bank, N.A. The Issuer will also maintain a transfer agent (each, a "Transfer Agent"). The initial Transfer Agent with respect to the Notes will be UMB Bank, N.A. The Registrar will maintain a register on behalf of the Issuer for so long as the Notes remain outstanding reflecting ownership of the Definitive Registered Notes outstanding from time to time. The Paying Agents will facilitate payments on the Notes, and the Transfer Agent will facilitate transfer of Definitive Registered Notes on behalf of the Issuer.

Prior to the Step-in Right Effective Date, the Issuer will maintain a participation administrative agent (the "Participation Administrative Agent") to facilitate the receipt of information under the Participation Agreement and the delivery of such information to the Trustee and the holders of the Notes as provided for in the Participation Agreement. UMB Bank, N.A. will initially act as the Participation Administrative Agent.

The Issuer may change a Paying Agent, Registrar, Transfer Agent or Participation Administrative Agent for the Notes without prior notice to the holders of the Notes, and the Issuer may act as Paying Agent, Registrar, Transfer Agent or Participation Administrative Agent for the Notes. In the event that a Paying Agent, Registrar, Transfer Agent or Participation Administrative Agent is replaced, the Issuer will provide notice thereof in accordance with the procedures described under "*—Notices*."

Currency Indemnity

The Issuer will pay all sums payable under the Indenture, the Notes or the Note Security Documents solely in U.S. Dollars. Any amount received or recovered in a currency other than U.S. Dollars by any payee, in respect of any sum expressed to be due to it from the Issuer will only constitute a discharge to the Issuer to the extent of the U.S. Dollar amount that such payee is able to purchase with the amount received or recovered in that other currency on the date of the receipt or recovery or, if it is not practicable to make the purchase on that date, on the first date on which such payee is able to do so. If the U.S. Dollar amount is less than the U.S. Dollar amount expressed to be due to the Trustee, the Participation Administrative Agent, the Account Bank or the Collateral Agent under any Note Document or any holder under the Indenture or any Note, the Issuer will indemnify such payee against any loss it sustains as a result. In any event, the Issuer will indemnify each payee against the cost of making any purchase of U.S. Dollars. For the purposes of this paragraph, it will be sufficient for a payee to certify in a satisfactory manner that it would have suffered a loss had an actual purchase of U.S. Dollars been made with the amount received in that other currency on the date of receipt or recovery or, if it was not practicable to make the purchase on that date, on the first date on which it was able to do so. In addition, payees will also be required to certify in a satisfactory manner the need for a change of the purchase date.

The indemnities described above, to the extent permitted by applicable law:

(i) constitute a separate and independent obligation from the other obligations of the Issuer under the Indenture and the Notes;

(ii) will give rise to a separate and independent cause of action against the Issuer;

(iii) will apply irrespective of any indulgence granted by any holder, the Trustee, the Participation Administrative Agent, the Account Bank or the Collateral Agent; and

(iv) will continue in full force and effect notwithstanding any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under the Indenture, any Note or any other Note Document; and

(v) will survive the termination of the Indenture.

Pursuant to the Loan Agreement and Participation Agreement, the Issuer may demand payment by the Borrower of the costs, expenses and indemnities under the Notes, the Indenture and the other Note Documents, and the Borrower has agreed to pay such amounts to the Lender who will pay such amounts once received from the Borrower to the Issuer in accordance with the Participation Agreement.

Governing Law; Jurisdiction

The Indenture, the Notes and the Notes Security Documents will be governed by the laws of the State of New York. For the avoidance of doubt, the application of articles 470-1 to 470-19 (inclusive) of the Luxembourg law on commercial companies dated August 10, 1915 (as amended) is excluded.

Each of the parties to the Indenture will irrevocably submit to the jurisdiction of any New York State or United States Federal court sitting in The City of New York in respect of any suit, action or proceeding arising out of or relating to the Indenture, any Note or any other Note Document. To the extent that the Issuer has or hereafter may acquire any immunity (sovereign or otherwise) from jurisdiction of any court of (i) Brazil, or any political subdivision thereof, (ii) the United States or the State of New York, or (iii) any jurisdiction in which it owns or leases property or assets or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution, set-off or otherwise) with respect to themselves or their respective property and assets, the Indenture or the Notes, the Issuer will irrevocably waive, to the fullest extent permitted by law, such immunity in any context regarding any such suit, action or proceeding brought in such courts. Subject as provided above, to the extent that the Issuer has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process with respect to itself or its property, the Issuer will also irrevocably waive such immunity in respect of (i) its obligations under the Indenture and (ii) any Note. Each of the parties to the Indenture will agree that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding on them and may be enforced in any court to the jurisdiction of which each of them is subject by a suit upon such judgment; provided, that service of process is effected upon the Issuer in the manner specified in the following paragraph or as otherwise permitted by law.

As long as any of the Notes remain outstanding, the Issuer will at all times have an authorized agent in The City of New York, upon whom process may be served in any legal action or proceeding arising out of or relating to the Indenture, any Note or any other Note Document. Service of process upon such agent and written notice of such service mailed or delivered to the Issuer shall to the extent permitted by law be deemed in every respect effective service of process upon the Issuer in any such legal action or proceeding. The Issuer will appoint Cogency Global Inc. as their agent for such purpose, and each covenants and agrees that service of process in any suit, action or proceeding may be made upon it at the office of such agent at 122 East 42nd Street, 18th Floor, New York, New York 10168 (or at such other address or at the office of such other authorized agent as the Issuer may designate by written notice to the Trustee).

Certain Definitions

The following sets forth certain of the defined terms used in the Indenture. Reference is made to the Indenture for full disclosure of all such terms, as well as any other terms used herein for which no definition is provided:

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agents**" means the Trustee, the Collateral Agent, the Account Bank and each Paying Agent, Transfer Agent, Registrar and Participation Administrative Agent.

"**Brazilian Person**" means a Person that:

(a) is incorporated in Brazil (including any office or branch of such Person located outside of Brazil, but excluding, for the avoidance of doubt, a separate legal entity even if such entity is an affiliate of such Person incorporated in Brazil); or

(b) is an office or branch resident or domiciled in Brazil.

"**Business Day**" means (i) a day on which commercial banks in the City of New York, New York, the City of São Paulo, São Paulo, Brazil, and Luxembourg are open for business, and (ii) for purposes of making any payment of interest, principal, fees or other amounts, such day that is also a U.S. Government Securities Business Day.

"**Capital Lease**" means any obligation which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such person prepared in accordance with GAAP; the amount of such obligation shall be the capitalized amount thereof, determined in accordance with GAAP; and the maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated and whether or not voting) of equity of such Person, including each class of common stock preferred stock, limited liability interests or partnership interests, but excluding any debt securities convertible into such equity.

"**Change of Control**" means the occurrence of any transaction (including without limitation any merger of consolidation) the result of which is a person or "group" (other than Equatorial S.A. and the Government of the State of São Paulo together, directly or indirectly) (as such term is used for purposes of Section 13(d) and 14(d) of the Exchange Act):

(a) becomes the "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, in the aggregate of more than 50.0% of the total voting power of the Borrower; or

(b) has the power to direct or cause the direction of the management and policies of the Borrower, whether through the ownership of voting securities, by contract or otherwise;

"**Change of Control Triggering Event**" means the occurrence of both a Change of Control and a Ratings Event.

"**Default**" means any event which is, or after notice or passage of time or both would be, an Event of Default; provided that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default.

"**Debtor Relief Law**" means Title 11 of the United States Code entitled "Bankruptcy" or the Brazilian Insolvency Law, in each case, as now and hereafter in effect, and any successor statute and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, winding up, reorganization or similar debtor relief laws of the United States, Brazil, or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Eligible Purchaser**" means each of:

(a) IDB Invest, and

(b) any Person that, as of the date on which it acquires the Notes:

(i) is not an export credit agency or other governmental, quasi-governmental or multilateral agency, including, but not limited to, any sovereign wealth fund, central bank or other financial institution that is wholly or partially-owned by a governmental authority; *provided* that this clause (b)(i) does not include any Person that is either (x) a wholly or partially government-owned but independently administered pension fund or (y) a regulated financial institution that is wholly or partially-owned by a governmental authority but that operates on a fully commercial basis; nor

(ii) either (A) is an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act, (B) is a "qualified institutional buyer" as defined in Rule 144A(a)(1) under the Securities Act who is also a Qualified Purchaser or (C) is a non-"U.S. person" (as defined in Rule 902 under the Securities Act);

(iii) is not a Brazilian Person; and

(iv) is not included on any Internationally Recognized Sanctions Lists or on the IDB Group List of Sanctioned Firms and Individuals.

"**GAAP**" means (i) the International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board that are in effect from time to time or (ii) generally accepted accounting principles in Brazil that are based on the Brazilian corporate law, the rules and regulations of the Brazilian securities commission and the accounting standards issued by the Brazilian Accounting Pronouncements Committee, in each case in effect from time to time, applicable to any person to the extent that such person is subject to such rules.

"**IDB Group List of Sanctioned Firms and Individuals**" means the list of firms and individuals listed in, and accessible at: https://www.iadb.org/en/who-we-are/transparency/sanctions-system/sanctioned-firms-and-individuals or any successor website or location.

"**Indebtedness**" means any obligation (whether present or future, actual or contingent): (a) for the payment or repayment of money which has been borrowed or raised (including money raised by acceptances and leasing if such leasing, according to GAAP, would be classified as a Capital Lease); (b) evidenced by bonds, debentures, notes or other similar instruments; (c) for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (except to the extent incurred in the ordinary course of business and such obligation is satisfied within 10 Business Days of incurrence); (d) represented by guarantees or other contingent obligations in respect of indebtedness referred to clauses (a) through (c) and clause (f) below; (e) of the type referred to in clauses (a) through (d) that are secured by Security on any property or asset of such person, the amount of any such obligation being deemed to be the lesser of the fair market value or asset securing such obligation or the amount of such obligation; and (f) under derivative agreements (the amount of any obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such person at such time).

"**Internationally Recognized Sanctions Lists**" means sanctions lists maintained by Sanctions Authorities.

"**Issue Date**" means the first date of issuance of Notes under the Indenture.

"**Lender**" means, prior to the exercise of a Step-in Right, the Inter-American Investment Corporation, an international organization established by the Agreement Establishing the Inter-American Investment Corporation among its member countries as lender under the Loan Agreement, and after the exercise of a Step-in Right, the Issuer.

"**Lender Joinder Agreement**" means an accession agreement substantially in the form attached to the Loan Agreement.

"**Loan Acceleration Notice**" means a notice of acceleration given by the Lender to the Borrower pursuant to the Loan Agreement.

"**Loan Agreement**" means the loan agreement dated on or prior to the Issue Date among the Borrower, the Lender and UMB Bank, N.A., as paying agent (the "Loan Paying Agent"), pursuant to which the Loans are made.

"**Loan Default**" means any event or condition that constitutes a Loan Event of Default or any event or condition that, but for notice, lapse of time or the making of a determination, or any combination thereof, would constitute a Loan Event of Default.

"**Loan Event of Default**" means an "Event of Default" under the Loan Agreement as described in "*The Loan Agreement and the Loans—Loan Events of Default*."

"**Loan Insolvency Event**" has the meaning given to the term "Insolvency Event" in "*The Loan Agreement and the Loans*."

"**Loan Transaction Documents**" has the meaning given to the term "Financing Documents" under the Loan Agreement.

"**Loans**" means collectively Term Loan A and Term Loan B.

"**Mandatory Acceleration Trigger Event**" means the occurrence of any of the following:

(a) a Loan Event of Default as a result of non-payment of the principal of, or interest or premium on, the Term Loan B as described in clause (i) or (ii) under "*The Loan Agreement—Loan Events of Default—Failure to Pay or Perform under Financing Documents*" following expiration of the applicable grace periods therein;

(b) a Loan Event of Default described under "*The Loan Agreement—Loan Events of Default—Failure to Pay or Perform with respect to Other Indebtedness*;" or

(c) a Loan Event of Default described under "*The Loan Agreement—Loan Events of Default— Attachment; Judgments*."

"**Maturity**" means, when used with respect to any Note, the date on which the principal of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"**Note Documents**" means the notes, the Indenture, the Participation Agreement, the Notes Security Documents, any fee letter between the Borrower and the Trustee and/or any Agent, and any other document so designated by the Issuer and the Trustee from time to time.

"**Notes Security Documents**" means (i) the Accounts Agreement, (ii) a general security agreement, dated on or about the Issue Date, between the Issuer and the Collateral Agent, and (iii) any other agreement or instrument from time to time governing a grant of a security interest permitted under the Indenture to secure the obligations under the Notes.

"**Officer**" means, with respect to any person, the chairman of the Board of Directors, president, chief executive officer, chief financial officer, chief operating officer, or any vice president, executive officer, treasurer, secretary or authorized signatory of such Person.

"**Officers' Certificate**" means, in connection with any action to be taken any Person, a certificate signed by two Officers of such Person in accordance and compliance with the terms of the Indenture and that is delivered to the Trustee.

"**Opinion of Counsel**" means a written opinion of counsel, who may be counsel for the Issuer or the Borrower (except as otherwise provided in the Indenture), obtained at the expense of the Borrower, and who is reasonably acceptable to the Trustee.

"**Original Lender Payoff Event**" has the meaning provided to such term in "*The Loan Agreement and the Loans*."

"**Outstanding**" means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

(i) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(ii) Notes, or portions thereof, for the payment, redemption or, in the case of a Notes Change of Control Offer, purchase of, which money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Issuer or an Affiliate of the Issuer) in trust or set aside and segregated in trust by the Issuer or an Affiliate of the Issuer (if the Issuer or such Affiliate of the Issuer is acting as Paying Agent) for the holders of such Notes; *provided* that, if the Notes (or portions thereof) are to be redeemed or purchased, notice of such redemption or purchase has been duly given pursuant to this Indenture or provision therefor reasonably satisfactory to the Trustee has been made; and

(iii) Notes which have been surrendered pursuant to the Indenture or in exchange of or in lieu of which other Notes have been authenticated and delivered pursuant to the Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a protected purchaser in whose hands such Notes are valid obligations of the Issuer;

provided, *however*, that in determining whether the holders of the requisite aggregate principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes (i) owed by the Issuer, the Borrower or any obligor under the Notes or any Affiliate of the Issuer, the Borrower or of such other obligor or (ii) any Person that is not an Eligible Purchaser, in each case, will be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which an officer of the Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer, the Borrower or any other obligor upon the Notes or any Affiliate of the Issuer, the Borrower or of such other obligor.

"**Participation**" means the 100% interest in a tranche of the Term Loan B held by the Lender, which the Issuer purchased pursuant to a Participation Agreement.

"**Participation Agreement**" means (i) the participation agreement entered into on or prior to the Issue Date among the Issuer, the Lender and the Participation Administrative Agent governing the sale and purchase of a Participation and (ii) any other participation agreement entered into after the Issue Date, among the Issuer, the Lender and the Participation Administrative Agent governing the sale and purchase of a Participation in connection with an issuance of Additional Notes permitted to be issued pursuant to the Indenture.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture or organization, state or agency of a state, or other entity, whether or not having a separate legal identity.

"**Rating Agency**" means any of the credit rating agencies of Fitch Ratings, Moody's Investors Service or Standard & Poor's Rating Service and their respective successors to their ratings business.

"**Ratings Event**" means that at any time within 90 days (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by either Rating Agency) after the earlier of the date of public notice of a Change of Control and of the Borrower's intention or that of any Person to effect a Change of Control, (y) the rating assigned to the Notes or to the Borrower by any Rating Agency solicited by (or with the consent of) the Borrower is withdrawn or (z) the then-applicable rating of the Notes or the Borrower is decreased by one or more categories by: (i) two Rating Agencies if the Notes are rated by three Rating Agencies; or (ii) one Rating Agency if the Notes are rated by two Rating Agencies or by one Rating Agency; *provided* that any such Ratings Event is in whole or in part in connection with a Change of Control. The Trustee shall have no responsibility to determine if and when a Ratings Event has occurred.

"**Sanctions Authorities**" means the Office of Foreign Assets Control (OFAC) of the United States Department of Treasury, the United Kingdom of Great Britain and Northern Ireland, the United Nations and the European Union.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Security**" means any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance including, without limitation, any equivalent created or arising under the laws of Brazil or any other jurisdiction.

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"**Term Loan A**" has the meaning provided to such term in "*The Loan Agreement and the Loans*."

"**Term Loan B**" has the meaning provided to such term in "*The Loan Agreement and the Loans*."

"**Unauthorized Share Transaction**" has the meaning provided to such term in "*The Loan Agreement and the Loans*."

FORM OF THE NOTES, CLEARING AND SETTLEMENT

The Notes have not been registered and will not be registered under the Securities Act, any U.S. state securities laws, or the laws of any other jurisdiction, and may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act and the securities laws of any other jurisdiction. The Notes are being offered and sold only:

1. in the United States, to certain QIBs that are also (a) Qualified Purchasers in reliance on Rule 144A and (b) Eligible Purchasers (the "Rule 144A Notes"); and

2. outside the United States, to certain persons, other than "U.S. persons" as defined in Rule 902 under the Securities Act, in offshore transactions in compliance with Regulation S, who are also Eligible Purchasers; and, if resident in the EEA or U.K., also Qualified Investors as defined in the relevant jurisdiction).(the "Regulation S Notes").

The Notes will be issued in fully registered global form in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Rule 144A Notes will initially be represented by a single permanent global certificate (which may be subdivided) without interest coupons. Regulation S Notes initially will be represented by a single permanent global certificate (which may be subdivided) without interest coupons.

Each of the Global Notes will be deposited upon issuance with the Trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee for credit to an account of direct or indirect participants in DTC, including Euroclear and Clearstream, as described below under "—Depositary Procedures."

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for notes in certificated form except in the limited circumstances described below under "—Exchange of Book-Entry Notes for Certificated Notes."

Each of the Global Notes will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Transfer Restrictions" in this Offering Memorandum. In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depositary Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the systems or their participants directly to discuss these matters.

DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants"), and facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants. DTC has no knowledge of the identity of beneficial owners of securities held by or on behalf of DTC. DTC's records reflect only the identity of Participants to whose accounts securities are credited. The ownership interests and transfer of ownership interests of each beneficial owner of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Pursuant to procedures established by DTC:

1. upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the Initial Purchasers with portions of the principal amount of the Global Notes; and

2. ownership of such interests in the Global Notes will be maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including Euroclear and Clearstream) that are Participants or Indirect Participants in such system. Euroclear and Clearstream will hold interests in the Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. The depositaries, in turn, will hold interests in the Notes in customers' securities accounts in the depositaries' names on the books of DTC.

All interests in a Global Note, including those held through Euroclear or Clearstream, will be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream will be subject to the procedures and requirements of those systems.

The laws of some states require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of beneficial owners of interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests. For certain other restrictions on the transferability of the Notes, see "—*Exchange of Book-Entry Notes for Certificated Notes*."

Except as described below, owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or holders thereof under the indenture for any purpose.

Payments in respect of the principal of and premium, if any, and interest on a Global Note registered in the name of DTC or its nominee will be remitted by the Trustee to DTC in its capacity as the registered holder under the indenture. The Issuer and the Trustee will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, neither the Company, the Trustee, nor any agent of the Issuer or the Trustee has or will have any responsibility or liability for:

1. any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

2. any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Issuer that its current practice is to credit the accounts of the relevant Participants with the payment on the payment date in amounts proportionate to their respective holdings in the principal amount of the relevant security as shown on the records of DTC, unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee, or the Issuer. None of the Issuer, the Trustee, or any agent of the Issuer or the Trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the Notes. The Issuer, the Trustee, and their respective agents may conclusively rely on, and will be protected in relying on, instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions described under "*Transfer Restrictions*" in this Offering Memorandum, cross-market transfers between Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their depositaries. Cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the ease may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositaries to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited and reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of notes only at the direction of one or more Participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and the procedures may be discontinued at any time. Neither the Issuer nor the Trustee will have any responsibility for the performance by DTC, Euroclear, or Clearstream, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations..

The information in this section concerning DTC, Euroclear and Clearstream and their book-entry systems has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Exchange of Book-Entry Notes for Certificated Notes

The Global Notes are exchangeable for certificated notes in definitive, fully registered form without interest coupons (the "Certificated Notes"), only in the following limited circumstances:

1. DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Note or DTC ceases to be a clearing agency registered under the Exchange Act at a time when DTC is required to be so registered in order to act as depositary, and in each ease the Issuer fails to appoint a successor depositary within 90 days of such notice; or

2. if there shall have occurred and be continuing an event of default with respect to the Notes and a majority of the holders of the Notes so request.

In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Transfer Restrictions" in this Offering Memorandum, unless the Issuer determines otherwise in accordance with the indenture and in compliance with applicable law.

Transfers Within and Between Global Notes

Beneficial interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Trustee a certificate (in the form provided in the indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in the Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note only upon receipt by the Trustee of a written certification (in the form provided in the indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S.

The Trustee shall be entitled to receive such evidence as may be reasonably requested by them to establish the identity and/or signatures of the transferor and transferee.

Transfers of beneficial interests within a Global Note may be made without delivery of any written certification or other documentation from the transferor or the transferee.

Transfers of beneficial interests in the Regulation S Global Note for beneficial interests in the Rule 144A Global Note or vice versa will be effected by DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. Payment for such transfers will occur outside the clearing systems and the beneficial interest will be transferred "free of payment."

TAXATION

The following discussion, subject to the limitations set forth below, describes material Luxembourg, Brazilian and United States tax considerations relating to your ownership and disposition of Notes. This discussion does not purport to be a complete analysis of all tax considerations in Luxembourg, Brazil, and the United States and does not address tax treatment of holders of Notes under the laws of other countries or taxing jurisdictions. All investors are urged to consult with their own tax advisors as to which countries' tax laws could be relevant to them.

Material Luxembourg Tax Considerations

The following is a general description of certain Luxembourg tax considerations relating to the Notes and is based on the laws and practice presently in force in Luxembourg and is subject to any change in law and the interpretation and application thereof, which changes could be made with retroactive effect, though it is not intended to be, nor should it be construed to be, legal or tax advice. The following overview does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective investors should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. The information contained within this section is limited to certain taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

The Issuer does not assume any responsibility for the withholding of taxes at source.

Income Taxation of the Issuer

The Issuer is a fully taxable Luxembourg company subject to Luxembourg corporate income tax and municipal business tax at the current aggregate rate of 23.87% (for the tax year 2026). Under the Luxembourg law of 22 March 2004 on securitisation, as amended (the "Securitisation Law"), all payments made by the Issuer to investors, or commitment to make such payments, should be fully tax deductible to the extent that (i) these payments are formally approved and properly documented, (ii) the conditions to benefit from the securitization regime are met, and (iii) they are not subject to the restrictions derived from the LITL.

According to the LITL, the tax deduction of interest payments made by the Issuer may be denied if (i) the Issuer has exceeding borrowings costs (i.e. tax- deductible borrowing costs that are in excess of the taxable interest income and other economically equivalent taxable income of the Issuer) and (ii) such exceeding borrowing costs are higher than (a) 30% of the Issuer's tax EBITDA and (b) EUR3,000,000. This restriction would however not apply if the Issuer is (i) not part of a consolidated group for financial accounting purposes and has no associated enterprise or permanent establishment outside of Luxembourg, (ii) a securitisation entity within the meaning of article 2(2) of Regulation (EU) 2017/2402 (an "SSPE"), or (iii) a single-entity-group. In order to be considered as a single-entity-group, the Issuer should (i) not be part of a consolidated group for financial accounting purposes and (ii) not be a taxpayer that has neither an associated enterprise within the meaning of Article 164ter al. 2 of the LITL nor a permanent establishment located in a state other than Luxembourg. On this basis, a Luxembourg securitisation company which is considered as a single-entity-group should be able to deduct the entirety of its borrowing costs (upon request) as long as its creditors cannot be considered as an associated enterprise and provided that it can demonstrate that the ratio of its equity over total assets amounts to or exceeds the equivalent ratio of the group formed by itself (with a tolerance of 2%). In addition, it should be noted that the above SSPE exemption has been challenged by the EU Commission and a draft law has been tabled by the Luxembourg legislator on March 9, 2022, according to which such SSPE exemption would be removed from the LITL. This draft law has however not been passed yet and its effective date of entry into force is still unknown.

Furthermore, the tax deduction of payments made by the Issuer may also be denied if (i) such payments are not included in the taxable base of the ultimate recipient/beneficiary as a result of a hybrid mismatch and (ii) (a) the ultimate recipient/beneficiary of the payment and the Issuer are associated enterprises or (b) the ultimate recipient/beneficiary and the Issuer have concluded a structured arrangement which entails this hybrid mismatch.

Finally, the tax deduction of interest due by the Issuer may be denied if the following conditions are simultaneously met:

(a) The beneficiary of the interest is a collective entity, as defined by Article 159 of the LITL. If the beneficiary of the interest is not the beneficial owner, the actual beneficial owner will need to be considered.

(b) The collective entity, which is the beneficial owner of the interest, is an affiliated enterprise of the Issuer, within the meaning of Article 56 of the LITL.

(c) The collective entity, which is the beneficial owner of the interest, is established in a country included in the EU list of non-cooperative countries and territories, which (subject to subsequent updates) currently includes American Samoa, Anguilla, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, US Virgin Islands and Vanuatu.

However, this rule would not apply if the Issuer can support that the interest due are linked to a transaction implemented for valid commercial reasons that reflect the economic reality (which is subject to the interpretation of the tax authorities/courts and would be assessed on a case-by-case basis).

Net Wealth Tax

The Issuer will be subject to an annual minimum net wealth tax of €4,815, provided that its total balance sheet exceeds €2,000,000 at year-end.

Withholding Tax

All payments of interest and principal by the Issuer under the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to the application as regards Luxembourg resident individuals of the amended Luxembourg law of December 23, 2005 (the "Relibi Law") which has introduced a 20% withholding tax on payments of interest or similar income made or ascribed by a paying agent (in the sense of the Law of 23 December 2005) established in Luxembourg to the immediate benefit of an individual beneficial owner who is resident of Luxembourg.

Pursuant to the Relibi Law, Luxembourg resident individuals can opt to self-declare and pay a 20% tax on interest payments made by paying agents located in a Member State of the European Union other than Luxembourg or a Member State of the European Economic Area.

The 20% withholding tax as described above or the 20% tax are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the Relibi Law is assumed by the Luxembourg paying agent within the meaning of this law.

Taxes on Income and Capital Gains for the noteholders

Noteholders who derive income from such Notes or who realize a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on such income or capital gains, unless:

(a) such noteholders are, or are deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions), or

(b) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg.

A noteholder will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note

Net Wealth Tax for the noteholders

A corporate Noteholder, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to whom such Notes are attributable, is subject to Luxembourg net wealth tax ("NWT") on these Notes, except if the Noteholder is governed by (i) the law of May, 11 2007, on family estate management companies as amended; or (ii) the law of December 17 2010 on undertakings for collective investment, as amended; or (iii) the law of February 13, 2007 on specialized investment funds, as amended; or (iv) the law of July, 13, 2005 on professional pension institutions, as amended; or (v) the Luxembourg Securitization Law; or (vi) the law of June 15, 2004 on venture capital vehicles, as amended; or (vii) the law of July 23, 2016 on reserved alternative investment funds, as amended.

However, please note that (i) securitisation companies governed by the Luxembourg Securitization Law; or (ii) capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended; or (iii) companies governed by the law of July 13 2005 on professional pension institutions, as amended; or (iv) reserved alternative investment funds governed by the law of July 23 2016 and which fall under the special tax regime set out under article 48 thereof remain subject to the minimum NWT.

Luxembourg levies a minimum NWT on companies having their statutory seat or central administration in Luxembourg, the amount of which will depend on the composition of the balance sheet of the companies at year-end.

An individual noteholder, whether she/he is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Inheritance and Gift Tax

Where the Notes are transferred for no consideration:

(a) no Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a noteholder in cases where the deceased noteholder was not a resident of Luxembourg for inheritance tax purposes; or

(b) Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

Value Added Tax

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of a Note.

Luxembourg value added tax may, however, be payable in respect of fees invoiced for services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from value added tax does not apply with respect to such services.

Pillar 2

The Pillar 2 rules apply a system of supplementary (so-called top-up) taxes to bring the effective tax rate of certain taxpayers in a jurisdiction up to the minimum rate of 15%.

According to Article 2(1) of the Luxembourg law of December 22, 2023 on effective minimum taxation, as amended (the "Luxembourg Pillar 2 Law"), the Luxembourg Pillar 2 rules will in principle apply to any Luxembourg constituent entity that is a member of a so-called multinational enterprise ("MNE") group (i.e. any group that includes at least one entity or permanent establishment which is not located in the jurisdiction of the ultimate parent entity, or "UPE," as defined in the Luxembourg Pillar 2 Law), or of a large-scale domestic group, with an annual revenue of €750,000,000 or more in the UPE's consolidated financial statements in at least two of the four fiscal years immediately preceding the tested fiscal year (a "Luxembourg Constituent Entity").

As a consequence, a Luxembourg Constituent Entity may become subject, if certain other conditions are met, to one of the following Pillar 2 top-up taxes: (a) a qualified domestic top-up tax (applicable to fiscal years starting as from 31 December 2023), (b) an income inclusion rule ("IIR") top-up tax (applicable to fiscal years starting as from 31 December 2023) or (c) an undertaxed profit rule ("UTPR") top-up tax (applicable to fiscal years starting as from December 31, 2024). The qualified domestic top-up tax, the IIR top-up tax and the UTPR top-up tax are collectively referred to as "Pillar 2 Top-Up-Taxes." The Pillar 2 Top-Up Taxes are computed and applied on a jurisdiction-by-jurisdiction basis, under a top-down approach.

On this basis, the Issuer could become part of an MNE group that falls within the scope of the Luxembourg Pillar 2 Law, e.g. in case it is financially consolidated, on a line-by-line basis, with an investor and the EUR750,000,000 threshold is met. If it were the case, Luxembourg Pillar 2 Top-Up Taxes may be collected by the Issuer, if it cannot allocate such Pillar 2 Top-Up Taxes to another Luxembourg Constituent Entity. Pillar 2 Top-Up Taxes may also arise locally, either in the jurisdiction of a particular investor or a particular investment of the Issuer.

Prospective Investors shall undertake their own Pillar 2 assessment in accordance with the domestic rules applicable in their jurisdiction of tax residence and will provide any information to any party that may deem relevant for the purpose of assessing potential Pillar 2 implications on the Issuer.

Common Reporting Standard

The Organisation for Economic Co-operation and Development has developed a global standard for the annual automatic exchange of financial information between tax authorities (the "CRS").

The CRS has been implemented into Luxembourg domestic law via the law dated December 18, 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU. The regulation may impose obligations on the Issuer and its noteholders, if the Issuer is actually regarded as a reporting financial institution under the CRS, so that the latter could be required to conduct due diligence and obtain (among other things) confirmation of tax residency (through the issuance of self-certifications forms by the noteholders), the tax identification number and CRS classification of the noteholders in order to fulfil its own legal obligations.

Foreign Account Tax Compliance Act (FATCA)

In the present section, defined terms shall have the meaning ascribed to them in the Luxembourg IGA (as defined in the present section) unless otherwise specified herein.

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (commonly known as "FATCA") generally impose a reporting regime and potentially a thirty per cent (30%) withholding tax with respect to (i) certain US source income (including dividends and interest) ("Withholdable Payments") and (ii) beginning no earlier than two years after the date the final regulations defining "foreign passthru payments" are published in the U.S. Federal Register, a portion of certain non-US source payments from non-US entities that have entered into FFI Agreements (as defined below) to the extent attributable to Withholdable Payments ("Passthru Payments"). As a general matter, the rules are designed to require U.S persons' direct and indirect ownership of non-US accounts and non-US entities to be reported to the Internal Revenue Service (the "IRS"). The thirty per cent (30%) withholding tax regime applies if there is a failure to provide required information regarding US ownership.

Generally, the rules subject all Withholdable Payments and, in the future, Passthru Payments received by a Foreign Financial Institution ("FFI") to thirty per cent (30%) withholding tax (including the share that is allocable to non-US investors) unless the FFI enters into an agreement with the IRS (an "FFI Agreement") or complies with the terms of an applicable intergovernmental agreement (an "IGA"). Under an FFI Agreement or an applicable IGA, an FFI generally will be required to provide information, representations and waivers of non-US law as may be required to comply with the provisions of the rules, including, information regarding its direct and indirect US accountholders.

In addition, FATCA may subject a non-U.S. investor's share of Withholdable Payments and Passthru Payments received by an FFI to a 30% withholding tax unless such investor provides information, representations and waivers of non-U.S. law to the FFI as may be required to comply with the provisions of the rules, including, information regarding certain U.S. direct and indirect owners of such non-U.S. investor.

The governments of Luxembourg and the United States have entered into an IGA regarding FATCA (the "Luxembourg IGA"), as transposed through the law of 24 July 2015 (the "Luxembourg FATCA Law"). Provided the Issuer adheres to any applicable terms of the Luxembourg IGA and Luxembourg FATCA Law, the Issuer would not have to enter into an FFI Agreement with the IRS and instead would be required to obtain information regarding accountholders and report certain of such information to the Luxembourg tax authorities, which, in turn, would report such information to the IRS.

Prospective investors should contact their own tax advisers regarding the application of CRS and FATCA to their particular circumstances.

Material Brazilian Tax Considerations

The following is a general summary of the Brazilian tax considerations regarding main Brazilian tax consequences of the purchase, ownership and disposition of the Notes by a Non-Brazilian Holder (as defined below). It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Notes. In addition, it does not describe any tax consequences: (1) arising under the laws of any taxing jurisdiction other than Brazil; or (2) that are applicable to a Brazilian tax resident.

A "Non-Brazilian Holder" is a holder who is not resident in Brazil for tax purposes. In general individuals (1) that do not reside (live) in Brazil on a permanent basis, (2) do not stay in the territory of Brazil for more than 183 days (whether or not consecutive) in any 12-month period; (3) that has expressly informed to authorities their intent to leave Brazil permanently, or (4) that has left Brazil and stayed for over 12 consecutive months absent from the Brazilian territory are not considered Brazilian residents for tax purposes. Legal or corporate entities incorporated abroad and with residence outside the country are also considered non-Brazilian residents for tax purposes.

This summary is based upon the Brazilian Tax Code (*Código Tributario*), on the Income Tax Regulations approved by Decree No. 9,580, of 2018 and certain interpretative opinions issued by the tax authorities, as of the date of this Offering Memorandum, which are subject to change. Prospective purchasers of the Notes should consult their own tax advisers as to the Brazilian or other tax consequences of the purchase, ownership and disposition of the Notes, including, in particular, the effect of the laws of any foreign jurisdiction. The acquisition of the Notes by an investor who is a resident of Brazil will be made under the investor's own responsibility.

Under the Income Tax Regulations, neither payments of principal, interest, nor additional payments on the Notes made by the Issuer will be subject to Brazilian withholding or other similar taxes. Capital gains related to the sale or other disposition of the Securities by a Non-Brazilian Holder, outside Brazil, will not be subject to any Brazilian capital gains or other taxes.

Pursuant to Income Tax Regulations, article 760, payments of interest under a loan are subject to a withholding income tax at a rate of 15%. Article 761, paragraph 2nd of said Regulations establishes an exemption based on the nature of the lender. If the lender is a foreign government agency and there is reciprocity of treatment, then the remittance of interest is exempt from the withholding income tax. There are other special rules that may grant tax immunity for the Lender. There is a specific act acknowledging IDB Invest tax exemption in Brazil (Decree No. 93,153, dated of 1986).

It is expected that the Lender will satisfy the requirements to be granted the withholding income tax exemption. Therefore, payments of interest under the Term Loan B would not be subject to Brazilian withholding tax or other similar taxes, provided the Lender does not assign the Term Loan B to a non-financial institution or to a third party not benefiting from the tax relief. It is unlikely that the terms of the Participation Agreement will jeopardize the tax exemption. However, if the Borrower pays interest directly to the Issuer or to other third parties that are not granted specific exemption rules, the exemption may be affected. The exemption should still apply, though, if it is possible to evidence that the effective beneficiary of the payments is the exempt entity (IDB Invest) and that the payment flow is being made at the account and order of IDB Invest.

If, directly or indirectly, the SPV or any other non-financial licensed institution becomes an assignee of the Term Loan B, or becomes the lender of record due to any other reason (including following the occurrence of a Step-in Event, payments under the Term Loan B may be subject to Brazilian Withholding Tax ("WHT") at a rate of 15%. The Double Tax Treaty between Brazil and Luxemburg may apply and grant a reduced 10% rate depending on the characteristics of the loan (term and purpose of the loan)

Remittance of interest abroad may be subject to Brazilian Tax Upon Foreign Exchange Transactions ("IOF-FX") at rates that may vary between 0% and 25%. Currently, interest regarding long term loans (over 364-days maturity term) are subject to 0% of IOF-FX and interest regarding short term loans (less than 364-days maturity term) are subject to 3.5% IOF-FX. IOF-FX rates can be modified anytime by means of an Executive Decree, without grace period.

Furthermore, payments made by Sabesp abroad in exchange for technical services would be subject to Brazilian withholding tax at a rate of 15% plus a 10% rate of Social Contribution on the Intervention in the Economic Domain ("CIDE"). Non-technical services are subject to WHT at a rate of 25% but no CIDE applies.

Services compensation remitted abroad (regardless of the classification of the service as technical or non-technical) are also subject to (i) Social Security Contributions upon Gross Revenue ("PIS/COFINS-Import"), currently levied at a joint rate of 9.25%, (ii) Municipal Tax on Services ("ISS"), currently levied at rates that may vary from 2% to 5% depending on the type of service and Municipality of the service acquirer and (iii) IOF-FX at 3.5%.

Due to the Brazilian Tax Reform implemented by Constitutional Amendment No. 132 in 2023 and regulated by Complementary Law No. 214 in 2025, PIS/COFINS-Import will be abolished in 2027 and replaced by the Contribution on Goods and Services ("CBS"). The ISS will be gradually replaced by the Tax on Goods and Services ("IBS"). ISS rates will decrease by 10% each year from 2029 to 2032, and the tax will be fully eliminated in 2033. The IBS rate will increase gradually beginning in 2029 and will be levied at full rate in 2033. The CBS and IBS rates are currently unknown and will be defined during the transition period based on economic studies.

As of January 1, 2026, Law No. 15,270/2025 introduces several significant changes, including a 10% WHT on dividends paid to individuals and non-resident investors, thereby ending the longstanding tax exemption on dividend distributions in Brazil. This amendment constitutes a substantial shift in the Brazilian tax regime and will directly affect the net after-tax returns of foreign shareholders. Certain aspects of the new rules may remain subject to additional regulatory guidance; accordingly, investors are advised to carefully assess the potential implications in light of their specific circumstances.

Complementary Law No. 224/2025 increased the Withhold Income Tax applicable to the payments of Interest on Net Equity from 15% to 17,5% effective as of January 1st, 2026. Also, Complementary Law No. 224/2025 imposes the gradual reduction of a series of special tax regimes and tax incentives, impacting incentives related to Corporate Income Tax (*IRPJ*), Social Contribution on Net Profit (CSLL), Social Contributions on Gross Revenues (*PIS/COFINS*), Social Contributions on Imports (*PIS/COFINS Importação*), Tax on Manufactured Goods (*IPI*) and Import Tax (*II*). The complete scope of the affected special regimes and benefits is yet unknown due to interpretation issues concerning the new rule. The gradual limitation of the special regimes and tax benefits may affect tax burden and cashflow of Sabesp's operations.

A Non-Brazilian Holder will not be liable for Brazilian estate, gift, inheritance or similar taxes with respect to the acquisition, ownership, or disposition of the Securities, nor will it be liable for any Brazilian stamp, issue, registration or similar taxes, to the extent that the relevant transactions, the assets, or the beneficiaries are not situated within the jurisdiction of Brazil.

THE ABOVE DESCRIPTION IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL BRAZILIAN TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF THE SECUTIES. PROSPECTIVE PURCHASERS OF THE SECURITIES SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS

Certain U.S. Federal Income Tax Considerations

General

The following summary discusses certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes. Except as specifically noted below, this discussion applies only to Notes purchased for cash on original issuance at the issue price on the cover of this Offering Memorandum, which are held as capital assets for U.S. federal income tax purposes (generally, property held for investment) by U.S. Holders (as defined below).

This discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances or to U.S. Holders subject to special rules, such as:

1. financial institutions;
2. insurance companies;
3. tax exempt entities;
4. dealers in securities or foreign currencies;
5. real estate investments trusts;
6. regulated investment companies;
7. persons holding Notes as part of a hedging transaction, "straddle," conversion transaction or other integrated transaction;
8. persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognized on an applicable financial statement;
9. certain former citizens and residents of the United States;
10. traders in securities or other persons that elect mark to market accounting for their securities holdings;
11. investors that hold Notes through non-U.S. brokers or other non-U.S. intermediaries;
12. investors that hold Notes in connection with a trade or business conducted outside of the United States;
13. U.S. Holders whose functional currency is not the U.S. dollar; or
14. partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations, changes to any of which subsequent to the date of this Offering Memorandum may affect the tax consequences described below, possibly on a retroactive basis. This discussion does not address any considerations relating to estate and gift tax laws, alternative minimum tax, the Medicare contribution tax on net investment income or any other U.S. federal, state or local or non-U.S. tax laws. Persons considering the purchase of the Notes should consult their own tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction. No ruling will be sought from the U.S. Internal Revenue Service ("IRS") with respect to any statement in this discussion and there can be no assurance that the IRS will not challenge such statements, or, if challenged, that a court will uphold such statements.

As used herein, the term "U.S. Holder" means an investor that is, for U.S. federal income tax purposes, a beneficial owner of a Note and:

15. a citizen or individual resident of the United States;
16. a corporation created or organized in or under the laws of the United States, any state thereof, or the District of Columbia; or
17. an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes invests in Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Such partnerships investing in Notes should consult their own tax advisors regarding the tax consequences of their investment.

In addition, U.S. Holders that participate in other transactions with the Issuer contemporaneously, or in connection, with acquiring the Notes should consult their tax advisors about whether such participation will affect the application of any of the rules discussed below in their particular circumstances.

Characterization of Structure for U.S. Federal Income Tax Purposes

There are no statutory, judicial or administrative authorities that directly address the U.S. federal income tax treatment of a transaction consisting of instruments and arrangements similar to the Notes, the Issuer, the Participation Agreement and the Loan Agreement and, accordingly, the proper characterization of the Notes is not certain.

The Issuer intends to take the position that, for U.S. federal income tax purposes, the Notes are beneficial ownership interests in the Term Loan B and the Issuer and the Participation are serving as a mere security arrangement that facilitates and secures all payments and distributions due under the Term Loan B, and that the Notes will therefore be characterized as indebtedness of Sabesp. Each beneficial owner of a Note, by acquiring a beneficial interest in a Note, agrees to treat, for U.S. federal and all state and local income tax purposes, (a) the Notes as beneficial ownership interests in the Term Loan B and (b) the Issuer and the Participation as a mere security arrangement that serves to facilitate and secure payment of distributions due under the Term Loan B to investors in the Notes. Each of Sabesp and the Lender has agreed that, in the absence of an administrative determination or judicial ruling to the contrary, it will take no position for U.S. federal income tax purposes that is inconsistent with the positions to be taken by the Issuer and beneficial owners of the Notes.

However, it is possible that the Notes may, instead, be characterized as: (1) ownership interests in the Issuer, in which event the Issuer may be classified for U.S. federal income tax purposes as either (a) a grantor trust; (b) a partnership (assuming the timely and effective filing of a protective entity classification election) or (c) a corporation (assuming no timely and effective filing of a protective entity classification election); (2) indebtedness of the Issuer; or (3) an obligation of the Lender. Under any of these alternative characterizations of the structure, the U.S. federal income tax consequences to a U.S. Holder may differ materially from the consequences described below. U.S. Holders should consult their own tax advisors concerning the U.S. federal income tax characterization of the Notes and the application of these classifications to their particular circumstances. Except where expressly stated, the discussion below assumes that the Notes will be treated as beneficial ownership interests in the Term Loan B with the Issuer and the Participation serving as a mere security arrangement.

Payments of Interest

Interest on a Note, including additional amounts, will be taxable to a U.S. Holder as foreign source ordinary income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes. U.S. Holders will be treated as having received the amount of any non-U.S. taxes withheld with respect to a Note, and as then having paid over the withheld taxes to the applicable taxing authorities. As a result of this treatment, the amount of interest income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest could be greater than the amount of cash actually received by the U.S. Holder from the Issuer with respect to the payment.

If the issue price of the Notes is less than their principal amount by more than a *de minimis* amount, U.S. Holders will be subject to special U.S. federal income tax rules with respect to this original issue discount ("OID"). OID will be considered to be *de minimis* if it is less than 0.25% of the Note's principal amount multiplied by the number of complete years to maturity from the issue date. U.S. Holders, whether on the cash or accrual method of accounting, will be required to include any OID in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, even though the cash attributable to this income will not be received until the Notes are sold, exchanged or retired. U.S. Holders should consult their own tax advisor concerning how to account for any OID that may accrue on the Notes. It is expected, however, and the rest of this discussion assumes, that the Notes will not be issued with more than a *de minimis* amount of OID.

Subject to certain limitations, a U.S. Holder may be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income (provided that the U.S. Holder elects to deduct, rather than credit, all foreign income taxes paid or accrued for the relevant taxable year), for non-U.S. income taxes withheld. The foreign tax credit and deduction rules are very complex and recent changes in the rules have imposed additional requirements and limitations that may further limit a U.S. Holder's ability to claim a foreign tax credit in respect of any non-U.S. taxes withheld. Recent IRS guidance provides temporary relief from some of these additional requirements and limitations, subject to certain requirements being met, until further notice by the IRS. U.S. Holders should consult their own tax advisors concerning the availability and application of the foreign tax credit and deduction to their particular circumstances.

Sale, Exchange or Retirement of the Notes

A U.S. Holder will generally recognize gain or loss on the sale, exchange or retirement of a Note equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's basis in the Note. The amount realized does not include the amount attributable to accrued but unpaid interest not previously included in such U.S. Holder's income, which will be treated like a payment of interest as described under "*—Payments of Interest*." A U.S. Holder's basis in a Note will generally be such U.S. Holder's acquisition cost of the Note, increased by any unpaid interest previously included in income. Any gain or loss that a U.S. Holder recognizes upon the sale, exchange or other disposition of a Note generally will be U.S. source capital gain or loss and will be long-term capital gain or loss if, at the time of disposition, the U.S. Holder's holding period for the Note is more than one year.

A U.S. Holder generally will not be able to claim a foreign tax credit with respect to any non-U.S. taxes withheld on the proceeds from the sale, exchange or retirement of a Note. Non-U.S. income taxes that are not creditable may possibly reduce the amount realized on the sale, exchange or retirement of a Note or may be deductible. The foreign tax credit and deduction rules are very complex and recent changes in the rules have imposed additional requirements and limitations that may further limit a U.S. Holder's ability to claim a foreign tax credit in respect of any non-U.S. taxes withheld. Recent IRS guidance provides temporary relief from some of these additional requirements and limitations, subject to certain requirements being met, until further notice by the IRS. U.S. Holders should consult their own tax advisors concerning the availability and application of the foreign tax credit and deduction to their particular circumstances.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments of principal and interest in respect of, and the proceeds from sales of, Notes held by a U.S. Holder unless the U.S. Holder establishes, if required, that it is exempt from the information reporting rules, for example by properly establishing that it is a corporation. If the U.S. Holder does not establish that it is exempt from these rules, the U.S. Holder may be subject to backup withholding on these payments if it fails to provide a taxpayer identification number or otherwise comply with the backup withholding rules. Backup withholding is not an additional tax and the amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund to the extent backup withholding exceeds such liability, provided that the required information is timely furnished to the IRS.

U.S. Holders should consult their advisors regarding any additional tax reporting or filing requirements they may have as a result of the acquisition, ownership or disposition of the Notes. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF PURCHASING THE NOTES, INCLUDING, WITHOUT LIMITATION, THE CONSEQUENCES OF THE RECEIPT OF INTEREST AND THE SALE, REDEMPTION OR REPAYMENT OF THE NOTES.

CERTAIN ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) that are subject to Part 4 of Subtitle B of Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans.

The U.S. Department of Labor ("DOL") has issued regulations, advisory opinion letters and other rulings and releases that pertain to the investment of the assets of ERISA Plans. Each ERISA Plan fiduciary should consider ERISA and the regulations and guidance thereunder when considering an investment in the note. Fiduciaries of ERISA Plans, as well as other "plans" and arrangements that are not subject to Title I of ERISA but to which Section 4975 of the Code applies (together with ERISA Plans, "Plans") should consider, among other items, the issues described below when deciding whether to invest in the note. (An individual retirement account is an example of a Plan that is not an ERISA Plan but to which Section 4975 of the Code applies.) There may be other provisions of federal, state, local, non-U.S. or other laws or regulations that are similar to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code ("Similar Laws") that also apply to an investment in the note.

Fiduciary Duty of Investing Plans. Under ERISA and the Code, any person who exercises any discretionary authority or control over the management or disposition of the assets of a Plan or provides investment advice for a fee is generally considered to be a fiduciary of such Plan.

Plan fiduciaries should consider their basic fiduciary duties under Section 404 of ERISA when evaluating a potential investment in the note. Section 404 of ERISA requires Plan fiduciaries to discharge their investment duties prudently and solely in the interest of the Plan participants and beneficiaries. Plan fiduciaries are also required to carry out their duties for the purposes of exclusively providing benefits to the Plan participants and beneficiaries and defraying reasonable administrative expenses of the relevant Plan. Plan fiduciaries are required to diversify the investments of the Plan so as to minimize the risk of large losses. A Plan fiduciary's investment decisions need to be in accordance with the Plan's written governing documents. In addition, Plan fiduciaries need to consider the role that an investment in the note would play in the Plan's investment portfolio. When evaluating the prudence of an investment in the note, the Plan fiduciary should consider the DOL's regulation on investment duties, which can be found at 29 C.F.R. Section 2550.404a-1.

A Plan fiduciary should also consider the risks and lack of liquidity that an investment in the note presents. The Plan fiduciary will need to think about ERISA's rules relating to delegation of control.

Prohibited Transactions. Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan and certain persons having certain relationships to Plans (and certain affiliates of those persons). These persons are known as "parties in interest" under ERISA and "disqualified persons" under Section 4975 (e)(2) of the Code.

However, a prohibited transaction may be covered by a statutory or administrative exemption. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor its affiliate has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction (in other words, not a fiduciary) and provided further that the Plan pays no more than, and receives no less than, "adequate consideration" in connection with the transaction), Prohibited Transaction Class Exemption ("PTCE") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by certain "in-house asset managers"). Plan fiduciaries should talk to their advisors about the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to an investment in the note. Even if an exemption were to apply, such exemption might not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with a Plan's investment in the note. Plan fiduciaries should not invest in the note unless they have concluded that no prohibited transactions will result from such investment. Plan fiduciaries should consult their own legal advisors as to whether an investment in the note could result in liability under Section 406 of ERISA or Section 4975 of the Code.

Among other potential results, a fiduciary that has engaged in a prohibited transaction may be required to (i) restore to the Plan any profit realized on the transaction, (ii) reimburse the Plan for any losses suffered by the Plan as a result of such transaction or (iii) unwind the transaction. A disqualified person would also be required to pay excise taxes based upon the amount involved in the transaction (including a 100% excise tax if the transaction is not corrected within a certain time period). Accordingly, each original or subsequent purchaser or transferee of any note that is or may become a Plan is responsible for determining that its purchase and holding of such note will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Representation. Each purchaser and subsequent transferee of a note (or any interest therein) will be deemed by its acquisition, holding and disposition of such note to have represented and agreed that either (1) it is not (and for so long as it holds the note or interest therein will not be), and is not acting on behalf of (and for so long as it holds any note or interest therein will not be acting on behalf of), (a) a Plan, (b) any entity whose underlying assets include, or are deemed to include, under the U.S. DOL regulation at 29 C.F.R. 2510.3-101, as modified by Section 3(42) of ERISA (the "Plan Assets Regulation"), or otherwise for purposes of Title I of ERISA or Section 4975 of the Code, "plan assets" by reason of any such Plan's investment in the entity (each, a "Benefit Plan Investor"), or (c) a governmental, church or non-U.S. plan that is not a Benefit Plan Investor but is subject to any Similar Law or (2) its purchase and holding of such note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any applicable Similar Law.

Moreover, each purchaser and subsequent transferee of this note that is a Benefit Plan Investor will be deemed to have represented by its purchase or acquisition of this note that (a) none of the Issuer, the Trustee, the Initial Purchasers or any of their respective affiliates (each, a "Transaction Party") has, through this Offering Memorandum provided any investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor, or any fiduciary or other person investing on behalf of the Benefit Plan Investor or who otherwise has discretion or authority over the investment and management of "plan assets," and (b) the information provided in this Offering Memorandum will not by itself make a Transaction Party a fiduciary to the Benefit Plan Investor.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN ERISA IMPLICATIONS OF AN INVESTMENT IN THE NOTES AND DOES NOT PURPORT TO BE COMPLETE. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN LEGAL, TAX, FINANCIAL AND OTHER ADVISORS PRIOR TO INVESTING IN THE NOTES TO REVIEW THESE IMPLICATIONS IN LIGHT OF SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES.

PLAN OF DISTRIBUTION

Under the terms and subject to conditions set forth in the purchase agreement, dated January 27, 2026 between the Issuer and the Initial Purchasers, the Issuer has agreed to sell to the Initial Purchasers and the Initial Purchasers have agreed, severally and not jointly, subject to certain conditions, to buy from the Issuer the principal amount of the Notes set forth opposite their names in the table below:

Initial Purchaser	Principal Amount of 2031 Notes	Principal Amount of 2036 Notes
Goldman Sachs & Co. LLC	U.S.$283,334,000	U.S.$166,667,000
Itau BBA USA Securities, Inc.	U.S.$283,333,000	U.S.$166,667,000
J.P. Morgan Securities LLC	U.S.$283,333,000	U.S.$166,666,000
Total	**U.S.$850,000,000**	**U.S.$500,000,000**

The purchase agreement provides that the obligations of the Initial Purchasers are subject to certain conditions precedent and the Initial Purchasers are obligated to purchase all of the Notes if any are purchased. The purchase agreement also provides that if any of the Initial Purchasers defaults, the purchase commitments of non-defaulting Initial Purchasers may be increased or the offering may be terminated.

Except as permitted by the purchase agreement, the Notes will not be offered, sold or delivered (1) as part of the distribution at any time or (2) otherwise until 40 days after the later of the commencement of this offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Resales of the Notes are restricted as described under "*Transfer Restrictions*."

The Issuer expects that delivery of the Notes against payment thereof will be made to investors on or about February 3, 2026, which will be the fifth business day following the date of this Offering Memorandum (such settlement being referred to as "T+5"). Under Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, trades in the secondary market are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder may be required, by virtue of the fact that the Notes initially settle in T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

The Issuer and Sabesp have agreed to indemnify the Initial Purchasers against certain liabilities in connection with the offering including liabilities under the Securities Act or to contribute to payments that the Initial Purchasers may be required to make in that respect.

No Sales of Similar Securities

The Issuer and Sabesp have agreed that they will not, for a period of 45 days after the date of this Offering Memorandum, issue, sell, offer, contract or otherwise dispose of or transfer to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of or transfer, or announce the offering of, or file any registration statement under the Securities Act in respect of, any U.S. dollar-denominated debt securities of SABESP or securities exchangeable for or convertible into U.S. dollar-denominated debt securities of SABESP (other than as contemplated by the purchase agreement) substantially similar to the Notes offered hereby and having a tenor of more than one year, without the prior written consent of the Initial Purchasers.

Notes Are Not Being Registered

The Notes have not been and will not be registered under the Securities Act or any state securities law and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to qualified institutional buyers in reliance on Rule 144A under the Securities Act.

The Issuer has been advised that the Initial Purchasers propose to resell the Notes at the offering price set forth on the cover page of this Offering Memorandum within the United States to qualified institutional buyers as defined in and in accordance with Rule 144A who are also (i) Qualified Purchasers and (ii) Eligible Purchasers and outside the United States to non-U.S. persons in accordance with Regulation S who are also Eligible Purchasers. Each Initial Purchaser has agreed, in connection with sales of notes outside the United States, that, except as permitted by the purchase agreement and set forth in "*Transfer Restrictions*," it will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons as part of its distribution at any time, or otherwise until 40 days after the later of the commencement of this offering and the closing date of this offering. The offering price at which the Notes are sold by the Initial Purchasers may be changed at any time without notice.

In addition, until 40 days after the commencement of this offering, an offer or sale of notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Listing and Market Making

The Issuer has applied for the listing of the Notes on the official list of the LuxSE and for the admission to trading on the Euro MTF. The Issuer cannot guarantee that the prices at which the Notes will be traded after this offering will not be lower than the issue price of the Notes as set forth on the cover page of this Offering Memorandum or that an active trading market for the Notes will develop and continue after this offering. The Initial Purchasers have advised the Issuer that they intend to make a market in the Notes but they are not obligated to do so and may discontinue market-making activities at any time without notice. The Issuer cannot assure the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, Sabesp's operating performance and financial condition, general economic conditions and other factors. In addition, market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, the Issuer cannot assure you as to the liquidity of or the trading market for the Notes. For more information, see "*Risk Factors—Risks Relating to the Notes and the Loans—There is no existing market for the Notes and one may not develop in the future; thus it may be difficult to resell your Notes* ."

Stabilizing and Syndicate Covering Transaction

In connection with this offering, the Initial Purchasers may purchase and sell Notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Overallotment involves sales of Notes in excess of the principal amount of Notes to be purchased by the Initial Purchasers in this offering, which creates a short position for the Initial Purchasers. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions comprise certain bids or purchases of notes made for the purpose of preventing or delaying a decline in the market price of the Notes while this offering is in progress. Any of these activities may have the effect of preventing or delaying a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The Initial Purchasers may conduct these transactions in the over-the-counter market or otherwise. The Initial Purchasers do not make any representation that they will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice. The Initial Purchasers do not make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes.

Purchasers of any Notes sold outside the United States may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price paid by such purchasers for the Notes.

Selling Restrictions

None of the Issuer, Sabesp, nor any Initial Purchaser is making an offer to sell, or seeking offers to buy, the Notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in effect in any jurisdiction in which you purchase, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the Notes under the laws and regulations in effect in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. None of the Issuer, Sabesp, nor any Initial Purchaser will have any responsibility therefore.

Notice to Prospective Investors in the European Economic Area

Each person in a member state of the EEA, or a Member State, of the EEA who receives any communication in respect of, or who acquires any notes under, the offers to the public contemplated in this Offering Memorandum will be deemed to have represented, warranted and agreed to and with the Initial Purchasers and the issuer that: (a) it is a qualified investor within the meaning of the law in that Member State implementing Article 2(1)(e) of the Regulation (EU) 2017/1129/EC, as amended (the "Prospectus Regulation"); (b) it is not a "retail investor" as defined below; and (c) in the case of any notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Regulation, (i) the Notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Initial Purchasers has been given to the offer or resale; or (ii) where notes have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those notes to it is not treated under the Prospectus Regulation as having been made to such persons.

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the EEA. For these purposes:

(1) the expression "retail investor" means a person who is one (or more) of:

    (i) a retail client as defined in point (11) of Article 4(1) MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
(iii) not a qualified investor as defined in the Prospectus Regulation; and

(2) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Consequently, no key information document required by the PRIIPs Regulation for offering, selling or distributing the Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering, selling or distributing the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This Offering Memorandum has been prepared on the basis that any offer of the Notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. This Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation.

Each person in a member state of the EEA to whom any offer of notes is made or who receives any communication in respect of, or who initially acquires any notes under, the offers contemplated in this Offering Memorandum, or to whom the Notes are otherwise made available will be deemed to have represented, warranted and agreed to and with the Initial Purchasers and the Issuer that it and any person on whose behalf it acquires notes as a financial intermediary, as that term is defined in Article 3(2) of the Prospectus Regulation, is (i) a "qualified investor" within the meaning of the law in that member state implementing Article 2(1)(e) of the Prospectus Regulation and (ii) not a "retail investor" as defined above.

Notice to Prospective Investors in the United Kingdom

Each person in the United Kingdom who receives any communication in respect of, or who acquires any Notes under, the offers to the public contemplated in this Offering Memorandum will be deemed to have represented, warranted and agreed to and with the Initial Purchasers and the Issuer that: (a) it is a "qualified investor" for the purposes of paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; (b) it is not a "retail investor" as defined below; and (c) in the case of any Notes acquired by it as a financial intermediary, (i) the Notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the United Kingdom other than qualified investors for the purposes of paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024, or in circumstances in which the prior consent of the Initial Purchasers has been given to the offer or resale; or (ii) where Notes have been acquired by it on behalf of persons in the United Kingdom other than qualified investors, the offer of those notes to it is not treated under Public Offers and Admissions to Trading Regulations 2024 as having been made to such persons.

For these purposes, a "retail investor" means a person who is neither: (i) a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; nor (ii) a qualified investor for the purposes of paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For the avoidance of doubt, the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any Notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Consequently, no key information document required by the U.K. PRIIPs Regulation, for offering or selling the Notes or otherwise making them available to retail investors in the U.K. has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the U.K. may be unlawful under the U.K. PRIIPs Regulation.

Notice to Prospective Investors in Brazil

The Notes have not been, and will not be, registered with CVM, and may not be placed, distributed, offered or sold in Brazilian capital markets, and therefore the offering will not be made by any means that would constitute a public offering under Brazilian Law, including CVM Resolution No 160/2022, as amended, except in circumstances that do not constitute a public offering, placement or unauthorized distribution of securities in the Brazilian capital markets, under Brazilian laws and regulations, subject to the Eligible Purchasers criteria set out herein. Documents relating to the offering of the Notes, as well as information contained therein, may not be supplied to the public in Brazil, nor be used in connection with any offer for subscription or sale of the Notes to the public in Brazil, as the offering is not a public offering of securities in Brazil. Eligible Purchasers authorized and wishing to offer or acquire the Notes within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

Notice to Prospective Investors in the Republic of Chile

The Notes may not be offered or sold in Chile, directly or indirectly, by means of a "Public Offer" (as defined under the Chilean Securities Market Law and regulations from the Financial Market Commission (the "CMF")). Chilean institutional investors (such as banks, pension funds and insurance companies) are required to comply with specific restrictions relating to the purchase of the Notes. Pursuant to Chilean law, a public offering of securities is an offering that is addressed to the general public or to certain specific categories or groups thereof. Considering that the definition of public offering is broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific category or group of the public and therefore be considered public under applicable law.

On June 27, 2012, the CMF issued Norma de Carácter General No. 336 (General Rule No. 336, "NCG 336"), which is intended to govern the private offering of securities in Chile. NCG 336 provides that the offering of securities that meet the conditions described therein shall not be considered public offerings in Chile and shall be exempted from complying with the general rules applicable to public offerings.

The following information is provided to prospective investors pursuant to NCG 336: (i) Date of commencement of the offer is the date set forth on the cover page of this Offering Memorandum; The offer of the Notes is subject to CMF rule (*norma de carácter general*) No. 336, dated June 27, 2012, as amended, issued by the CMF; (ii) The subject matter of this offer are securities not registered with the securities registry (*registro de valores*) or the foreign securities registry (*registro de valores extranjeros*) kept by the CMF. As a consequence, the Notes are not subject to the oversight of the CMF; (iii) Since the Notes are not registered in Chile, the issuer is not obliged to provide public information about the Notes in Chile; and (iv) The Notes shall not be subject to public offering in Chile unless registered with the relevant securities registry kept by the CMF.

Notice to Prospective Investors in Peru

The Notes and the information contained in this Offering Memorandum have not and will not be registered with the Peruvian Securities Market Regulator (*Superintendencia del Mercado de Valores*). Accordingly, the Notes have not been offered or sold, and will not be offered or sold, in Peru, except that the Notes may be offered in circumstances which do not constitute a public offering under Peruvian laws and regulations.

The Notes will not be registered in the Capital Markets Public Register (*Registro Público del Mercado de Valores*). As a result, the offering of the Notes is limited to the restrictions set forth in the Peruvian Securities Market Law. Holders of the Notes are not permitted to transfer the Notes in Peru unless said transfer involves an institutional investor or the Notes are previously registered in Capital Markets Public Register.

Notice to Prospective Investors in Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Luxembourg

This Offering Memorandum has not been approved by and will not be submitted for approval to the Luxembourg financial sector supervisory authority (*Commission de Surveillance du Secteur Financier*) for purposes of a public offering or sale in Luxembourg. Accordingly, the Notes may not be offered, or sold or distributed to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other Offering Memorandum, form of application, advertisement or other material related to such notes may be distributed, or otherwise be made available in or from, or published in Luxembourg except in circumstances where the offer benefits from an exemption from or constitutes a transaction not subject to the requirement to publish a prospectus, in accordance with the Prospectus Regulation and the Luxembourg law of July 16, 2019, on prospectuses for securities.

Notice to Prospective Investors in Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA (as defined below)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Section 309B(1) Notification - In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all persons (including relevant persons (as defined in Section 309A(1) of the SFA)) that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "Companies (Winding Up and Miscellaneous Provisions) Ordinance"), or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "Securities and Futures Ordinance"), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "FIEA"). The Notes may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Other Relationships

Certain of the Initial Purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, SABESP or their respective affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities or instruments of the Issuer, Sabesp or their respective affiliates. The Initial Purchasers have advised the Issuer and Sabesp that if they or their affiliates have a lending relationship with the Issuer or Sabesp, they routinely hedge their credit exposure to such party consistent with their customary risk management policies. The Initial Purchasers have advised the Issuer or Sabesp that, typically, they and their affiliates would hedge such exposure by entering into transactions which comprise either the purchase of credit default swaps or the creation of short positions in the Issuer's or Sabesp's securities, including potentially the Notes. Any such credit default swaps or short positions could adversely affect the trading price of the Notes. The Initial Purchasers and their affiliates may also make investment recommendations and publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

TRANSFER RESTRICTIONS

The Notes have not been registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except in accordance with an applicable exemption from the registration requirements thereof. The Issuer has not been registered and will not be registered as an investment company under the Investment Company Act, in reliance on the exemption set forth in Section 3(c)(7) thereof. Accordingly, the Notes are being offered and sold only (1) to certain QIBs (as defined in Rule 144A) in compliance with Rule 144A that are also (a) Qualified Purchasers and (b) Eligible Purchasers, or (2) outside the United States to non-U.S. persons in reliance upon Regulation S who are also Eligible Purchasers. As used in this section, the terms "United States," "U.S. person" and "offshore transactions" have the meanings given to them in Regulation S.

Each purchaser of notes or beneficial owner of the Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

1. It is:
   - (i) a qualified institutional buyer who is also (A) a Qualified Purchaser and (B) an Eligible Purchaser, (ii) not a broker-dealer that owns and invests on a discretionary basis less than U.S.$25 million in securities of unaffiliated issuers, (iii) aware that the sale of the Notes to it is being made in reliance on Rule 144A and (iv) is acquiring the Notes for its own account or for the account of a qualified institutional buyer who is also (a) a Qualified Purchaser and (b) an Eligible Purchaser; or

   - not a U.S. person (and is not purchasing for the account or benefit of a U.S. person), is purchasing the Notes outside the United States in compliance with Regulation S and is an Eligible Purchaser;

2. It understands that if at any time the Issuer determines in good faith that a holder of the Notes (or of any beneficial interest therein) is in breach, at the time given, of any of the representations and agreements contained in this "Transfer Restrictions" (including whether it is an Eligible Purchaser), the Issuer may require such holder to transfer such Notes (or beneficial interest therein) to a transferee acceptable to the Issuer who is able to and who does make all of the representations and agreements set forth in this "Transfer Restrictions" (including the definition of Eligible Purchaser); and pending such transfer, such holder will be deemed not to be the holder of such Notes for any purpose, including but not limited to receipt of principal and interest payments on such Notes, and such holder will be deemed to have no interest whatsoever in such Notes except as otherwise required to sell its interest therein as described in this paragraph;

3. It understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act and that the Notes have not been registered under the Securities Act;

4. It will not offer, resell, pledge or otherwise transfer notes except: (i) to a qualified institutional buyer who is also (a) a Qualified Purchaser and (b) an Eligible Purchaser in a transaction that is exempt from registration under the Securities Act or (ii) outside the United States to non-U.S. persons who are also Eligible Purchasers in offshore transactions in accordance with Rule 903 or Rule 904 of Regulations S; in each case in accordance with any applicable securities laws of any state of the United States and other jurisdictions. In addition, it will, and each subsequent holder is required to, notify any subsequent purchaser of those notes from it of the resale restrictions referred to above.

5. If it is acquiring the Notes in a sale being made in reliance upon Rule 144A, it understands that the Notes will, unless otherwise decided by us, bear a legend substantially to the following effect:

   "THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF WITHIN THE UNITED STATES, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

   THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF: (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A) WHO IS ALSO (A) A "QUALIFIED PURCHASER" (AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT) AND (B) AN ELIGIBLE PURCHASER (AS DEFINED BELOW) AND IS PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS WHO ARE ALSO (A) QUALIFIED PURCHASERS AND (B) ELIGIBLE PURCHASERS; (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, ONLY (A) TO THE ISSUER OR ANY AFFILIATE THEREOF,

(B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" WHO IS ALSO (A) A QUALIFIED PURCHASER AND (B) AN ELIGIBLE PURCHASER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHO IS ALSO (A) A QUALIFIED PURCHASER AND (B) AN ELIGIBLE PURCHASER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 UNDER REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION; AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS RESTRICTIVE LEGEND.

"ELIGIBLE PURCHASER" MEANS EACH OF: (A) IDB INVEST, AND (B) ANY PERSON THAT, AS OF THE DATE ON WHICH IT ACQUIRES THE NOTES: (I) IS NOT AN EXPORT CREDIT AGENCY OR OTHER GOVERNMENTAL, QUASI-GOVERNMENTAL OR MULTILATERAL AGENCY, INCLUDING, BUT NOT LIMITED TO, ANY SOVEREIGN WEALTH FUND, CENTRAL BANK OR OTHER FINANCIAL INSTITUTION THAT IS WHOLLY OR PARTIALLY-OWNED BY A GOVERNMENTAL AUTHORITY; PROVIDED THAT THIS CLAUSE (B)(I) DOES NOT INCLUDE ANY PERSON THAT IS EITHER (X) A WHOLLY OR PARTIALLY GOVERNMENT-OWNED BUT INDEPENDENTLY ADMINISTERED PENSION FUND OR (Y) A REGULATED FINANCIAL INSTITUTION THAT IS WHOLLY OR PARTIALLY-OWNED BY A GOVERNMENTAL AUTHORITY BUT THAT OPERATES ON A FULLY COMMERCIAL BASIS; NOR (II) EITHER (A) IS AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT, (B) IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A(A)(1) UNDER THE SECURITIES ACT WHO IS ALSO A QUALIFIED PURCHASER OR (C) IS A NON-"U.S. PERSON" (AS DEFINED IN RULE 902 UNDER THE SECURITIES ACT); (III) IS NOT A BRAZILIAN PERSON; AND (IV) IS NOT INCLUDED ON ANY INTERNATIONALLY RECOGNIZED SANCTIONS LISTS OR ON THE IDB GROUP LIST OF SANCTIONED FIRMS AND INDIVIDUALS.

"BRAZILIAN PERSON" MEANS A PERSON THAT: (A) IS INCORPORATED IN BRAZIL (INCLUDING ANY OFFICE OR BRANCH OF SUCH PERSON LOCATED OUTSIDE OF BRAZIL, BUT EXCLUDING, FOR THE AVOIDANCE OF DOUBT, A SEPARATE LEGAL ENTITY EVEN IF SUCH ENTITY IS AN AFFILIATE OF SUCH PERSON INCORPORATED IN BRAZIL); OR (B) IS AN OFFICE OR BRANCH RESIDENT OR DOMICILED IN BRAZIL.

"INTERNATIONALLY RECOGNIZED SANCTIONS LISTS" MEANS SANCTIONS LISTS MAINTAINED BY THE OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") OF THE UNITED STATES DEPARTMENT OF TREASURY, THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE UNITED NATIONS AND THE EUROPEAN UNION.

"IDB GROUP LIST OF SANCTIONED FIRMS AND INDIVIDUALS" MEANS THE LIST OF FIRMS AND INDIVIDUALS LISTED IN, AND ACCESSIBLE AT: HTTPS://WWW.IADB.ORG/EN/TRANSPARENCY/SANCTIONED-FIRMS-AND-INDIVIDUALS OR ANY SUCCESSOR WEBSITE OR LOCATION.

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (I) NO ASSETS OF AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED) ("ERISA") SUBJECT TO TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), APPLIES, OR, AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH PLAN, OR A NON-U.S. PLAN, GOVERNMENTAL PLAN, CHURCH PLAN, OR OTHER PLAN HAVE BEEN USED TO ACQUIRE THIS NOTE OR ANY INTEREST HEREIN, OR (II) THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE, OR ANY INTEREST HEREIN, WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, (OR, IN THE CASE OF A GOVERNMENTAL PLAN, CHURCH PLAN, NON-U.S. OR OTHER PLAN, A VIOLATION

OF ANY FEDERAL, NON-U.S., STATE OR LOCAL LAWS, REGULATIONS OR RULES THAT ARE SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE)."

5. If it is acquiring the Notes in a sale being made in reliance upon Regulation S, it understands that the Notes will bear a legend substantially to the following effect:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT IT IS NOT A U.S. PERSON AND AN ELIGIBLE PURCHASER (AS DEFINED BELOW), IS NOT ACQUIRING THIS SECURITY FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION, (2) BY ITS ACCEPTANCE HEREOF, AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY ONLY (A) TO THE ISSUER OR ANY AFFILIATE THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A WHO IS ALSO (A) A QUALIFIED PURCHASER (AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT) AND (B) AN ELIGIBLE PURCHASER (AS DEFINED BELOW) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHO IS ALSO (A) A QUALIFIED PURCHASER AND (B) AN ELIGIBLE PURCHASER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 UNDER REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS RESTRICTIVE LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

"ELIGIBLE PURCHASER" MEANS EACH OF: (A) IDB INVEST, AND (B) ANY PERSON THAT, AS OF THE DATE ON WHICH IT ACQUIRES THE NOTES: (I) IS NOT AN EXPORT CREDIT AGENCY OR OTHER GOVERNMENTAL, QUASI-GOVERNMENTAL OR MULTILATERAL AGENCY, INCLUDING, BUT NOT LIMITED TO, ANY SOVEREIGN WEALTH FUND, CENTRAL BANK OR OTHER FINANCIAL INSTITUTION THAT IS WHOLLY OR PARTIALLY-OWNED BY A GOVERNMENTAL AUTHORITY; PROVIDED THAT THIS CLAUSE (B)(I) DOES NOT INCLUDE ANY PERSON THAT IS EITHER (X) A WHOLLY OR PARTIALLY GOVERNMENT-OWNED BUT INDEPENDENTLY ADMINISTERED PENSION FUND OR (Y) A REGULATED FINANCIAL INSTITUTION THAT IS WHOLLY OR PARTIALLY-OWNED BY A GOVERNMENTAL AUTHORITY BUT THAT OPERATES ON A FULLY COMMERCIAL BASIS; NOR (II) EITHER (A) IS AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT, (B) IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A(A)(1) UNDER THE SECURITIES ACT WHO IS ALSO A QUALIFIED PURCHASER OR (C) IS A NON-"U.S. PERSON" (AS DEFINED IN RULE 902 UNDER THE SECURITIES ACT); (III) IS NOT A BRAZILIAN PERSON; AND (IV) IS NOT INCLUDED ON ANY INTERNATIONALLY RECOGNIZED SANCTIONS LISTS OR ON THE IDB GROUP LIST OF SANCTIONED FIRMS AND INDIVIDUALS.

"BRAZILIAN PERSON" MEANS A PERSON THAT: (A) IS INCORPORATED IN BRAZIL (INCLUDING ANY OFFICE OR BRANCH OF SUCH PERSON LOCATED OUTSIDE OF BRAZIL, BUT EXCLUDING, FOR THE AVOIDANCE OF DOUBT, A SEPARATE LEGAL ENTITY EVEN IF SUCH ENTITY IS AN AFFILIATE OF SUCH PERSON INCORPORATED IN BRAZIL); OR (B) IS AN OFFICE OR BRANCH RESIDENT OR DOMICILED IN BRAZIL.

"INTERNATIONALLY RECOGNIZED SANCTIONS LISTS" MEANS SANCTIONS LISTS MAINTAINED BY THE OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") OF THE UNITED STATES DEPARTMENT OF TREASURY, THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE UNITED NATIONS AND THE EUROPEAN UNION.

"IDB GROUP LIST OF SANCTIONED FIRMS AND INDIVIDUALS" MEANS THE LIST OF FIRMS AND INDIVIDUALS LISTED IN, AND ACCESSIBLE AT: HTTPS://WWW.IADB.ORG/EN/TRANSPARENCY/SANCTIONED-FIRMS-AND-INDIVIDUALS OR ANY SUCCESSOR WEBSITE OR LOCATION.

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (I) NO ASSETS OF AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED) ("ERISA") SUBJECT TO TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), APPLIES, OR, AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH PLAN, OR A NON-U.S. PLAN, GOVERNMENTAL PLAN, CHURCH PLAN, OR OTHER PLAN HAVE BEEN USED TO ACQUIRE THIS NOTE OR ANY INTEREST HEREIN, OR (II) THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE, OR ANY INTEREST HEREIN, WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, (OR, IN THE CASE OF A GOVERNMENTAL PLAN, CHURCH PLAN, NON-U.S. OR OTHER PLAN, A VIOLATION OF ANY FEDERAL, NON-U.S., STATE OR LOCAL LAWS, REGULATIONS OR RULES THAT ARE SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE)."

6. If it is a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, it agrees that no offer or sale of the Notes shall be made by it to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902(o) of the Securities Act except to a qualified institutional buyer and in compliance with the applicable restrictions set forth in paragraph (4) above.

7. It will be deemed to have represented and agreed that either: (i) no assets of a Plan or of a non-U.S. plan, governmental plan, church plan or other plan have been used to acquire the Notes or any interest therein or (ii) the acquisition, holding and disposition of the Notes, or any interest therein, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental plan, church plan, non-U.S. or other plan, a violation of any Similar Law).

8. It acknowledges that the Issuer and the Initial Purchasers will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by its purchase of notes are no longer accurate, it will promptly notify the Issuer and the Initial Purchasers. If it is acquiring any notes as a fiduciary or agent for one or more investor accounts, it represents that is has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

9. It understands that the issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories.

Each purchaser of Notes will be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Notes, as well as holders of the Notes.

Each person purchasing Notes from the Initial Purchasers or through an affiliate of the Initial Purchasers, by accepting delivery of this Offering Memorandum, acknowledges that: (i) it has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of the information contained in this Offering Memorandum or its investment decision; and (ii) no person has been authorized to give any information or to make any representation concerning the Issuer or the Notes other than those contained in this Offering Memorandum and, if given or made, such other information or representation should not be relied upon as having been authorized by the Issuer or the Initial Purchasers.

Any resale or other transfer, or attempted resale of other transfer, made other than in compliance with the above stated restrictions shall not be recognized by us.

LEGAL MATTERS

The validity of the Notes will be passed upon for the Issuer and Sabesp by Clifford Chance and for the Initial Purchasers by White & Case LLP. Certain matters of Brazilian law relating to the Notes will be passed upon for the Issuer and Sabesp by Lobo & De Rizzo Advogados, and for the Initial Purchasers by Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados. Certain matters of Luxembourg law relating to the Notes will be passed upon for the Issuer by Clifford Chance Luxembourg.

INDEPENDENT AUDITORS

Sabesp's individual and consolidated interim financial information for the three and nine-month periods ended September 30, 2025, included in this Offering Memorandum, Ernst & Young Auditores Independentes S/S Ltda. reported that they have applied limited procedures in accordance with Brazilian and International Standards on review engagements for a review of such information. However, their review report dated November 10, 2025, included in this Offering Memorandum, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

Sabesp's audited individual and consolidated financial statements as of and for the years ended December 31, 2024, and 2023, prepared in accordance with IFRS, as issued by the IASB, incorporated by reference elsewhere in this Offering Memorandum, have been audited by BDO, as stated in their report appearing therein.

Sabesp's audited financial statements as of and for the year ended December 31, 2022, prepared in accordance with IFRS, as issued by the IASB, incorporated by reference in this Offering Memorandum have been so incorporated by reference in reliance upon the report of Grant Thornton Auditores Independentes Ltda.

LISTING AND GENERAL INFORMATION

1. The Notes will be accepted for clearance and settlement through DTC, and its direct and indirect participants, including Euroclear and Clearstream. The CUSIP, ISIN numbers and Common Codes for the 2031 Notes and the 2036 Notes are as follows:

	Restricted Global Note	Regulation S Global Note
2031 Notes		
CUSIP	66984FAA5	L70906AA7
ISIN	US66984FAA57	USL70906AA73
Common Codes	328915014	328915294
2036 Notes		
CUSIP	66984FAB3	L70906AB5
ISIN	US66984FAB31	USL70906AB56
Common Codes	324414177	328915251

2. Copies of Sabesp's latest audited annual and unaudited interim financial statements and copies of its bylaws in English may be obtained during normal business hours at its principal office, and the corporate trust office of the Trustee (to the extent delivered to the Trustee under the terms of the indenture). Copies of the indenture (including the forms of the Notes) will be available during normal business hours for inspection at Sabesp's principal office and the corporate trust office of the Trustee.

3. Except as disclosed in this Offering Memorandum, there has been no material adverse change in Sabesp's prospects nor any significant change in its financial position since September 30, 2025, the date of the latest financial statements included in this Offering Memorandum.

4. Except as disclosed in this Offering Memorandum, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which Sabesp is aware), which may have, or have had during the twelve months prior to the date of this Offering Memorandum, a significant effect on Sabesp's financial position or profitability.

5. The Participation Agreement has no specific maturity date and will remain in effect for as long as the Loan Agreement remains in place.

6. No post-issuance information will be provided. The Issuer has no prior operating experience other than in connection with the issuance of the Notes and the arrangements with respect thereto, and upon the completion of this offering will have no material liabilities or assets other than its rights under the Participation Agreement and its interest in the loan collection account, and there will be no substitution of assets.

7. Application has been made for the listing of the Notes on the official list of the LuxSE and to have the Notes admitted to trading on the Euro MTF.

8. The issuance of the Notes was authorized by the board of managers of the Issuer on January 27, 2026.

9. For so long as any Notes remain outstanding, copies of the following documents (together, where necessary, with English translations thereof) may be obtained free of charge during normal business hours at the offices of the listing agent and Sabesp's principal office, at the addresses listed on the inside back cover page of this Offering Memorandum:

- This Offering Memorandum;
- The indenture under which the Notes were issued;
- Sabesp's consolidated financial statements; and
- Sabesp's by-laws; and
- The Issuer's up-to-date articles of association.

10. The legal entity identifier (LEI) of the Issuer is 636700QG9R13IDZO4Y16.

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A free translation from Portuguese into English of independent auditor's review report on quarterly information prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS)

Independent auditor's review report on quarterly information

To the Shareholders and Executive Board of
Companhia de Saneamento Básico do Estado de São Paulo - SABESP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Companhia de Saneamento Básico do Estado de São Paulo - SABESP (the "Company") for the quarter ended September 30, 2025, which comprises the statement of financial position as of September 30, 2025 and the related statements of profit or loss and of comprehensive income for the three and nine-month periods then ended and of changes in equity and of cash flows for the nine month period then ended, including the explanatory notes.

The executive board is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 Interim Financial Reporting, and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as "IFRS Accounting Standards"), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Shape the future
with confidence

Other matters

Audit and review of corresponding figures

The individual and consolidated financial statements of the Company for the year ended December 31, 2024, and the individual and consolidated interim financial information for the period ended September 30, 2024, were audited and reviewed, respectively, by another independent auditor, who issued reports dated March 24, 2025, and November 11, 2024, without modification opinion and conclusion, respectively.

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the nine-month period ended September 30, 2025, prepared under the Company management's responsibility and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if their format and content are in accordance with the criteria set forth by Accounting Pronouncement CPC 09 Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth by this standard and consistently with the overall individual and consolidated interim financial information.

São Paulo, November 10, 2025.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-034519/O

Original report in Portuguese signed by
Uilian Dias Castro de Oliveira
Accountant CRC SP-223185/O

SABESP

Statements of Financial Position as of
September 30, 2025 and December 31, 2024
In thousands of reais, unless otherwise stated

	Note	Individual		Consolidated	
		September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Assets					
Current assets					
Cash and cash equivalents	6	4,966,999	1,681,204	4,969,019	1,682,606
Financial investments	7	6,668,814	3,694,029	6,680,854	3,699,694
Trade receivables	9 (a)	4,476,223	3,887,952	4,483,470	3,894,557
Accounts receivable from related parties	10 (a)	284,540	319,514	284,583	319,546
Inventories		28,536	10,524	28,829	10,818
Restricted cash	8	55,481	37,715	55,481	37,715
Taxes recoverable	18 (a)	425,741	800,797	425,766	800,811
Derivative financial instruments	17 (e)	-	67,440	-	67,440
Other assets		113,501	99,582	112,849	95,673
Tota current assets		17,019,835	10,598,757	17,040,851	10,608,860
Noncurrent assets					
Financial investments	7	-	769,057	-	769,057
Trade receivables	9 (a)	256,057	327,798	256,057	327,798
Accounts receivable from related parties	10 (a)	882,029	908,875	882,029	908,875
Escrow deposits		130,781	139,222	130,781	139,222
Water and Basic Sanitation National Agency – ANA		2,157	1,993	2,157	1,993
Other assets		34,564	306,085	34,564	135,227
Investments	11	399,530	215,803	233,239	215,803
Investment properties	12	14,444	46,630	14,444	46,630
Contract asset	13	11,401,090	4,872,410	11,411,909	4,877,667
Financial asset (indemnity)	15	19,348,193	17,601,626	19,348,193	17,601,626
Intangible assets	14	45,825,290	44,628,468	45,964,246	44,771,124
Property, plant, and equipment	16	668,987	561,548	668,987	561,548

SABESP

Statements of Financial Position as of September 30, 2025 and December 31, 2024
In thousands of reais, unless otherwise stated

Total non current assets	78,963,122	70,379,515	78,946,606	70,356,570
Total Assets	95,982,957	80,978,272	95,987,457	80,965,430

SABESP

Statements of Financial as of
September 30, 2025 and December 31, 2024
In thousands of reais, unless otherwise stated

	Note	Individual		Consolidated	
		September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Liabilities and equity					
Current liabilities					
Trade payables and contractors		1,523,474	768,371	1,525,996	766,609
Borrowings and financing	17	5,797,790	3,133,850	5,782,620	3,133,850
Labor and social obligations	22	1,120,534	1,286,193	1,120,534	1,286,193
Taxes and contributions payable	18 (b)	733,704	589,110	735,422	591,271
Deferred PIS/Cofins	19	74,117	-	74,117	-
Dividends and interest on capital payable	25 (c)	1,532	2,275,890	1,532	2,275,890
Provisions	21 (a)	1,331,565	1,546,184	1,331,565	1,546,185
Services payable	24	2,250,981	1,434,998	2,254,731	1,438,507
Public-Private Partnership - PPP	14 (c)	465,028	452,323	465,028	452,323
Derivative financial instruments	4.1 (d)	714,842	-	822,293	-
Performance Agreements	15 (f)	222,642	287,109	222,642	287,109
Other liabilities		198,119	194,293	198,134	194,308
Total current liabilities		14,434,328	11,968,321	14,534,614	11,972,245
Noncurrent liabilities					
Borrowings and financing	17	29,258,757	22,124,447	29,143,824	22,124,447
Deferred income tax and social contribution	20 (a)	2,737,586	2,661,891	2,737,586	2,661,891
Deferred PIS/Cofins	19	1,117,146	1,117,804	1,117,146	1,117,804
Provisions	21 (a)	479,472	895,495	479,472	895,495
Pension plan obligations	23	1,949,210	1,931,145	1,949,210	1,931,145
Public-Private Partnership - PPP	14 (c)	2,857,070	2,853,896	2,857,070	2,853,896
Performance Agreements	15 (f)	100,608	137,441	100,608	137,441
Other liabilities		338,505	359,778	357,652	343,012
Total noncurrent liabilities		38,838,354	32,081,897	38,742,568	32,065,131
Total liabilities		53,272,682	44,050,218	53,277,182	44,037,376
Equity					
Capital stock	25 (a)	18,400,000	15,000,000	18,400,000	15,000,000
Capital reserves	25 (d)	5,927	-	5,927	-
Earnings reserves		18,247,715	21,647,715	18,247,715	21,647,715
Other Comprehensive Income		280,014	280,339	280,014	280,339
Retained Earnings/Accumulated Losses		5,776,619	-	5,776,619	-
Total equity	25	42,710,275	36,928,054	42,710,275	36,928,054
Total Equity and Liabilities		95,982,957	80,978,272	95,987,457	80,965,430

SABESP

Statements of Income for the Periods ended September 30, 2025 and 2024
In thousands of reais, unless otherwise stated

	Note	Individual				Consolidated			
		July to September, 2025	January to September, 2025	July to September, 2024	January to September, 2024	July to September, 2025	January to September, 2025	July to September, 2024	January to September, 2024
Net operating	28	9,413,305	26,784,086	14,986,700	28,278,265	9,424,891	26,815,621	14,996,842	28,306,582
Operating costs	29	(6,422,133)	(16,525,660)	(3,981,574)	(11,811,508)	(6,430,487)	(16,551,520)	(3,987,397)	(11,827,869)
Gross profit		**2,991,172**	**10,258,426**	**11,005,126**	**16,466,757**	**2,994,404**	**10,264,101**	**11,009,445**	**16,478,713**
Selling expenses	29	(166,088)	(473,402)	(198,230)	(634,353)	(166,344)	(474,308)	(198,552)	(635,224)
Allowance for doubtful accounts	9 (c)	352,408	28,886	(139,993)	(402,156)	352,449	28,358	(140,315)	(402,478)
Administrative expenses	29	(598,267)	(1,119,630)	(649,713)	(1,571,190)	(599,896)	(1,119,461)	(651,484)	(1,573,955)
Other operating income (expenses), net	31	(54,964)	(7,526)	(169,687)	(155,789)	(54,304)	(6,865)	(169,685)	(155,791)
Equity accounting	11	11,308	38,217	6,211	16,344	7,452	31,980	8,794	25,601
Profit from operations before financial income (expenses)		**2,535,569**	**8,724,971**	**9,853,714**	**13,719,613**	**2,533,761**	**8,723,805**	**9,858,203**	**13,736,866**
Financial result, net	30	703,806	(9,292)	(521,250)	(1,310,729)	707,098	(4,178)	(524,537)	(1,324,674)
Profit from operations before financial result		**3,239,375**	**8,715,679**	**9,332,464**	**12,408,884**	**3,240,859**	**8,719,627**	**9,333,666**	**12,412,192**
Income tax and social contribution									
Current	20 (c)	(1,370,181)	(2,863,350)	(433,782)	(1,510,116)	(1,371,665)	(2,867,298)	(434,984)	(1,513,424)
Deferred	20 (c)	289,371	(75,710)	(2,786,799)	(2,754,124)	289,371	(75,710)	(2,786,799)	(2,754,124)
		(1,080,810)	(2,939,060)	(3,220,581)	(4,264,240)	(1,082,294)	(2,943,008)	(3,221,783)	(4,267,548)
Profit for the period		**2,158,565**	**5,776,619**	**6,111,883**	**8,144,644**	**2,158,565**	**5,776,619**	**6,111,883**	**8,144,644**
Earnings per share - basic and diluted (in reais)	26	3.16	8.45	8.94	11.92	3.16	8.45	8.94	11.92

SABESP

Statements of Comprehensive Income for the Periods ended September 30, 2025 and 2024 In thousands of reais, unless otherwise stated

		Individual and Consolidated			
	Note	July to September, 2025	January to September, 2025	July to September, 2024	January to September, 2024
Profit for the period		2,158,565	5,776,619	6,111,883	8,144,644
Other comprehensive income		(104,582)	(325)	-	-
Items which will be subsequently reclassified to the income statement:					
Retained earnings (accumulated losses) on cash flow hedge, net of taxes	17 (e)	(104,307)	(28)	-	-
Cumulative Translation Adjustments		(275)	(297)	-	-
Total comprehensive income for the period		2,053,983	5,776,294	6,111,883	8,144,644

SABESP

Statements of Changes in Equity for the Periods ended September 30, 2025 and 2024
In thousands of reais, unless otherwise stated

	Note	Capital stock	Capital reserves	Earnings reserves: Legal reserve	Earnings reserves: Investment reserve	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Total
Individual and Consolidated								
Balances as of December 31, 2024		15,000,000	-	2,343,583	19,304,132	-	280,339	36,928,054
Profit for the period		-	-	-	-	5,776,619	-	5,776,619
Gains and losses on financial instruments	17 (e)	-	-	-	-	-	(28)	(28)
Cumulative Translation Adjustment for the Period		-	-	-	-	-	(297)	(297)
Total comprehensive income loss for the period		-	-	-	-	5,776,619	(325)	5,776,294
Capital increase	25 (b)	3,400,000	-	-	(3,400,000)	-	-	-
Constitution of reserves	25 (d)	-	5,927	-	-	-	-	5,927
Balances as of September 30, 2025		18,400,000	5,927	2,343,583	15,904,132	5,776,619	280,014	42,710,275

SABESP

Statements of Cash Flows for the Periods ended June 30, 2025 and 2024 In thousands of reais, unless otherwise stated

	Individual		Consolidated	
	January to September, 2025	January to September, 2024	January to September, 2025	January to September, 2024
Cash flows from operating activities				
Profit before income tax and social contribution	**8,715,679**	**12,408,884**	**8,719,627**	**12,412,192**
Adjustments for reconciliation of net income:				
Depreciation and amortization	1,658,307	2,152,413	1,662,007	2,156,113
Residual value of property, plant, and equipment, intangible assets, contract asset and investment properties written-off	65,835	5,750	65,835	5,750
Allowance for doubtful accounts	(28,886)	(402,156)	(28, 358)	(402,156)
Provisions and inflation adjustments on provisions	(350,778)	651,916	(350,778)	651,916
Interest calculated on borrowings and financing payable	1,759,225	1,165,164	1,744,056	1,165,164
Inflation Adjustment and Exchange gains (losses) on Borrowings and Financing	(349,813)	400,274	(357,034)	400,274
Adjustment to market value of financing (fair value hedge)	(18,505)	-	(795)	-
Interest and inflation adjustments, net	(2,449,203)	(133,572)	(2,449,781)	(133,845)
Derivative Financial Instruments	968,361	(133,154)	1,076,797	(133,154)
Financial Charges from Customers	(353,169)	(363,520)	(353,169)	(363,520)
Construction Margin on Intangible Assets arising from Concession Agreements	-	(93,038)	-	(93,125)
Provision for Consent Decree (TAC) and Incentivized Dismissal Program (PDI)	462,130	(261,362)	462,130	(261,362)
Equity accounting	(38,217)	(16,344)	(31,980)	(25,601)
Interest and inflation adjustment - PPP	375,844	392,251	375,844	392,251
Municipal Government of São Paulo Transfers	438,755	187,155	439,014	187,155
Pension Plan Obligations	204,559	146,617	204,559	146,617
Deferred PIS and Cofins on financial assets (indemnity)	102,325	815,836	102,325	815,836
Update of financial asset (indemnities)	(846,600)	(8,819,847)	(846,600)	(8,819,847)
Other Adjustments	10,693	14,560	10,066	14,560
	10,326,542	8,117,827	10,443,765	8,115,218
Changes in assets				
Trade receivables	1,386,365	659,383	1,394,728	656,705
Accounts receivable from related parties	92,948	31,841	92,937	31,805
Inventories	15,034	(11,874)	15,034	(12,112)
Recoverable taxes	464,475	310,921	464,464	310,885
Escrow deposits	17,974	49,949	8,441	49,949
Other assets	87,532	(117,553)	84,398	(26,326)
Changes in liabilities				
Trade payables and contractors	755,103	(438,317)	759,387	(437,925)
Services payable	377,228	(124,593)	377,210	(124,897)
Labor and social obligations	(627,789)	58,616	(627,789)	58,616
Taxes and contributions payable	(970,484)	(401,462)	(972,567)	(401,453)
Deferred PIS/Cofins	(28,866)	18,503	(28,866)	18,503
Provisions	(279,864)	(137,225)	(279,865)	(137,225)
Pension plan obligations	(186,494)	(183,194)	(186,494)	(183,194)
Other liabilities	(196,490)	(200,013)	(177,335)	(274,013)
Cash generated from operations	11,233,214	7,632,809	11,367,448	7,644,536
Interest paid	(2,162,503)	(1,551,550)	(2,162,503)	(1,551,550)
Income tax and social contribution paid	(1,748,270)	(1,350,349)	(1,750,581)	(1,352,831)

SABESP

Statements of Cash Flows for the Periods ended June 30, 2025 and 2024 In thousands of reais, unless otherwise stated

Net cash generated from operating activities	7,322,441	4,730,910	7,454,365	4,740,155
Cash flow from investing activities				
Acquisition of contract assets, intangible assets and property, plant and equipment	(9,656,446)	(5,945,701)	(9,662,008)	(5,949,477)
Restricted Cash	(24,546)	25,348	(24,546)	25,348
Financial investments - Investment	(21,371,138)	(5,206,300)	(21,384,390)	(5,218,947)
Financial Investments - Redemption	19,294,042	6,415,865	19,301,498	6,422,943
Financial Investments – Noncurrent	776,497	(753,137)	776,497	(753,137)
Investment	7,657	(40,234)	13,789	(40,234)
Net casg used in investing activities	(10,973,934)	(5,504,159)	(10,979,160)	(5,513,504)
Cash flow from financing activities				
Borrowings and financing				
Funding	12,025,562	5,630,451	11,899,483	5,630,451
Amortization	(2,167,345)	(1,862,689)	(2,167,345)	(1,862,689)
Payment of interest on capital	(2,363,777)	(928,851)	(2,363,777)	(928,851)
Public-Private Partnership - PPP	(359,965)	(437,184)	(359,965)	(437,184)
Program Contract Commitments	-	(35,462)	-	(35,462)
Derivative financial instruments	(197,187)	(38,096)	(197,187)	(38,096)
Net cash generated from (used in) financing activities	6,937,288	2,328,169	6,811,209	2,328,169
Increase / (decrease) in cash and cash equivalents in the period	3,285,795	1,554,920	3,286,413	1,554,820
Represented by:				
Cash and cash equivalents at the beginning of the period	1,681,204	838,338	1,682,606	838,484
Cash and cash equivalents at the end of the period	4,966,999	2,393,258	4,969,019	2,393,304
Increase / (decrease) in cash and cash equivalents in the period	3,285,795	1,554,920	3,286,413	1,554,820

Statements of Value Added for the Periods ended September 30, 2025 and 2024 In thousands of reais, unless otherwise stated

	Note	Individual		Consolidated	
		January to September, 2025	January to September, 2024	January to September, 2025	January to September, 2024
Revenue					
Sanitation services (includes FAUSP and Financial Asset)	28	18,497,843	26,303,319	18,525,095	26,328,885
Construction	28	9,590,592	4,138,152	9,596,154	4,142,042
Other revenue		70,746	46,729	70,745	46,729
Allowance for doubtful accounts	9 (c)	28,886	(402,156)	28,358	(402,156)
		28,188,067	30,086,044	28,220,352	30,115,500
Inputs purchased from third parties					
Operating and construction costs		(11,993,229)	(7,284,875)	(12,129,043)	(7,296,901)
Materials, electricity, outsourced services and others		(779,585)	(1,608,063)	(783,184)	(1,609,748)
Other operating expenses	31	(69,958)	(197,800)	(69,958)	(197,800)
		(12,842,772)	(9,090,738)	(12,982,185)	(9,104,449)
Gross value added		15,345,295	20,995,306	15,238,167	21,011,051
Retentions					
Depreciation and amortization	29	(1,658,307)	(2,152,413)	(1,662,007)	(2,156,113)
Wealth created by the Company		13,686,988	18,842,893	13,576,160	18,854,938
Wealth received in transfer					
Equity accounting	11	38,217	16,344	31,980	25,601
Financial income		2,878,675	811,721	2,988,884	804,166
		2,916,892	828,065	3,020,864	829,767
Total value added to distribute		16,603,880	19,670,958	16,597,024	19,684,705
Value added distribution					
Personnel					
Direct compensation		1,778,003	1,364,692	1,777,316	1,365,975
Benefits		523,109	478,524	523,109	478,524
Guarantee Fund for Length of Service (FGTS)		208,489	163,177	208,489	163,177
		2,509,601	2,006,393	2,508,914	2,007,676
Taxes, fees, and contributions					
Federal		4,657,078	6,783,433	4,653,322	6,789,395
State		147,781	141,790	147,648	141,824
Municipal		57,461	51,288	57,461	51,304
		4,862,320	6,976,511	4,858,431	6,982,523
Value distributed to providers of capital					
Interest, exchange rate changes and inflation adjustments		3,438,028	2,521,510	3,435,748	2,527,962
Rentals		17,312	21,900	17,312	21,900
		3,455,340	2,543,410	3,453,060	2,549,862
Value distributed to shareholders					
Interest on capital	25 (b)	-	-	-	-

In thousands of reais, unless otherwise stated

Dividend distribution	25 (b)	-	-	-	-
Retained earnings		5,776,619	8,144,644	5,776,619	8,144,644
		5,776,619	8,144,644	5,776,619	8,144,644
Value added distributed		16,603,880	19,670,958	16,597,024	19,684,705

1 Operations

Companhia de Saneamento Básico do Estado de São Paulo ("SABESP" or "Company") is a publicly-held company headquartered in the municipality of São Paulo, at Rua Costa Carvalho, 300, CEP 05429 -900. The Company is engaged in the provision of basic and environmental sanitation services in São Paulo State, and supplies treated water and sewage services on a wholesale basis. SABESP may perform activities in other states and countries and can operate in drainage, urban cleaning, solid waste handling, and energy markets.

The Company's shares have been listed on the Novo Mercado segment of B3 under ticker SBSP3 since April 2002 and on the New York Stock Exchange ("NYSE") as Level III American Depositary Receipts ("ADRs"), under ticker SBS, since May 2002.

As of September 30, 2025, the Company operated water and sewage services in 375 municipalities of the São Paulo State. Revenue from sanitation services provided for URAE-1 totaled R$ 18,366,116 for the nine-month period ended September 30, 2025, accounting for 99.14% of the consolidated amount. Also on this date, the accounting balance of intangible assets, contract assets, and financial assets of the concession aimed at URAE-1 amounted to R$ 75,145,462, accounting for 97.94% of the consolidated amount.

Management expects that the funds raised with the improved water security from the works carried out, the generation of operating cash, and credit lines available for investments, will be sufficient to meet the Company's commitments and not compromise the necessary investments.

Approvals

The quarterly information was approved by the Board of Directors on November 10, 2025.

2 Basis of preparation and presentation of the quarterly information

The quarterly information as of September 30 ,2025, was prepared based on the provisions of CPC 21 (R1) – Interim Financial Statements and the international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), applicable to the preparation of Quarterly Information (ITR), and presented according to the rules issued by the CVM. Accordingly, this quarterly information takes into consideration the Circular Letter CVM/SNC/SEP 003 of April 28, 2011, which allows the entities to present selected notes to the financial statements in cases of redundant information already disclosed in the Annual Financial Statements. Therefore, the quarterly information as of September 30 ,2025 does not include all the notes and disclosures required by the standards for the Annual Financial Statements, and accordingly, shall be read jointly with the Annual Financial Statements as of December 31, 2024, issued on March 24, 2025, prepared under the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and the accounting practices adopted in Brazil, which observe the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC). Therefore, the explanatory notes of this quarterly information are not presented or are not at the same level of detail and/or with the same reference as the notes included in the Annual Financial Statements (according to numerical references):

i. Summary of material accounting policy information (Note 3);
ii. Changes in accounting practices and disclosures (Note 4);

iii. Risk management - Financial instruments (Note 5.4);
iv. Significant accounting estimates and judgments (Note 6);
v. Balances and transactions with related parties (Note 11);
vi. Investments (Note 12);
vii. Intangible Assets (Note 15);
viii. Borrowings and financing (Note 18);
ix. Provisions (Note 22);
x. Pension plan obligations (Note 24);
xi. Equity (Note 26);
xii. Insurance (Note 29);

All material information related to the quarterly information, and this information alone, is being disclosed and corresponds to the information used by the Company's Management in its administration.

The Company prepared the financial statements on a going concern basis.

The amounts disclosed in the Notes are presented in thousands of reais, unless otherwise stated.

3 Summary of material accounting policy information

The material accounting policy information used in the preparation of the quarterly information as of June 30, 2025 is consistent with that used to prepare the Annual Financial Statements for the year ended December 31, 2024, disclosed in Note 3 of such financial statements.

4 Risk management

4.1 Financial risk management

Financial risk factors

The Company's activities are affected by the Brazilian economic scenario, making it exposed to market risk (exchange rate and interest rate), credit risk, and liquidity risk. Financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. There were no changes in risk measurement policies, processes, and methods compared to the previous year.

(a) Market risk

Foreign currency risk

It is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to variations in exchange rates. The Company's exposure to the risk of changes in exchange rates refers mainly to its financing activities, since the Company has foreign currency-denominated liabilities arising from long-term financing, in development institutions, at more attractive interest rates in US Dollar, Euro and Yen.

The management of currency exposure considers several current and projected economic factors, besides market conditions.

This risk arises from the possibility that the Company may incur losses due to exchange rate fluctuations that would impact liability balances of foreign currency-denominated borrowings and financing and related finance costs. The Company manages its foreign exchange risk through hedging transactions since 2024 and negotiates the terms of the derivatives in order to comply with the terms of the exposure hedged under Note 17 (e).

Part of the financial debt in the amount of R$ 8,911,109 as of September 30, 2025 (R$ 3,366,723 as of December 31, 2024), is indexed to the U.S. dollar, Euro and Yen. The exposure to currency risk is as follows:

	Individual				Consolidated			
	September 30 ,2025		December 31, 2024		September 30 ,2025		December 31, 2024	
	Foreign currency (in thousands)	R$	Foreign currency (in thousands)	R$	Foreign currency (in thousands)	R$	Foreign currency (in thousands)	R$
Borrowings and financing – US$	676,025	3,595,509	303,978	1,882,323	1,176,025	6,254,809	303,978	1,882,323
Borrowings and financing – Yen	32,641,125	1,173,448	36,787,581	1,452,006	32,641,125	1,173,448	36,787,581	1,452,006
Borrowings and financing – EURO	220,000	1,373,108	-	-	220,000	1,373,108	-	-
Interest and charges from borrowings and financing – US$		62,450		24,030		87,631		24,030
Interest and charges from borrowings and financing – Yen		2,463		8,364		2,463		8,364
Interest and charges on loans and financing – EURO		19,650		-		19,650		-
Fair value adjustment - US$		-		-		17,710		-
Fair value adjustment - Yen		23,620		34,388		23,620		34,388
Total Exposure		6,250,248		3,401,111		8,952,439		3,401,111
Borrowing cost – US$		(58,931)		(42,510)		(77,952)		(42,510)
Borrowing cost – Yen		(2,086)		(2,236)		(2,086)		(2,236)
Borrowing cost – EURO		(19,250)		-		(19,250)		-
Total foreign currency-denominated borrowings (Note 17)		6,169,981		3,356,365		8,853,151		3,356,365

The table below shows the prices and exchange rate changes in the period:

	September 30 ,2025	December 31, 2024	Variation
US$	R$ 5.3186	R$ 6.1923	-14.11%
EURO	R$ 6.2414	R$ 6.4363	-3.03%
Yen	R$ 0.03595	R$ 0.03947	-8.92%

As of September 30, 2025, if the Brazilian real had depreciated or appreciated by 10 percentage points, against the U.S. dollar, Yen and Euro with all other variables held constant, the effects on profit or loss before borrowing costs and taxes, excluding the effect of the fair value adjustment, for the nine-month period ended September 30, 2025 would have been R$ 891,111 (R$ 292,261 for the nine-month period ended September 30, 2024), upwards and downwards, excluding the effects of to the hedging instruments (Note 4.1 (d)).

In thousands of reais, unless otherwise stated

The Company understands that it could comfortably accommodate any devaluation scenario due to derivative financial instruments such as cross-currency swaps already contracted.

Interest rate risk

It is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to variations in market interest rates. For most transactions, the Company manages the interest rate risk by entering into derivative financial instruments that effectively swap their exposures for liabilities indexed to the CDI.

The table below shows the borrowings and financing subject to different inflation adjustment indices, including the derivative instrument:

	Individual		Consolidated	
	September 30 ,2025	December 31, 2024 (*)	September 30 ,2025	December 31, 2024 (*)
CDI (i)	28,677,430	15,250,135	25,904,509	15,250,135
TR (ii)	1,655,421	1,683,342	1,655,421	1,683,342
IPCA (iii)	2,898,761	2,982,735	5,556,750	2,982,735
TJLP (iv)	882,851	1,067,436	882,851	1,067,436
SOFR (v)	-	1,882,325	-	1,882,325
Interest and charges	825,658	572,399	810,487	572,399
Total	34,940,121	23,438,372	34,810,018	23,438,372

(i) CDI - (*Certificado de Depósito Interbancário*), an interbank deposit certificate
(ii) TR - Benchmark Interest Rate
(iii) IPCA - (*Índice Nacional de Preços ao Consumidor Amplo*), a consumer price index
(iv) TJLP - (*Taxa de Juros a Longo Prazo*), a long-term interest rate index
(v) SOFR - *Secured Overnight Financing Rate*

(*) As of December 31, 2024, the amounts excluded the derivative instrument for comparative purposes

Another risk to which the Company is exposed is the mismatch of inflation adjustment indices of its debts with those of its service revenues and financial assets, adjusted by the IPCA. Tariff adjustments of services provided do not necessarily follow the increases in the adjustments indices of borrowings, financing, and interest rates affecting indebtedness.

As of September 30, 2025, if interest rates on borrowings and financing had been 1 percentage point higher or lower with all other variables held constant, the effects on consolidated profit before taxes for the nine-month period ended September 30, 2025 would have been R$ 348,100 (R$ 221,032 for the nine-month period ended September 30, 2024), upwards or downwards, mainly as a result of lower or higher interest expenses on floating rate borrowings and financing.

The table below shows the sensitivity analysis of the financial instruments, prepared under CPC 40 (R1)/ IFRS 7, to evidence the balances of main financial assets and liabilities, calculated at a rate projected for the twelve-month period after September 30, 2025, or until the final settlement of each contract, whichever occurs first, considering a probable scenario.

The purpose of the sensitivity analysis is to measure the impact of changes in the market on the financial instruments, considering constant all other variables. At the time of settlement, the amounts may be different from those presented, due to the estimates used in the measurement.

In thousands of reais, unless otherwise stated

The table below considers the impact of the derivative instrument:

	Individual		Consolidated	
	September 30 ,2025		September 31, 2025	
Indicators	Exposure	Probable scenario	Exposure	Probable scenario
Assets				
CDI	11,417,051	14.33% (**)	11,417,051	14.33% (**)
Financial income		1,636,063		1,636,063
Liabilities				
CDI	(28,677,430)	14.33% (**)	(25,904,509)	14.33% (**)
Interest to be incurred		(4,109,476)		(3,712,116)
Net exposure - CDI	(17,260,379)	(2,473,412)	(14,487,458)	(2,076,053)
Assets				
IPCA	19,348,193	4.1091% (*)	19,348,193	4.1091% (*)
Financial asset of the concession		795,037		795,037
Liabilities				
IPCA	(2,898,761)	4.1091% (*)	(5,556,750)	4.1091% (*)
Interest to be incurred		(119,113)		(228,332)
Net exposure - IPCA	16,449,432	675,924	13,791,443	566,705
Liabilities				
TR	(1,655,421)	0,0207% (**)	(1,655,421)	0,0207% (**)
Expenses to be incurred		(343)		(343)
TJLP	(882,851)	8.47% (*)	(882,851)	8.47% (*)
Interest to be incurred		(74,777)		(74,777)
Total net expenses to be incurred		(1,872,609)		(1,584,468)

(*) Source: BACEN and LCA as of September 30, 2025
(**) Source: B3 as of September 30, 2025

(b) Credit risk

Credit risk is related to cash and cash equivalents, financial investments, as well as credit exposures of customers, including accounts receivable, restricted cash, accounts receivable from related parties, and financial asset of the concession. Credit risk exposure to customers is mitigated by sales to a dispersed base, while credit risk exposure to cash and investment is mitigated by the Financial Investment Guideline followed by the Company.

In thousands of reais, unless otherwise stated

The maximum exposure to credit risk as of September 30, 2025, is the carrying amount of instruments classified as cash and cash equivalents, financial investments, restricted cash, trade receivables, accounts receivable from related parties, and financial asset of the concession at the reporting date. See Notes 6, 7, 8, 9, 10, and 15.

Regarding the financial assets held with financial institutions, the credit quality was assessed by reference to external credit ratings (if available) or historical information about the bank's default rates. For the credit quality of the banks, such as deposits and financial investments, the Company assesses the rating published by three main international agencies (Fitch, Moody's and S&P).

As of September 30, 2025, all investments were made with financial institutions whose rating disclosed by Fitch or Moody's was AAA (bra) or AAA.br.

(c) Liquidity risk

Liquidity is primarily reliant upon cash provided by operating activities and borrowings and financing obtained in the local and international capital markets, as well as the payment of debts. The management of this risk considers the assessment of its liquidity requirements to ensure it has sufficient cash to meet its operating and capital expenditure requirements.

The funds held are invested in interest-bearing current accounts, time deposits, and securities, with instruments with appropriate maturity or liquidity to provide margin as determined by the projections mentioned above.

The table below shows the financial liabilities, by maturity, including the installments of principal and future interest. For agreements with floating interest rates, the interest rates used correspond to the base date of September 30, 2025.

	Individual						
	October to December 2025	2026	2027	2028	2029	2030 to 2048	Total
As of September 30, 2025							
Liabilities							
Borrowings and financing	1,110,377	5,157,513	2,462,084	1,681,007	3,991,221	20,654,345	35,056,547
Interest on Borrowings and Financing	274,710	3,445,412	2,799,010	2,597,220	2,312,661	6,644,111	18,073,124
Trade payables and contractors	1,523,474	-	-	-	-	-	1,523,474
Services payable	2,250,981	-	-	-	-	-	2,250,981
Public-Private Partnership – PPP	59,767	239,066	239,066	239,066	239,066	2,306,067	3,322,098
Interest - Public-Private Partnership - PPP	53,383	230,623	248,333	266,562	285,472	3,642,550	4,726,923
Total	5,272,692	9,072,614	5,748,493	4,783,855	6,828,420	33,247,073	64,953,147

In thousands of reais, unless otherwise stated

	Consolidated						
	October to December 2025	2026	2027	2028	2029	2030 to 2048	Total
As of September 30, 2025							
Liabilities							
Borrowings and financing	1,110,377	5,142,344	2,462,084	1,681,007	3,991,221	20,539,411	34,926,444
Interest on Borrowings and Financing	274,710	3,605,386	2,950,673	2,749,299	2,464,324	6,795,774	18,840,166
Trade payables and contractors	1,525,996	-	-	-	-	-	1,525,996
Services payable	2,254,731	-	-	-	-	-	2,254,731
Public-Private Partnership – PPP	59,767	239,066	239,066	239,066	239,066	2,306,067	3,322,098
Interest - Public-Private Partnership - PPP	53,383	230,623	248,333	266,562	285,472	3,642,550	4,726,923
Total	5,278,964	9,217,419	5,900,156	4,935,934	6,980,083	33,283,802	65,596,358

Cross default

The Company has borrowings and financing agreements including cross-default clauses, i.e., the early maturity of any debt may imply the early maturity of these agreements. The indicators are continuously monitored to avoid the execution of these clauses, and the most restrictive ones are shown in Note 17 (c).

(d) Derivative financial instruments

Under the Financial Risk Management Policy and the Derivatives Transactions Program, which aim to manage financial risks and mitigate exposure to market variables that impact assets, liabilities, and/or cash flows, the Company enters into hedging instruments, especially for its foreign-currency financing, reducing the effects of undesirable fluctuations from these variables on its transactions.

Criteria and guidelines for financial risk management were established to mitigate imbalances between assets and liabilities that have some sort of indexation exclusively to hedge the Company's indexed assets and liabilities that present some mismatch, without characterizing financial leverage.

The Company uses risk ratings disclosed by Standard Poor's (S&P), Moody's, or Fitch to support and complement the analysis and judgment of banking risk.

In thousands of reais, unless otherwise stated

4.2 Capital Management

The Company's objectives in managing capital are to ensure the Company's ability to continue increasing investments in infrastructure, provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Capital is monitored based on the financial leverage ratio, which corresponds to net debt divided by total capital (shareholders and providers of capital). Net debt corresponds to total borrowings and financing less cash and cash equivalents and financial investments. Total capital is calculated as total equity plus net debt, as shown in the statement of financial position.

	Individual		Consolidated	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Total borrowings and financing (Note 17)	35,056,547	25,258,297	34,926,444	25,258,297
(-) Cash and cash equivalents (Note 6)	(4,966,999)	(1,681,204)	(4,969,019)	(1,682,606)
(-) Financial investments (Note 7)	(6,668,814)	(3,694,029)	(6,680,854)	(3,699,694)
Net debt	23,420,734	19,883,064	23,276,571	19,875,997
Total Equity	42,710,275	36,928,054	42,710,275	36,928,054
Total capital (shareholders plus providers of capital)	66,131,009	56,811,118	65,986,846	56,804,051
Total	35%	35%	35%	35%

4.3 Fair value estimates

The Company considers that balances from trade receivables (current) and trade payables at carrying amount less impairment approximate their fair values, considering their short maturity. Long-term trade receivables also approximate their fair values, as they are adjusted by inflation and/or will bear contractual interest rates over time.

4.4 Financial instruments

As of September 30, 2025, the Company had financial assets classified as amortized cost, fair value through other comprehensive income (related to derivatives designated in effective hedge accounting and fair value through profit or loss.

The financial instruments included in the amortized cost category comprise cash and cash equivalents, financial investments, restricted cash, trade receivables, balances with related parties, registered warrants, other assets and balances receivable from the Water National Agency (ANA), financial assets of the concession, trade payables, borrowings and financing in local and foreign currency (except for the financing in Yen and the 33rd debenture, which are being measured at fair value through profit or loss), services payable, and balances payable deriving from the Public-Private Partnership (PPP), which are non-derivative financial assets and liabilities with fixed or determinable payments, not quoted in an active market, except for cash equivalents and financial investments.

In thousands of reais, unless otherwise stated

Additionally, SABESP has financial assets receivable from related parties, totaling R$ 1,166,569 as of September 30, 2025 (R$ 1,228,389 as of December 31, 2024), which were calculated under the conditions negotiated between the related parties. The conditions and additional information related to these financial instruments are disclosed in Note 10. Part of this balance, totaling R$ 1,020,938 (R$ 1,105,299 as of December 31, 2024), refers to reimbursement of additional retirement and pension plan - G0, indexed to the IPCA plus simple interest of 0.5% p.m. On the transaction date, this interest rate approximated that of National Treasury Notes (NTN-b), with a term similar to the terms of related-party transactions.

Considering the nature of other financial instruments, assets and liabilities, the balances recognized in the statement of financial position approximate the fair values, except for borrowings and financing, considering the maturities close to the end of the reporting date, comparison of contractual interest rates with market rates in similar transactions at the end of the reporting periods, their nature, and maturity terms.

	Individual		Cons olidated		Individual and Consolidated	
	September 30 ,2025		September 30 ,2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings and financing	35,056,547	34,818,946	34,926,444	34,711,496	25,258,297	26,362,590

The criteria adopted to obtain the fair values of borrowings and financing in preparing the quarterly information as of September 30, 2025, are consistent with those used in the preparation of the Annual Financial Statements for the fiscal year ended December 31, 2024.

Financial instruments referring to, borrowings and financing, and derivative financial instruments are classified as Level 2 in the fair value hierarchy and there was no transfers between levels during this period.

There are no instruments classified as level 1 or level 3.

5 Significant accounting estimates and judgments

The preparation of the quarterly information requires Management to disclose judgments (except for those that involve estimates) that have a significant impact on the amounts recognized based on experience and other factors deemed as relevant, which affect the amounts of assets and liabilities and present results that may differ from the actual results.

The Company establishes estimates and assumptions concerning the future, which are reviewed on a timely basis. Such accounting estimates, by definition, may differ from the actual results. The effects arising from the reviews of the accounting estimates are recognized in the period in which the estimates are reviewed.

The Company assessed the main accounting policies that involve judgments, except for those that involve estimates, and concluded that none of them have a significant effect.

In thousands of reais, unless otherwise stated

The areas that require a higher level of judgment and greater complexity, as well as assumptions and estimates that are significant for the quarterly information, are the following: (i) allowance for doubtful accounts; (ii) intangible assets arising from concession arrangements; (iii) social security obligations; (iv) deferred income and social contribution tax; (v) provisions; (vi) unbilled revenue; and (vii) derivative financial instruments.

6 Cash and cash equivalents

	Individual Company		Consolidated	
	September 30 ,2025	December 31, 2024	September 30 ,2025	December 31, 2024
Cash and banks	273,470	30,382	275,489	31,784
Cash equivalents	4,693,529	1,650,822	4,693,530	1,650,822
Total	4,966,999	1,681,204	4,969,019	1,682,606

Cash and cash equivalents include cash, bank deposits, and high-liquidity short-term financial investments, mainly represented by daily liquidity CDBs (divided between Banco Itaú, Banco Santander, Banco Bradesco, and Banco do Brasil) and R$ 80.8 thousand in units of an exclusive fund of shares (accruing CDI interest rates) - related to retentions by the Municipalities, as per the contract (pre-URAE-1), and, whose original maturities or intention of realization are of less than three months, which are convertible into a cash amount and subject to an insignificant risk of change in value.

Of the total balance presented in this item as of September 30, 2025, approximately 99.9% refers to the amounts recorded in Banco Itaú, Banco Santander, Banco Bradesco, and Banco do Brasil.

As of September 30, 2025, the average yield of cash equivalents corresponded to 99.98% of the CDI (96.83% as of December 31, 2024)

In thousands of reais, unless otherwise stated

7 Financial investments

(a) Current

The Company has financial investments in CDB, with daily liquidity, which it does not intend to redeem in the next three months, as shown below:

	Individual		Consolidated	
	September 30 ,2025	December 31, 2024	September 30 ,2025	December 31, 2024
Banco Bradesco S/A	3,375,513	1,442,159	3,375,513	1,442,159
Banco BTG Pactual S/A	1,578,430	226,819	1,578,430	226,819
Banco BV S/A	166	298	166	298
Banco do Brasil S/A	83,233	1,355	95,273	7,020
Banco Santander S/A	1,386,436	1,194,678	1,386,436	1,194,678
Brazilian Federal Savings Bank	29,410	828,720	29,410	828,720
XP Investimentos S/A	215,626	-	215,626	-
Total	6,668,814	3,694,029	6,680,854	3,699,694

As of September 30, 2025, the average yield of the financial investments corresponded to 99.84% of the CDI (101.0% as of December 31, 2024).

(b) Noncurrent

In 2025, the Company fully redeemed investments totaling R$ 769 million as of December 31, 2024.

8 Restricted cash

	Individual and Consolidated	
	September 30 ,2025	December 31, 2024
Agreement with the São Paulo Municipal Government (i)	20,562	27,502
Agreement with the São Paulo Municipal Government (ii)	26,104	4,544
Brazilian Federal Savings Bank – escrow deposit	730	235
Other	8,085	5,434
Total	55,481	37,715

(i) Amount deducted from the transfer of 7.5% of the revenue earned in the municipality to the Municipal Fund for Environmental Sanitation and Infrastructure (“FMSAI”), due to any defaults by direct management bodies, foundations, and government agencies, as established in the agreement entered into with São Paulo Municipal Government (“PMSP”), signed before the agreement with URAE-1.

In thousands of reais, unless otherwise stated

(ii) Amount deducted from the percentage transfer of a percentage of the revenue earned in the Municipality to FMSAI, due to any defaults direct management bodies, foundations, and government agencies, as established in the agreement entered into with URAE-1, referring to the São Paulo Municipal Government (PMSP).

9 Trade receivables

(a) Statement of financial position details

	Individual		Consolidated	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Private sector:				
General (i) and special customers (ii)	2,458,873	2,404,631	2,464,432	2,409,094
Agreements (iii)	396,744	659,778	396,744	659,778
	2,855,617	3,064,409	2,861,176	3,068,872
Governmental Entities:				
Municipal	1,267,868	689,688	1,267,898	690,010
Federal	1,723	5,297	1,727	5,303
Agreements (iii)	294,666	370,823	294,666	370,823
	1,564,257	1,065,808	1,564,291	1,066,136
Wholesale customers – Municipal governments: (iv)				
Mogi das Cruzes	4,545	4,744	4,545	4,744
São Caetano do Sul	11,217	11,773	11,217	11,773
São Caetano do Sul - Agreement	51,589	65,213	51,589	65,213
Total wholesale customers – Municipal governments	67,351	81,730	67,351	81,730
Unbilled supply (v)	1,110,643	1,252,012	1,112,297	1,253,826
Sub-total	5,597,868	5,463,959	5,605,115	5,470,564
Allowance for doubtful accounts	(865,588)	(1,248,209)	(865,588)	(1,248,209)
Total	4,732,280	4,215,750	4,739,527	4,222,355
Current	4,476,223	3,887,952	4,483,470	3,894,557
Noncurrent	256,057	327,798	256,057	327,798
Total	4,732,280	4,215,750	4,739,527	4,222,355

(i) General customers - residential and small and mid-sized companies;
(ii) Special customers – large consumers, industrial and commercial customers, condominiums and special billing customers (fixed demand agreements, industrial waste, wells, among others);
(iii) Agreements - installment payments of past-due receivables, plus inflation adjustment and interest, according to the

In thousands of reais, unless otherwise stated

agreements;

(iv) Wholesale basis customers - municipal governments. This balance refers to the sale of treated water to municipalities, which are responsible for distributing to, billing, and charging end consumers.

(v) Unbilled Supplies: represents revenue incurred, for which the service has been provided but has not yet billed by the end of each period, and is recognized as trade receivables based on monthly estimates.

(b) The aging of trade receivables is as follows:

	Individual		Consolidated	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Current	3,477,978	2,975,756	3,481,015	2,979,496
Past-due:				
Up to 30 days	783,926	636,024	786,015	637,375
From 31 to 60 days	207,310	302,595	208,154	303,238
From 61 to 90 days	163,375	177,481	163,986	177,777
From 91 to 120 days	150,327	168,246	150,686	168,515
From 121 to 180 days	245,378	240,724	245,630	241,030
From 181 to 360 days	68,922	47,992	68,977	47,992
Over 360 days	500,652	915,141	500,652	915,141
Total Past Due	2,119,890	2,488,203	2,124,100	2,491,068
Total	5,597,868	5,463,959	5,605,115	5,470,564

The main variation in past due balances over 360 days refers to the write-off of invoices resulting from registered warrants.

(c) Allowance for doubtful accounts ("ADA")

	Individual and Consolidated	
Changes in assets	January to September, 2025	January to September, 2024
Balance at the beginning of the period	1,248,209	1,377,209
Recognition/(reversal) of allowance	(103,559)	104,502
Recoveries	(279,062)	(145,068)
Total	865,588	1,336,643

In thousands of reais, unless otherwise stated

Reconciliation of estimated/ historical losses in profit or loss	Individual			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Write-offs	(17,155)	(363,531)	(154,354)	(440,290)
(Losses)/reversal with state entities – related parties	10,595	9,796	(926)	(2,432)
(Losses)/reversal with the private sector/government entities	156,860	103,559	(24,407)	(104,502)
Recoveries	202,108	279,062	39,694	145,068
Amount recorded as expense (Note 29)	352,408	28,886	(139,993)	(402,156)

Reconciliation of estimated/ historical losses in profit or loss	Consolidated			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Write-offs	(17,114)	(364,059)	(154,354)	(440,290)
(Losses)/reversal with state entities – related parties	10,595	9,796	(926)	(2,432)
(Losses)/reversal with the private sector/government entities	156,860	103,559	(24,407)	(104,502)
Recoveries	202,108	279,062	39,694	145,068
Amount recorded as expense (Note 29)	352,449	28,358	(139,993)	(402,156)

The Company does not have customers individually accounting for 10% or more of its total revenues.

(d) Registered warrants

The Company has registered warrants issued as a result of final and unappealable lawsuits for the collection of unpaid water and sewage bills from public entities. These bills are covered in full by ADA, and the restated amounts of said bills, calculated according to the respective registered warrants, are not recognized due to uncertainties about their realization.

Accordingly, the reversal of the ADA for the original bills and their restatement are recognized when uncertainties about their realization are mitigated, i.e. when the realizable value is determinable due to the predictability of the commencement of their receipt, without uncertainties or discussions about these amounts or when negotiated with third parties.

In thousands of reais, unless otherwise stated

The Company had the following registered warrants issued on its behalf:

	Individual and Consolidated					
Debtor	**December 31, 2024**	**Discount (i)**	**Receipt (ii)**	**Assignment of Receivables (iii)**	**Others (iv)**	**September 30, 2025**
Municipality of São Paulo	2,898,210	(992,289)	(1,217,593)	-	140,708	829,036
Municipality of Ferraz de Vasconcelos	22,883	(4,653)	(9,865)	(8,974)	609	-
Municipality of Cachoeira Paulista	12,608	(3,410)	(4,408)	(5,093)	303	-
Municipality of Agudos	14,039	(4,582)	(2,913)	(7,043)	499	-
Others	19,568	(13,727)	(3,587)	(5,382)	3,128	-
Total	2,967,308	(1,018,661)	(1,238,366)	(26,492)	145,247	829,036

(i) Regarding the other two settlement proposals approved on April 9, 2025, in the restated amount of R$ 2.48 billion, by applying the discount rate according to the chronological order of payment, totaling R$ 1.52 billion (discount of R$ 960 million) as of September 30, 2025. In July 2025, the uncertainties and discussions surrounding this process ceased, and the Company recognized the effects of these registered warrants in the 3rd quarter and already received R$ 716,302 related to this settlement.

(i) Includes amounts received through lawsuits.
(ii) In June 2025, the Company negotiated the assignment of receivables from various registered warrants.
(iii) Mainly includes inflation adjustments.

As of October 21, 2024, the Registered Warrants Conciliation Chamber of the Attorney General Office of the Municipality of São Paulo approved part of the agreement proposals submitted by SABESP for the settlement of registered warrant credits under the Notice for agreement 1/2024 and the Company received R$ 55,399 in February this year. In March, the Municipal Government of São Paulo raised objections to the calculations made by DEPRE/TJSP, contesting the income tax percentage used, both in the tax base and the applied rate. On July 15, 2025, the DEPRE/TJSP sent the Company an official letter approving the calculations and thus putting to an end any uncertainty and room for discussion around that proceeding. In view of the conclusion of the uncertainties and discussions surrounding this process, the Company recognized R$ 401,679 in the 3rd quarter and this amount was received in full.

Additionally, the Company negotiated registered warrants for overdue bills with the municipalities of Guarulhos, Santo André, and Mauá in previous fiscal years, which are currently suspended as they serve as collateral for the provision of services in these municipalities.

In thousands of reais, unless otherwise stated

10 Related-party balances and transactions

(a) São Paulo State

(i) Accounts receivable, interest on equity, dividends, and revenue

	Individual Company		Consolidated	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Current				
Accounts receivable:				
Sanitation services	186,180	173,434	186,223	173,466
Allowance for losses	(41,910)	(51,706)	(41,910)	(51,706)
Reimbursement of additional retirement and pension benefits paid (G0):				
Monthly flow	19,710	84,973	19,710	84,973
GESP Agreement – 2015	120,560	112,813	120,560	112,813
Total current	284,540	319,514	284,583	319,546
Noncurrent				
Agreement for the installment payment of sanitation services	1,361	1,361	1,361	1,361
Reimbursement of additional retirement and pension benefits paid (G0):				
GESP Agreement – 2015	880,668	907,514	880,668	907,514
Total non-current	882,029	908,875	882,029	908,875
Total receivable	1,166,569	1,228,389	1,166,612	1,228,421
Assets:				
Sanitation services	145,631	123,089	145,674	123,121
Reimbursement of additional retirement and pension benefits paid (G0)	1,020,938	1,105,300	1,020,938	1,105,300
Total	1,166,569	1,228,389	1,166,612	1,228,421
Liabilities:				
Dividends and interest on equity payable	-	458,985	-	458,985

In thousands of reais, unless otherwise stated

	Individual			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Revenue from sanitation services	236,811	712,134	106,225	330,403
Payments received from related parties	(232,155)	(674,565)	(97,634)	(318,386)
Reimbursement received referring to Law No. 4,819/1958	(51,794)	(224,874)	(29,672)	(151,374)

	Consolidated			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Revenue received from sanitation services	236,875	712,322	106,225	330,403
Payments received from related parties	(232,155)	(674,565)	(97,634)	(318,386)
Reimbursement received referring to Law No. 4,819/1958	(51,794)	(224,874)	(29,672)	(151,374)

The information below refers to the Individual and Consolidated balances and transactions.

(ii) Disputed amounts

As of September 30, 2025 and December 31, 2024, the disputed amounts receivable between SABESP and the São Paulo State, referring to additional retirement and pension benefits paid (Law 4,819/1958), totaled R$ 1,770,994 and R$ 1,685,493, respectively, and an ADA was recognized for the total amount.

(iii) Actuarial Liability

The Company recognized an actuarial liability corresponding to additional retirement and pension benefits paid to employees, retired employees, and pensioners of the G0 Plan. As of September 30, 2025 and December 31, 2024, the amounts corresponding to such actuarial liability were R$ 1,949,210 and R$ 1,931,145, respectively. Of the total paid, the São Paulo State reimburses approximately 50%. For detailed information on additional retirement and pension benefits, see Note 23.

(b) Agreements with reduced tariffs for State Entities that join the Rational Water Use Program (PURA)

The Company has agreements with entities related to the São Paulo State Government that benefit them with a 25% tariff discount when they are not in default. These agreements provide for the implementation of PURA, which aims to reduce water consumption.

(c) Guarantees

The São Paulo State provides guarantees for some of the Company's borrowings and financing and does not charge any related fees. See Note 17.

(d) Non-operating assets

As of September 30, 2025 and December 31, 2024, the Company had an amount of R$ 3,613 related to land and lent structures under free lease agreements.

(e) SABESPREV

The Company sponsors a defined benefit plan (G1 Plan), which is operated and administered by SABESPREV. As of December 31, 2024, this plan had a surplus of R$ 132,244, not recorded in assets. See further details in Note 24 to the Financial Statements as of December 31, 2024.

(f) Key Management Personnel Compensation

In the periods from July to September and from January to September 2025, expenses related to the compensation of key management compensation expenses totaled R$ 8,527 and R$ 23,590, respectively (R$ 2,325 and R$ 7,242 from July to September and from January to September 2024, respectively). In the same period, additional amounts of R$ 8,265 e R$ 14,152, respectively (from July to September and from January to September 2024 – R$ 540 and R$ 1,620, respectively) were recorded referring to the provision for profit sharing.

(g) Loan agreement through credit facility

Águas de Andradina

As of September 30, 2025, the balance of principal and interest was R$ 4,447, recorded under "Other assets" in current assets (R$ 4,007 in current assets as of December 31, 2024), at DI + 3% p.a.

This loan agreement was executed on August 17, 2021 and will be settled with the purchase and sale transaction. See further details in Note 11.

SABESP Olímpia

The Company signed a loan agreement with subsidiary Sabesp Olímpia S/A, making available the necessary funds for the payment of the Fixed Concession Fee to the Municipality, which was a prerequisite for the signing of the water and sewage concession agreement.

The loan agreement, of R$ 170,981, was used for capital increase in SABESP Olímpia in the first quarter of 2025.

(h) FEHIDRO

The Company formalized three financing agreements under the State Fund for Water Resources (FEHIDRO). The funds are aimed at the execution of works and sewage services. As of September 30, 2025, the balance of these financings was R$ 1,419, recorded under the "Other" line in borrowings and financing (R$ 2,799 as of December 31, 2024).

(i) Privatization

According to Article 7 of Law 9,361/1996, the controlling shareholder will be reimbursed, upon the privatization, the services of independent audit firms, law firms, opinions, or specialized studies necessary for the privatization.

The amount to be reimbursed by the São Paulo State as of September 30, 2025 was R$ 84,343, recorded under "Other assets" (R$ 99,653 as of December 31, 2024).

(j) Equatorial S.A.

In July 2024, Equatorial Participações e Investimentos IV S.A., controlled by Equatorial S.A., acquired shares representing 15% (fifteen percent) of the share capital of SABESP. In December 2024, Equatorial S.A. absorbed its subsidiary, becoming the direct holder of the equity interest in SABESP. As of September 30, 2025, there were no balances receivable or payable from or to Equatorial S.A.

(k) SABESP Luxembourg ("SABESP Lux")

On August 1, 2025, the Company issued the 36th issue of simple non-convertible unsecured debentures, in the total amount of 2,815,700, with a unit par value of R$ 1, with maturity in 2030 and a yield of IPCA + 9.28% p.a. (See Note 17 (a)). Of these debentures, 2,765,700 were acquired by SABESP Luxembourg (98.22% of the total securities of this issue). This transaction involved entering into a derivative instrument swapping the yield for CDI (see Note 17 (e)).

11 Investments

The Company holds interests in certain Special Purpose Entities ("SPE"). Although SABESP has no majority shares of its investees, the shareholders' agreement provides for the power of veto in certain management matters, however, it cannot use such power of veto in a way to affect the returns over the investments of these SPEs, which implies a mutually shared control (joint venture – CPC 19 (R2)), except SABESP Participações, SABESP Olímpia and SABESP Luxembourg, in which the Company holds a stake of 100% and meets the control requirements, thus consolidating these companies, according to the Accounting Policy described in Note 3.1 of the Annual Financial Statements as of December 31, 2024.

The following are events in the period that are related to investees:

SABESP Participações S.A.

On August 19, 2025, SABESP Participações S.A. ("SABESPar") was incorporated as a wholly-owned subsidiary of SABESP, with capital of R$ 1 in registered common shares without par value, fully subscribed and paid in. SABESPar was created for the purpose of acting as an investment and equity management vehicle, in line with SABESP's corporate strategy.

On November 3, 2025, SABESP carried out a capital increase in the amount of R$ 85,000, through the issuance of 85,000,000 new registered common shares with no par value.

SABESP Luxembourg ("SABESP Lux")

As of May 8, 2025, SABESP Lux S.à r.l. ("SABESP Lux") was incorporated in Luxembourg, which is fully controlled by SABESP, with capital of US$ 100 thousand. In this context, SABESP Lux will act as a strategic vehicle for raising funds in the international market, and for managing international financial assets and liabilities, contributing to the optimization of SABESP's capital structure.

As of July 17, 2025, SABESP, as the sole shareholder of SABESP Lux, carried out a capital increase of US$ 1,000 thousand. No new shares had to be issued for the capital increase that was recorded directly in the capital of SABESP Lux.

In thousands of reais, unless otherwise stated

On October 15, 2025, SABESP carried out a capital increase in the amount of US$ 2,000 thousand. The capital increase was carried out without issuing new shares, being recorded directly in SABESP Lux's capital account.

Acquisition of investees Andradina and Castilho

As of May 28, 2025, SABESP entered into a Share Purchase and Sale Agreement and Other Covenants with Iguá Saneamento S.A. for the acquisition of common shares equivalent to 70% of the capital of each of the companies Águas de Andradina S.A. and Águas de Castilho S.A. that, added to the equity interests previously held by SABESP, totals 100% of the corporate capital of these companies.

In July 2025, the transaction was approved by the Administrative Council for Economic Defense (CADE); however, certain conditions precedent are still pending to this date.

The companies Andradina and Castilho have as their corporate purpose the provision of public water and sewage services and are the holders of concession contracts for the operation of the public water supply and sewage service in the municipalities of Andradina and Castilho, in the State of São Paulo. Both contracts are mature, with universalized services and jointly serve a population of approximately 82 thousand inhabitants.

The Company holds equity interest valued under the equity method in the following investees:

	Equity		Capital Increase	Dividends	Comprehensive Result	Profit (loss) for the Period			Equity Interest Percentage	
	September 30, 2025	December 31, 2024	January to September 2025	January to September 2025	January to September 2025	January to September 2025	(*)	January to September 2024	September 30 ,2025	December 31, 2024
Sesamm	88,808	75,307	-	-	-	13,501	-	14,990	36%	36%
Águas de Andradina	39,508	37,959	-	(1,171)	-	2,720	-	4,124	30%	30%
Águas de Castilho	10,929	8,782	-	(890)	-	3,037	-	1,669	30%	30%
Attend Ambiental	51,407	55,162	-	(29,428)	-	25,673	-	13,440	45%	45%
Aquapolo Ambiental	144,570	116,688	-	-	-	27,882	-	29,487	49%	49%
Paulista Geradora de Energia	24,610	27,004	-	-	-	332	(2,726)	(1,146)	25%	25%
Cantareira SP Energia	10,821	10,613	-	-	-	208	-	(85)	49%	49%
Barueri Energia Renovável	252,333	251,420	-	-	-	(2,417)	3,330	(10,964)	20%	20%
Infranext	4,154	4,154	-	-	-	-	-	(653)	45%	45%
SABESP Luxembourg (**)	7,908	-	6,132	-	(297)	2,073	-	-	100%	-
SABESP Olímpia	158,382	(16,766)	170,981	-	-	4,167	-	(9,257)	100%	100%
SABESPAR	1	-	1	-	-	-	-	-	100%	-

In thousands of reais, unless otherwise stated

The balances of investments and the respective changes are as follows:

	Individual								
	Investments		Capital Contribution	Dividends	Comprehensive Income	Reclassification (**)	Equity Accounting		
	September 30, 2025	December 31, 2024	January to September 2025	January to September 2025	January to September 2025	January to September 2025	January to September 2025	(*)	January to September 2024
Sesamm	31,971	27,111	-	-	-	-	4,860	-	5,396
Águas de Andradina	11,852	11,387	-	(352)	-	-	817	-	1,237
Águas de Castilho	3,279	2,635	-	(267)	-	-	911	-	501
Attend Ambiental	23,134	24,824	-	(13,243)	-	-	11,553	-	6,048
Aquapolo Ambiental	70,840	57,178	-	-	-	-	13,662	-	14,449
Paulista Geradora de Energia	6,153	6,750	-	-	-	-	83	(680)	(286)
Cantareira SP Energia	5,302	5,194	-	-	-	-	102	6	(42)
Barueri Energia Renovável	50,951	50,285	-	-	-	-	(483)	1,149	(2,310)
Infranext (***)	-	-	-	-	-	-	-	-	608
SABESP Luxembourg	7,908	-	6,132	-	(297)	-	2,073	-	-
SABESP Olímpia	158,380	-	170,981	-	-	(16,765)	4,164	-	(9,257)
SABESPAR	1	-	1	-	-	-	-	-	-
Total	369,771	185,364	177,114	(13,862)	(297)	(16,765)	37,742	475	16,344
Barueri Energia Renovável – Fair Value	23,663	24,340							
Other investments	6,096	6,099							
Total	399,530	215,803							

(*) The amount presented refers to changes in the equity of the investees, as their Financial Statements for the year ended December 31, 2024 was issued after the disclosure of SABESP's Financial Statements.

(**) The amount of the investee was reclassified to investments.

(***) The investee is in the process of divestment.

In thousands of reais, unless otherwise stated

	Consolidated						
	Investments		Capital Contribution	Dividends	Equity Accounting		
	September 30, 2025	December 31, 2024	January to September 2025	January to September 2025	January to September 2025	(*)	January to September 2024
Sesamm	31,971	27,111	-	-	4,860	-	5,396
Águas de Andradina	11,852	11,387	-	(352)	817	-	1,237
Águas de Castilho	3,279	2,635	-	(267)	911	-	501
Attend Ambiental	23,134	24,824	-	(13,243)	11,553	-	6,048
Aquapolo Ambiental	70,840	57,178	-	-	13,662	-	14,449
Paulista Geradora de Energia	6,153	6,750	-	-	83	(680)	(286)
Cantareira SP Energia	5,302	5,194	-	-	102	6	(42)
Barueri Energia Renovável	50,951	50,285	-	-	(483)	1,149	(2,310)
Infranext (**)	-	-	-	-	-	-	608
Total	203,482	185,364	-	(13,862)	31,505	475	25,601
Barueri Energia Renovável - Fair Value	23,662	24,340					
Other investments	6,095	6,099					
Total	233,239	215,803					

(*) The amount presented refers to changes in the equity of the investees, as its Financial Statements for the year ended December 31, 2024 were issued after the disclosure of SABESP's Financial Statements.

(**) The investee is in the process of divestment.

12 Investment properties

	Individual and Consolidated			
	December 31, 2024	Transfer	Depreciation	September 30, 2025
Investment properties	46,630	(32,165)	(21)	14,444

As of September 30, 2025, the fair value of these properties was approximately R$ 312,553 (R$ 452,700 as of December 31, 2024).

	Individual and Consolidated		
	December 31, 2023	Depreciation	September 30, 2024
Investment properties	46,678	(36)	46,642

In thousands of reais, unless otherwise stated

13 Contract assets

	Individual					
	December 31, 2024	Additions (i)	Transfers	Transfers of works to intangible assets (ii)	Transfers of works to financial asset of the concession	September 30, 2025 (iii)
Contract Asset	4,872,410	10,306,224	102	(2,877,679)	(899,967)	11,401,090

	Consolidated					
	December 31, 2024	Additions (i)	Transfers	Transfers of works to intangible assets (ii)	Transfers of works to financial asset of the concession	September 30, 2025 (iii)
Contract Asset	4,877,667	10,311,786	102	(2,877,679)	(899,967)	11,411,909

(i) The largest additions in the period were located in the municipalities of São Paulo, Guarulhos, and Praia Grande, in the amounts of R$ 3,692 million, R$ 1,012 million and R$ 441 million, respectively.

(ii) The largest transfers in the period were located in the municipalities of São Paulo, Guarulhos, and Peruíbe, totaling R$ 1,671 million, R$ 229 million, and R$ 206 million, respectively.

(iii) The largest works were located in the municipalities of São Paulo, Guarulhos and Praia Grande, totaling R$ 3,456 million, R$ 1,201 million, and R$ 437 million, respectively.

(iv) The Company's Management, aiming to simplify and improve the presentation of the movements of the Contract Asset for the period ended September 30, 2025, introduced a new column titled 'Transfers of works to financial asset of the concession' in these quarterly financial informations.

As of September 30, 2025 and September 30, 2024, the contract asset had no amounts recognized as right-of-use leases.

	Individual				
	December 31, 2023	Additions	Transfers	Transfers of works to intangible assets	September 30, 2024
Contract Asset	7,393,096	3,972,218	1,971	(4,539,545)	6,827,740

	Consolidated				
	December 31, 2023	Additions	Transfers	Transfers of works to intangible assets	September 30, 2024
Contract Asset	7,393,096	3,976,081	1,971	(4,539,545)	6,831,603

In thousands of reais, unless otherwise stated

(a) Capitalization of interest and other finance charges

The Company capitalizes interest, inflation adjustments, and exchange rate changes in contract assets during the construction period. From January to September 2025, the Company capitalized R$ 683,923 (R$ 439,779 from January to September 2024).

(b) Expropriations

As a result of the construction of priority projects related to water and sewage systems, the Company is required to expropriate third-party properties, whose owners are compensated either amicably or in court.

The costs of such expropriations are recorded in the contract asset during the execution of the works. From July to September and from January to September 2025, the total amount referring to expropriations was R$ 20,192 e R$ 37,883, respectively (from July to September and from January to September 2024 – R$ 38,586 e R$ 50,860, respectively).

14 Intangible assets

(a) Statement of financial position details

	Individual					
	September 30 ,2025			December 31, 2024		
	Cost	Amortization	Net	Cost	Amortization	Net
Intangible assets arising from:						
Concession agreements - others	113,821	(56,248)	57,573	112,456	(52,964)	59,492
Contract Commitments	4,437,857	(684,458)	3,753,399	4,437,857	(588,098)	3,849,759
Concession Agreement - URAE-1	64,648,616	(23,292,276)	41,356,340	62,042,186	(22,085,992)	39,956,194
Software license of use	1,686,070	(1,097,835)	588,235	1,570,845	(932,558)	638,287
Right of use – other assets	240,646	(170,903)	69,743	240,106	(115,370)	124,736
Total	71,127,010	(25,301,720)	45,825,290	68,403,450	(23,774,982)	44,628,468

	Consolidated					
	September 30 ,2025			December 31, 2024		
	Cost	Amortization	Net	Cost	Amortization	Net
Intangible assets arising from:						
Concession agreements - new contracts	148,000	(9,044)	138,956	148,000	(5,344)	142,656
Concession agreements - others	113,821	(56,248)	57,573	112,456	(52,964)	59,492
Contract Commitments	4,437,857	(684,458)	3,753,399	4,437,857	(588,098)	3,849,759
Concession Agreement - URAE-1	64,648,616	(23,292,276)	41,356,340	62,042,186	(22,085,992)	39,956,194
Software license of use	1,686,070	(1,097,835)	588,235	1,570,845	(932,558)	638,287
Right of use – other assets	240,646	(170,903)	69,743	240,106	(115,370)	124,736
Total	71,275,010	(25,310,764)	45,964,246	68,551,450	(23,780,326)	44,771,124

In thousands of reais, unless otherwise stated

(b) Changes

	Individual						
	December 31, 2024	Additions	Transfer of contract asset	Transfers	Write-offs and disposals	Amortization	September 30 ,2025
Intangible assets arising from:							
Concession agreements - others	59,492	-	2,145	(1,695)	-	(2,369)	57,573
Contract Commitments	3,849,759	-	-	-	-	(96,360)	3,753,399
Concession Agreements URAE-1 (*)	39,956,194	2,665	2,783,096	8,310	(65,210)	(1,328,715)	41,356,340
Software license of use	638,287	-	92,438	-	-	(142,490)	588,235
Right of use – Other assets	124,736	541	-	-	-	(55,534)	69,743
Total	44,628,468	3,206	2,877,679	6,615	(65,210)	(1,625,468)	45,825,290

	Consolidated						
	December 31, 2024	Additions	Transfer of contract asset	Transfers	Write-offs and disposals	Amortization	September 30, 2025
Intangible assets arising from:							
Concession agreements – new contracts	142,656	-	-	-	-	(3,700)	138,956
Concession agreements - others	59,492	-	2,145	(1,695)	-	(2,369)	57,573
Contract Commitments	3,849,759	-	-	-	-	(96,360)	3,753,399
Concession Agreements URAE-1 (*)	39,956,194	2,665	2,783,096	8,310	(65,210)	(1,328,715)	41,356,340
Software license of use	638,287	-	92,438	-	-	(142,490)	588,235
Right of use – Other assets	124,736	541	-	-	-	(55,534)	69,743
Total	44,771,124	3,206	2,877,679	6,615	(65,210)	(1,629,168)	45,964,246

(*) As of September 30, 2025, the line URAE-1 concession agreement included leases totaling R$ 311,397 (R$ 338,740 as of December 31, 2024).

	Individual							
	December 31, 2023	Additions	Transfer of contract asset	Transfers	Write-offs and disposals	Amortization	Transfer to Financial Assets	September 30 ,2024
Intangible assets arising from:								
Concession agreements – equity value (*)	506,117	-	13,216	(508,709)	(21)	(10,603)	-	-
Concession agreements – economic value	637,760	(180)	13,005	(576,439)	-	(74,146)	-	-
Concession agreements - others	-	-	2,476	57,445	-	(960)	-	58,961
Program contracts (*)	20,684,497	-	1,392,258	(21,469,330)	(1,020)	(606,405)	-	-
Program contracts – commitments	1,212,026	2,728,100	-	-	-	(57,820)	-	3,882,306
Service contracts – São Paulo	20,193,585	-	801,993	(20,278,341)	(1,327)	(715,910)	-	-

In thousands of reais, unless otherwise stated

Concession Agreements URAE-1 (*)	-	17,271	2,280,832	42,752,315	(3,074)	(495,788)	(7,425,152)	37,126,404
Software license of use	513,224	21,204	35,765	2,878	-	(104,700)	-	468,371
Right of use – Other assets	118,060	84,048	-	-	(46)	(58,158)	-	143,904
Total	43,865,269	2,850,443	4,539,545	(20,181)	(5,488)	(2,124,490)	(7,425,152)	41,679,946

	Consolidated							
	December 31, 2023	Additions	Transfer of contract asset	Transfers	Write-offs and disposals	Amortization	Transfer to Financial Assets	September 30, 2024
Intangible assets arising from:								
Concession agreements – equity value	506,117	-	13,216	(508,709)	(21)	(10,603)	-	-
Concession agreements – economic value	637,760	(180)	13,005	(576,439)	-	(74,146)	-	-
Concession agreements – new contracts	147,589	-	-	-	-	(3,700)	-	143,889
Concession agreements - others			2,476	57,445	-	(960)	-	58,961
Program contracts	20,684,497	-	1,392,258	(21,469,330)	(1,020)	(606,405)	-	-
Program contracts – commitments	1,212,026	2,728,100	-	-	-	(57,820)	-	3,882,306
Service contracts – São Paulo	20,193,585	-	801,993	(20,278,341)	(1,327)	(715,910)	-	-
Concession Agreements URAE-1 (*)	-	17,271	2,280,832	42,752,315	(3,074)	(495,788)	(7,425,152)	37,126,404
Software license of use	513,224	21,204	35,765	2,878	-	(104,700)	-	468,371
Right of use – Other assets	118,060	84,048	-	-	(46)	(58,158)	-	143,904
Total	44,012,858	2,850,443	4,539,545	(20,181)	(5,488)	(2,128,190)	(7,425,152)	41,823,835

(*) As of September 30, 2024, the lines Concession agreements – equity value, and Program Contracts included leases totaling R$ 348,195 (R$ 374,679 as of December 31, 2023).

In thousands of reais, unless otherwise stated

(c) Public-Private Partnership - PPP

SABESP carries out transactions related to the Public-Private Partnership. Such transactions, along with their corresponding guarantees and obligations, are supported by a contract established based on Law 11,079/2004.

The amounts recorded in intangible assets, item Concession agreements URAE-1, are shown in the table below:

	Individual and Consolidated	
	September 30, 2025	December 31, 2024
Alto Tietê	210,960	219,096
São Lourenço	2,258,881	2,386,192

As of September 30, 2025 and December 31, 2024, the obligations assumed by the Company are as follows:

	Individual and Consolidated					
	September 30 ,2025			December 31, 2024		
	Current Liabilities	Noncurrent Liabilities	Total liabilities	Current Liabilities	Noncurrent Liabilities	Total liabilities
São Lourenço	465,028	2,857,070	3,322,098	452,323	2,853,896	3,306,219

The chart below shows expenses with Public-Private Partnership from January to September 2025, compared to the figures reported in the same period in 2024:

	Individual and Consolidated	
	September 30, 2025	September 30, 2024
General supplies	15,778	14,858
Outsourced services	33,293	31,351
General expenses	4,360	4,106
Amortization	127,222	127,373
Financial Expenses	375,844	353,860
Total	556,497	531,548

In February 2024, the PPP Alto Tietê concluded its obligations. As of September 30, 2024, the line “Amortization” included the PPPs São Lourenço and Alto Tietê in the amounts of R$ 124,658 and R$ 2,715, respectively.

As of September 30, 2025, the line “Amortization” referring to the PPP Alto Tietê included R$ 12,205.

(d) Amortization of intangible assets

The average amortization rate was 3.0% and 2.8% as of September 30, 2025 and 2024, respectively.

In thousands of reais, unless otherwise stated

(e) Leases and right of use

Nature	Individual and Consolidated	
	September 30, 2025	December 31, 2024
Leases - Concession Agreement URAE-1		
Cost	588,499	588,499
Accumulated amortization	(277,102)	(249,759)
(=) Net	311,397	338,740
Right of use – Other assets		
Vehicles	216,428	216,431
Real Properties	24,142	22,098
Equipment	76	1,577
Accumulated amortization	(170,903)	(115,370)
(=) Net	69,743	124,736
Total - Leases and Right of use	381,140	463,476

The lease liability corresponds to total future fixed lease payments, adjusted to present value, considering an incremental rate on borrowings. For further information, see Note 17 to the 2024 Annual Financial Statements.

The table below shows the impact on the Company's profit or loss:

	Individual and Consolidated	
	September 30, 2025	September 30, 2024
Right of use amortization	(82,876)	(85,949)
Financial result – interest expense and inflation adjustment	(113,422)	(98,171)
Expenses of short-term and low-value leases	(16,232)	(19,788)
Decrease in profit for the period	(212,530)	(203,908)

In thousands of reais, unless otherwise stated

(f) Performance Agreements

The accounting balances of current agreements recorded in the contract assets and intangible assets are as follows:

	Individual and Consolidated	
	September 30, 2025	December 31, 2024
Contract asset	495,302	380,204
Intangible assets	1,963,856	1,933,347
Total	2,459,158	2,313,551

As of September 30, 2025 and December 31, 2024, the obligations assumed by the Company are as follows:

	Individual and Consolidated					
	September 30 ,2025			December 31, 2024		
	Current Liabilities	Noncurrent Liabilities	Total liabilities	Current Liabilities	Noncurrent Liabilities	Total liabilities
Performance Agreements	222,642	100,608	323,250	287,109	137,441	424,550

In thousands of reais, unless otherwise stated

15 Financial Asset of the Concession

With the completion of the privatization process and signing of the agreement with URAE-1 in July 2024, resulting in a single agreement covering 371 municipalities with a new expiration date in 2060, which provided greater legal security and granted an unconditional right to receive cash at the end of the concession, the Company recognized a modification in the agreement, leading to a bifurcation of concession assets considering the contractual right that reversible investments and not fully amortized by the end of the agreement must be compensated.

The impacts of Income Tax and Social Contribution and PIS and Cofins are deferred until the time of their realization. The

change in the balance of the Financial Asset resulting from the concession agreement with URAE-1 is as follows:

	Individual and Consolidated			
	December 31, 2024	Transfer of Intangible Assets (a)	Financial Asset of the Concession - Restatement (b)	September 30, 2025
Financial Asset of the Concession				
Concession Agreement - URAE-1	17,601,626	899,967	846,600	19,348,193

(a) Correspond to transfers (bifurcation) of intangible assets to the financial asset of the concession, which were previously recognized at their cost;
(b) Review of the financial asset considering the restatement using the IPCA, as this is the rate used by the regulatory agency for the adjustment of assets to be compensated.

16 Property, plant, and equipment

(a) Statement of financial position details

	Individual and Consolidated							
	September 30 ,2025				December 31, 2024			
	Cost	Depreciation	Net	Annual average rate	Cost	Depreciation	Net	Annual average rate
Lands	94,577	-	94,577	-	94,751	-	94,751	-
Buildings	136,457	(48,739)	87,718	2.10%	135,357	(47,035)	88,322	2.4%
Equipment	546,310	(342,372)	203,938	11.50%	502,967	(331,092)	171,875	13.9%
Transportation equipment	95,549	(16,597)	78,952	9.80%	35,224	(11,624)	23,600	10.2%
Furniture and fixtures	43,883	(18,296)	25,587	6.70%	41,378	(17,778)	23,600	6.7%
Others	190,050	(11,835)	178,215	6.60%	164,503	(5,103)	159,400	6.6%
Total	1,106,826	(437,839)	668,987	8.3%	974,180	(412,632)	561,548	9.6%

In thousands of reais, unless otherwise stated

(b) Changes

	Individual and Consolidated					
	December 31, 2024	Additions	Transfers	Write-offs and disposals	Depreciation	September 30 ,2025
Lands	94,751	62	(236)	-	-	94,577
Buildings	88,322	1,625	(648)	-	(1,581)	87,718
Equipment	171,875	34,068	17,501	(533)	(18,973)	203,938
Transportation equipment	23,600	55,977	3,996	-	(4,621)	78,952
Furniture and fixtures	23,600	1,298	1,905	(92)	(1,124)	25,587
Others	159,400	22,302	3,032	-	(6,519)	178,215
Total	561,548	115,332	25,550	(625)	(32,818)	668,987

	Individual and Consolidated					
	December 31, 2023	Additions	Transfers	Write-offs and disposals	Depreciation	September 30 ,2024
Lands	94,228	-	32	-	-	94,260
Buildings	80,946	4,094	332	-	(1,551)	83,821
Equipment	130,187	24,421	8,524	(246)	(21,842)	141,044
Transportation equipment	4,241	-	1,176	-	(461)	4,956
Furniture and fixtures	25,173	631	(416)	(16)	(1,599)	23,773
Others	139,784	33,591	(2,822)	-	(2,434)	168,119
Total	474,559	62,737	6,826	(262)	(27,887)	515,973

In thousands of reais, unless otherwise stated

17 Borrowings and financing

Borrowings and financing outstanding balance	Individual					
	September 30 ,2025			December 31, 2024		
Financial institution	Current	Noncurrent	Total	Current	Noncurrent	Total
Local currency						
Debentures	3,784,400	15,657,878	19,442,278	1,323,040	10,373,183	11,696,223
Brazilian Federal Savings Bank	133,592	1,521,829	1,655,421	123,495	1,559,847	1,683,342
BNDES	259,326	623,525	882,851	262,709	803,011	1,065,720
IDB	307,349	2,698,949	3,006,298	260,899	3,425,530	3,686,429
IFC	53,000	2,680,444	2,733,444	44,200	2,706,779	2,750,979
Leases (Concession)	110,497	214,304	324,801	108,533	208,611	317,144
Leases (Others)	87,544	11,417	98,961	97,657	53,267	150,924
Other	1,045	372	1,417	1,868	931	2,799
Interest	741,095	-	741,095	548,372	-	548,372
Total in local currency	5,477,848	23,408,718	28,886,566	2,770,773	19,131,159	21,901,932
Foreign currency						
IDB	48,790	850,128	898,918	89,222	919,189	1,008,411
IBRD	32,335	757,657	789,992	37,707	793,697	831,404
JICA	154,254	1,040,728	1,194,982	203,754	1,280,402	1,484,156
IFC	-	3,201,526	3,201,526	-	-	-
Interest	84,563	-	84,563	32,394	-	32,394
Total in foreign currency	319,942	5,850,039	6,169,981	363,077	2,993,288	3,356,365
Total borrowings and financing	**5,797,790**	**29,258,757**	**35,056,547**	**3,133,850**	**22,124,447**	**25,258,297**

In thousands of reais, unless otherwise stated

Borrowings and financing outstanding balance	Consolidated					
	September 30 ,2025			December 31, 2024		
Financial institution	Current	Noncurrent	Total	Current	Noncurrent	Total
Local currency						
Debentures	3,784,400	12,884,957	16,669,357	1,323,040	10,373,183	11,696,223
Brazilian Federal Savings Bank	133,592	1,521,829	1,655,421	123,495	1,559,847	1,683,342
BNDES	259,326	623,525	882,851	262,709	803,011	1,065,720
IDB	307,349	2,698,949	3,006,298	260,899	3,425,530	3,686,429
IFC	53,000	2,680,444	2,733,444	44,200	2,706,779	2,750,979
Leases (Concession)	110,497	214,304	324,801	108,533	208,611	317,144
Leases (Others)	87,544	11,417	98,961	97,657	53,267	150,924
Other	1,046	371	1,417	1,868	931	2,799
Interest	700,743	-	700,743	548,372	-	548,372
Total in local currency	5,437,497	20,635,796	26,073,293	2,770,773	19,131,159	21,901,932
Foreign currency						
IDB	48,790	850,128	898,918	89,222	919,189	1,008,411
IBRD	32,335	757,657	789,992	37,707	793,697	831,404
JICA	154,254	1,040,728	1,194,982	203,754	1,280,402	1,484,156
IFC	-	3,201,526	3,201,526	-	-	-
Blue Bonds	-	2,657,989	2,657,989	-	-	-
Interest	109,744	-	109,744	32,394	-	32,394
Total in foreign currency	345,123	8,508,028	8,853,151	363,077	2,993,288	3,356,365
Total borrowings and financing	**5,782,620**	**29,143,824**	**34,926,444**	**3,133,850**	**22,124,447**	**25,258,297**

Exchange rate as of September 30, 2025: US$ 5.3186; Yen – R$ 0.03595, Euro – R$ 6.2414 (as of December 31, 2024: US$ 6.1923; Yen – R$ 0.03947; Euro – R$ 6.4363).
As of September 30, 2025, the Company had no balances of borrowings and financing raised during the year and maturing in up to 12 months.

In thousands of reais, unless otherwise stated

Characteristics of contracts				
In Brazilian currency	**Guarantees**	**Maturity**	**Annual interest rate**	**Inflation adjustment**
22nd debenture issue	Own funds	2025	CDI + 0.58% (1st series) and CDI + 0.90% (2nd series) and 6.0% (3rd series)	IPCA (3rd series)
23rd debenture issue	Own funds	2027	CDI + 0.49% (1st series) and CDI + 0.63% (2nd series)	
24th debenture issue	Own funds	2029	3.20% (1st series) and 3.37% (2nd series)	IPCA (1st and 2nd series)
26th debenture issue	Own funds	2030	4.65% (1st series) and 4.95% (2nd series)	IPCA (1st and 2nd series)
27th debenture issue	Own funds	2027	CDI + 1.60% (1st series) and CDI + 1.80% (2nd series) and 2.25% (3rd series)	
28th debenture issue	Own funds	2028	CDI + 1.20% (1st series) and CDI + 1.44% (2nd series) and 1.60% (3rd series)	
29th debenture issue	Own funds	2036	CDI + 1.29% (1st series) and 5.3058% (2nd series) and 5.4478% (3rd series)	IPCA (2nd and 3rd series)
30th debenture issue	Own funds	2029	CDI + 1.30% (1st series) and CDI + 1.58% (2nd series)	
31st debenture issue	Own funds	2034	CDI +0.49% (1st series) and CDI + 1.10% (2nd series) and CDI + 1.31% (3rd series)	
32nd debenture issue	Own funds	2026	CDI + 0.30%	
33rd debenture issue	Own funds	2040	CDI + 0.51% (1st series) and 7.5485% (2nd series) and 7.3837% (3rd series)	IPCA (2nd and 3rd series)
34th debenture issue	Own funds	2032	CDI	
35th debenture issue	Own funds	2035	7,2606%	IPCA
36th debenture issue	Own funds	2030	9,2860%	IPCA
Brazilian Federal Savings Bank	Own funds	2025 to 2042	5% to 9.5%	TR
Brazilian Development Bank - BNDES PAC II 9751	Own funds	2027	Long-term interest rate (TJLP) + 1.72%	

In thousands of reais, unless otherwise stated

Brazilian Development Bank - BNDES PAC II 9752	Own funds	2027	Long-term interest rate (TJLP) + 1.72%	
Brazilian Development Bank – BNDES ONDA LIMPA	Own funds	2025	Long-term interest rate (TJLP) + 1.92%	
Brazilian Development Bank – BNDES TIETÊ III	Own funds	2028	Long-term interest rate (TJLP) + 1.66%	
Brazilian Development Bank - BNDES 2015	Own funds	2035	Long-term interest rate (TJLP) + 2.18%	
Brazilian Development Bank - BNDES 2014	Own funds	2026	Long-term interest rate (TJLP) + 1.76%	
Inter-American Development Bank – IDB 2202	Federal Government	2035	CDI + 0.86%	
Inter-American Development Bank – IDB INVEST	Own funds	2034	CDI + 1.90% and CDI 2.70%	
Inter-American Development Bank – IDB INVEST 2022	Own funds	2036	CDI + 2.50%	
Inter-American Development Bank – IDB INVEST 2023	Own funds	2036	CDI + 0.50%	
International Finance Corporation - IFC 2022	Own funds	2032	CDI + 2.00%	
International Finance Corporation - IFC 2023	Own funds	2033	CDI + +2%	
International Finance Corporation - IFC 2024	Own funds	2034	CDI + 0.3735%	
Fehidro	Own funds	2035	3%	
Leases (Concession Agreement, Program Contracts, and Contract Assets)		2035	7.73% to 10.12%	Consumer Price Index (IPC)
Leases (others)		2042	9.74% to 15.24%	

In foreign currency	Guarantees	Maturity	Annual interest rate	Exchange rate changes	Hedge Cost
Inter-American Development Bank - IDB 4623	Federal Government	2044	SOFR + 1.20%	US$	DI - 0.41% p.a.
International Bank for Reconstruction and Development – BIRDs 7662 and 8916	Federal Government	2048	SOFR + 0.74% and 1.84%	US$	DI - 1.01% p.a. and DI + 0.42% p.a.
JICA 15	Federal Government	2029	1.8% and 2.5%	Yen	DI + 0.21% p.a.
JICA 18	Federal Government	2029	1.8% and 2.5%	Yen	DI - 1.26% p.a.

In thousands of reais, unless otherwise stated

JICA 17	Federal Government	2035	1.2% and 0.01%	Yen	DI + 0.19% p.a.
JICA 19	Federal Government	2037	1.7% and 0.01%	Yen	DI - 0.59% p.a.
International Finance Corporation – IFC B Loan	Own funds	2030	SOFR + 1.80%	EUR	DI + 0.85%
International Finance Corporation – IFC B Loan	Own funds	2030	EURIBOR + 1.85%	US$	DI + 1.20%
Blue Senior Unsecured Notes (“Blue Bonds”)	Own funds	2030	5.625%	US$	IPCA + 9.2860%

Payment schedule – accounting balances as of September 30, 2025:

Payment Schedule	Individual							
	October to December 2025	2026	2027	2028	2029	2030	2031 to 2048	Total
Local currency								
Debentures	450,000	3,734,400	1,454,903	684,626	1,341,184	4,493,146	7,284,019	19,442,278
Brazilian Federal Savings Bank	34,171	133,576	141,896	150,599	156,600	154,317	884,262	1,655,421
BNDES	65,115	257,622	244,236	86,567	35,056	35,056	159,199	882,851
IDBs - National	18,800	307,349	289,669	359,999	330,039	265,949	1,434,493	3,006,298
IFCs	24,000	64,450	91,400	147,450	218,700	335,000	1,852,444	2,733,444
Leases	60,885	25,809	4,414	16,247	29,689	12,529	274,189	423,762
Others	476	616	187	138	-	-	-	1,417
Interest and other charges	345,588	395,507	-	-	-	-	-	741,095
Total in local currency	999,035	4,919,329	2,226,705	1,445,626	2,111,268	5,295,997	11,888,606	28,886,566

In thousands of reais, unless otherwise stated

Foreign currency								
IDB	24,395	48,790	48,790	48,790	48,790	48,790	630,573	898,918
IBRD	-	32,335	32,335	32,335	59,600	59,600	573,787	789,992
JICA	5,189	154,254	154,254	154,254	154,254	75,575	497,202	1,194,982
IFCs	-	-	-	-	1,617,309	1,584,217	-	3,201,526
Interest and Other Charges	81,758	2,805	-	-	-	-	-	84,563
Total in foreign currency	111,342	238,184	235,379	235,379	1,879,953	1,768,182	1,701,562	6,169,981
Total	1,110,377	5,157,513	2,462,084	1,681,005	3,991,221	7,064,179	13,590,168	35,056,547

Payment Schedule	**Consolidated**							
	September to December 2025	**2026**	**2027**	**2028**	**2029**	**2030**	**2031 to 2048**	**Total**
In Brazilian currency								
Debentures	450,000	3,734,400	1,454,903	684,626	1,341,184	1,720,225	7,284,019	16,669,357
Brazilian Federal Savings Bank	34,171	133,576	141,896	150,599	156,600	154,317	884,262	1,655,421
BNDES	65,115	257,622	244,236	86,567	35,056	35,056	159,199	882,851
IDBs	18,800	307,349	289,669	359,999	330,039	265,949	1,434,493	3,006,298
IFCs	24,000	64,450	91,400	147,450	218,700	335,000	1,852,444	2,733,444
Leases	60,885	25,809	4,414	16,247	29,689	12,529	274,189	423,762
Others	476	616	187	138	-	-	-	1,417
Interest and Other Charges	345,588	355,155	-	-	-	-	-	700,743

In thousands of reais, unless otherwise stated

Total in local currency	999,035	4,878,977	2,226,705	1,445,626	2,111,268	2,523,076	11,888,606	26,073,293
Foreign currency								
IDB	24,395	48,790	48,790	48,790	48,790	48,790	630,573	898,918
IBRD	-	32,335	32,335	32,335	59,600	59,600	573,787	789,992
JICA	5,189	154,254	154,254	154,254	154,254	75,575	497,202	1,194,982
IFCs	-	-	-	-	1,617,309	1,584,217	-	3,201,526
Blue Bonds	-	-	-	-	-	2,657,989	-	2,657,989
Interest and Other Charges	81,758	27,986	-	-	-	-	-	109,744
Total in foreign currency	111,342	263,365	235,379	235,379	1,879,953	4,426,171	1,701,562	8,853,151
Total	1,110,377	5,142,342	2,462,084	1,681,005	3,991,221	6,949,247	13,590,168	34,926,444

In thousands of reais, unless otherwise stated

Changes	Individual												
	December 31, 2024	Addition	Funding	Borrowing costs	Inflation adjustment and exchange rate changes	Inflation adjustment / Exchange rate change - Capitalized	Interest paid	Amortization	Accrued interest	Provision for interest and charges - capitalized	Expenses with borrowing costs	Fair value	September 30 ,2025
Local currency													
Debentures	12,062,023	-	8,584,300	(169,906)	153,190	42,997	(1,235,321)	(874,337)	1,008,567	329,719	17,458	(7,737)	19,910,953
Brazilian Federal Savings Bank	1,688,057	-	59,345	-	19,495	4,603	(97,999)	(111,364)	79,261	18,664	-	-	1,660,062
BNDES	1,069,075	-	-	-	12,964	4,247	(56,589)	(200,339)	42,262	13,736	241	-	885,597
IDB	3,805,995	-	-	-	-	-	(338,674)	(124,134)	176,234	142,896	3,928	-	3,666,245
IFC	2,805,918	-	-	-	-	-	(241,794)	(580,124)	227,126	124,743	2,665	-	2,338,534
Leases (Concession, Program Contracts and Contract Assets)	317,144	-	-	-	-	-	(22,710)	(27,321)	57,688	-	-	-	324,801
Leases (Others)	150,924	541	-	-	-	-	(75,023)	-	22,519	-	-	-	98,961
Others	2,796	-	-	-	-	-	(49)	(1,381)	46	1	-	-	1,413
Total in local currency	21,901,932	541	8,643,645	(169,906)	185,649	51,847	(2,068,159)	(1,919,000)	1,613,703	629,759	24,292	(7,737)	28,886,566
Foreign currency													
IDBs	1,017,833	-	99,339	(2,003)	(148,300)	-	(27,232)	(59,614)	37,370	-	1,084	-	918,477
IBRD	846,017	-	118,120	(2,346)	(123,836)	-	(46,133)	(34,034)	33,570	210	511	-	792,079
JICA	1,492,515	-	-	-	125,116	1,473	(20,979)	(154,697)	14,132	634	76	(10,768)	1,197,445
IFCs	-	-	3,372,828	(34,115)	(138,210)	-	-	-	60,450	-	1,027	-	3,261,980
Total in foreign currency	3,356,365	-	3,590,287	(38,464)	(535,462)	1,473	(94,344)	(248,345)	145,522	844	2,873	(10,768)	6,169,981
Total	25,258,297	541	12,233,932	(208,370)	(349,813)	53,320	(2,162,503)	(2,167,345)	1,759,225	630,603	27,165	(18,505)	35,056,547

In thousands of reais, unless otherwise stated

Changes	Consolidated												
	December 31, 2024	Addition	Funding	Borrowing costs	Inflation adjustment and exchange rate changes	Inflation adjustment / Exchange rate change - Capitalized	Interest paid	Amortization	Accrued interest	Provision for interest and charges - capitalized	Expenses with borrowing costs	Fair value	September 30 ,2025
In Brazilian currency													
Debentures	12,062,023	-	5,818,600	(169,906)	145,969	42,997	(1,235,321)	(874,337)	968,215	329,719	17,458	(7,737)	17,097,680
Brazilian Federal Savings Bank	1,688,057	-	59,345	-	19,495	4,603	(97,999)	(111,364)	79,261	18,664	-	-	1,660,062
BNDES	1,069,075	-	-	-	12,964	4,247	(56,589)	(200,339)	42,262	13,736	241	-	885,597
IDB	3,805,995	-	-	-	-	-	(338,674)	(124,134)	176,234	142,896	3,928	-	3,666,245
IFC	2,805,918	-	-	-	-	-	(241,794)	(580,124)	227,126	124,743	2,665	-	2,338,534
Leases (Concession, Program Contracts and Contract Assets)	317,144	-	-	-	-	-	(22,710)	(27,321)	57,688	-	-	-	324,801
Leases (Others)	150,924	541	-	-	-	-	(75,023)	-	22,519	-	-	-	98,961
Others	2,796	-	-	-	-	-	(49)	(1,381)	46	1	-	-	1,413
Total in local currency	21,901,932	541	5,877,945	(169,906)	178,428	51,847	(2,068,159)	(1,919,000)	1,573,351	629,759	24,292	(7,737)	26,073,293
Foreign currency													
IDBs	1,017,833	-	99,339	(2,003)	(148,300)	-	(27,232)	(59,614)	37,370	-	1,084	-	918,477
IBRD	846,017	-	118,120	(2,346)	(123,836)	-	(46,133)	(34,034)	33,570	210	511	-	792,079
JICA	1,492,515	-	-	-	(125,116)	1,473	(20,979)	(154,697)	14,132	634	251	(10,768)	1,197,445
IFCs	-	-	3,372,828	(34,115)	(138,210)	-	-	-	60,450	-	1,027	-	3,261,980
Blue Bonds			2,659,300	(19,679)					25,183	-	656	17,710	2,683,170
Total in foreign currency	3,356,365	-	6,249,587	(58,143)	(535,462)	1,473	(94,344)	(248,345)	170,705	844	3,529	6,942	8,853,151
Total	25,258,297	541	12,127,532	(228,049)	(357,034)	53,320	(2,162,503)	(2,167,345)	1,744,056	630,603	27,821	(795)	34,926,444

In thousands of reais, unless otherwise stated

(a) Main events in the quarter ended September 30, 2025

34th, 35th and 36th debenture issue

In the third quarter, the Company raised R$ 4,884 million from the issue of simple unsecured non-convertible debentures, in a single series, with the following characteristics:

	Amount	Rate	Maturity
34th issue	1,068,600	DI	2032
35th issue	1,000,000	IPCA + 7.26% p.a.	2035
36th issue	2,815,700	IPCA + 9.28% p.a.	2030
Total	**4,884,300**		

Interest rate swaps were contracted for 35th issue (changing from IPCA + 7.26% p.a. to DI - 0.32% p.a.) and 36th issue (changing from IPCA + 9.28% p.a. to DI +1.39% p.a.).

The agreed covenants for the 34th and 35th issues are:

Calculated quarterly, upon disclosure of quarterly information or annual financial statements:

- Net debt/adjusted EBITDA lower than or equal to 3.50;
- Adjusted EBITDA/paid financial expenses equal to or higher than 1.5;

Failure to comply with the financial indices above for at least two consecutive quarters, or for two non-consecutive quarters within twelve months (in which case the 30-day cure period does not apply), constitutes a default event that may lead to the early maturity of the Debentures, disposal of operating assets, termination of licenses, loss of concession or loss of the Company's ability to execute and operate public sanitation services in areas of the São Paulo State which, individually or jointly during the term of the agreement, lead to a reduction of the Company's net sales and/or service revenue of more than twenty- five percent (25%). The above limit will be calculated every quarter, taking into consideration the Company's net operating income during the twelve (12) months before the end of each quarter and using the financial information disclosed by the Company. Failure to comply with the limit above constitutes a default event that may lead to the early maturity of the Debentures.

The 36th issue has no covenants.

Blue Senior Unsecured Notes ("Blue Bonds")

In July 2025, the Company's wholly-owned subsidiary SABESP Lux priced the offer of senior unsecured notes in the total volume of US$ 500,000 thousand, guaranteed by Sabesp. The Blue Bonds were issued at a rate of 5.625% p.a., maturing in August 2030 and paying semi-annual interest. Interest rate swap transactions were entered into (swapping from 5.625% p.a. to IPCA + 9.28% p.a.).

BID 1212:

In July 2025, the Company paid the final amortization of R$ 29,420, of which R$ 28,628 in principal and R$ 792 in interest.

28th debenture issue:

In July 2025, the Company paid the partial amortization of the 28th debentures issue, of R$ 509,085, of which R$ 444,100 in principal and R$ 64,985 in interest.

(b) Lease

The Company has lease agreements signed as Assets Lease. During the construction period, work costs are capitalized to contract assets and the lease amount is recorded in the same proportion.

The amounts payable for the right of use of assets are also recorded in this line. See Note 14 (e).

(c) Covenants

The table below shows the most restrictive covenants as of September 30, 2025.

	Covenants
Adjusted EBITDA / Adjusted Financial Expense	Equal to or higher than 3.50
EBITDA / Financial Expense Paid	Equal to or higher than 2.35
Adjusted Net Debt / Adjusted EBITDA	Equal to or less than 3.00
Net Debt / Adjusted EBITDA	Equal to or less than 3.50
Other Onerous Debt [1] / Adjusted EBITDA	Equal to or less than 1.00

[1] The contractual definition of “Other Onerous Debts” corresponds to the sum of pension obligations and healthcare plan, installment payment of tax debts, and installment payment of debts with the electricity supplier.

As of September 30, 2025 and December 31, 2024, the Company met the requirements outlined by its borrowings and financing agreements.

(d) Borrowings and financing contracted and not yet used

(in millions of Reais)	Individual and Consolidated
Agent	**September 30, 2025**
IBRD (*)	798
Banco BTG Pactual – *Saneamento para Todos* (Sanitation for All)	949
BID (*)	669
Brazilian Federal Savings Bank– Saneamento para Todos	704
BNDES	7
Others	4
Total	3,131

(*) Brazilian Central Bank’s exchange rate as of September 30, 2025 (US$ 1.00 = R$ 5.3186).

The funds from financing contracted have specific purposes and are released for the execution of their respective investments, according to the execution of the works.

(e) Derivative financial instruments and hedging transactions

The Company is exposed to certain risks related to its transactions. The main risks managed with derivative instruments are currency risk and interest rate risk.

The Company's risk management strategy and how it is applied is disclosed in Note 4.1 above, applicable to consolidated balances. As of September 30, 2025, regarding derivative transactions, the Company held a liability position of R$714,842 thousand (as of December 31, 2024, an asset position of R$67,440 thousand).

Derivatives designated as hedging instruments

Cash flow hedges

The Company entered into hedging derivative financial instruments, which have been effective since December 12, 2024, to mitigate the currency risk, with a corresponding DI rate variation minus an interest percentage, as described in Note 4.1. As of September 30, 2025, 6 swap transactions were in effect, with a notional value of US$ 798 million, and EUR 220 million.

There is an economic relationship between the hedged items and the hedging instruments, since the terms of the swaps correspond to the terms of the loans and financing transactions (for example, the notional amount, ratios and the maturity date). To test the effectiveness of cash flow hedging transactions, the Company uses the critical terms match method in order to assess whether all terms of the derivative are in line with the terms of the hedged item, in relation to terms, amortizations, contractual notional value, and interest payment.

The potential sources of hedge ineffectiveness evaluated by the Company are:

• Differences in the timing of cash flows from hedged items and hedging instruments.
• Different ratios (and, consequently, different curves) associated with the hedged risk of the hedged items and hedging instruments.
• Counterparties' credit risk has a different impact on the fair value movements of hedging instruments and hedged items.

The effect of the cash flow hedge on the statement of financial position, income statement and other comprehensive income as of September 30, 2025 is shown below:

In thousands of reais, unless otherwise stated

Individual and consolidated									
Transactions	Currency/ Index	Financing	Notional Value	Fair Value of Asset Position	Fair Value of Liability Position	Accumulated Gain / (Loss) on Derivatives - Swap	Gain / (Loss) on 2025 Derivatives - Swap	OCI Gain / (Loss) (**)	Amounts reclassified from OCI to profit or loss (*)
1	US$	IDB-1212-BR	-	-	-	-	(7,287)	(7,287)	(5,413)
2	US$	IDB-4623-BR	174,295	961,425	1,103,406	(141,981)	(189,197)	(189,197)	(206,890)
3	US$	IBRD-7662-BR	51,768	277,640	314,027	(36,387)	(85,044)	(85,044)	(90,003)
4	US$	IBRD-8916-BR	99,962	542,618	598,091	(55,473)	(81,059)	(81,059)	(91,494)
5	US$	IFC B1 USD	350,000	1,880,325	2,081,174	(200,849)	(200,849)	(200,849)	(178,878)
Total			**676,025**	**3,662,008**	**4,096,698**	**(434,690)**	**(563,436)**	**(563,436)**	**(572,678)**
1	EUR	IFC B1 Euro	220,000	1,372,408	1,477,252	(104,844)	(104,845)	(104,845)	(84,494)
Total			**896,025**	**5,034,416**	**5,573,950**	**(539,534)**	**(668,281)**	**(668,281)**	**(657,172)**

The effect of the cash flow hedge on the statement of financial position, income statement and other comprehensive income as of December 31, 2024 is shown below:

Individual and consolidated									
Transactions	Currency/ Index	Financing	Notional Value	Fair Value of Asset Position	Fair Value of Liability Position	Accumulated Gain / (Loss) on Derivatives - Swap	Gain / (Loss) on 2024 Derivatives - Swap	OCI Gain / (Loss)	Amounts reclassified from OCI to profit or loss (*)
1	US$	BID-1212-BR	10,278	65,698	62,314	3,384	3,384	3,384	-
2	US$	BID-4623-BR	156,958	972,082	951,770	20,312	20,312	20,312	-
3	US$	IBRD-7662-BR	57,848	355,973	350,680	5,293	5,293	5,293	-
4	US$	IBRD-8916-BR	78,894	492,665	478,904	13,761	13,761	13,761	-
Total			**303,978**	**1,886,418**	**1,843,668**	**42,750**	**42,750**	**42,750**	-

(*) Reclassified to the "Financial expenses" line. No ineffectiveness was recognized in profit or loss for the period.

Fair value hedges

As of September 30, 2025, the Company had an interest rate swap agreement with a notional value of Yen 32,641 (Yen 36,787 as of December 31, 2024), which provides that the Company will receive fixed and variable interest rates and pay a variable rate equal to the DI rate plus or less an interest percentage. Swaps are used to hedge exposure to changes in the fair value of loans and financing.

There is an economic relationship between the hedged items and the hedging instruments, since the terms of the swaps correspond to the terms of the loans and financing transactions (for example, the notional amount, ratios and the maturity date). To test the effectiveness of fair value hedging transactions, the Company uses the critical terms match method in order to assess whether all terms of the derivative are in line with the terms of the hedged item, in relation to terms, amortizations, contractual notional value, and interest payment.

In thousands of reais, unless otherwise stated

The effect of the fair value hedge on the statement of financial position and income statement as of September 30, 2025 is shown below:

Individual and Consolidated								
Transactions	Currency/ Index	Financing	Notional Value	Fair Value of Asset Position	Fair Value of Liability Position	Accumulated Gain / (Loss) on Derivatives - Swap	Gain / (Loss) on 2025 Derivatives - Swap	Gain / (Loss) on Fair value on the hedged item
1	Yen	JIC-BZP15-OBR	1,467,888	54,915	59,059	(4,144)	(12,483)	557
2	Yen	JIC-BZP15-CON	3,141,832	113,642	126,272	(12,630)	(24,392)	(786)
3	Yen	JIC-BZP17-CON	588,105	21,783	24,443	(2,660)	(4,261)	344
4	Yen	JIC-BZP17-OBR	2,443,203	90,990	102,297	(11,307)	(18,029)	1,338
5	Yen	JIC-BZP18-CON	2,719,776	98,376	109,309	(10,933)	(21,116)	(680)
6	Yen	JIC-BZP18-OBR	1,424,864	51,577	57,319	(5,742)	(11,153)	(359)
7	Yen	JIC-BZP19-OBR	18,528,731	685,251	744,378	(59,127)	(144,375)	9,745
8	Yen	JIC-BZP19-CON	2,326,726	83,029	93,211	(10,182)	(16,797)	609
Total			**32,641,125**	**1,199,563**	**1,316,288**	**(116,725)**	**(252,606)**	**10,768**

The effect of the fair value hedge on the statement of financial position and income statement as of December 31, 2024 is shown below:

Individual and Consolidated								
Transactions	Currency/ Index	Financing	Notional Value	Fair Value of Asset Position	Fair Value of Liability Position	Accumulated Gain / (Loss) on Derivatives - Swap	Gain / (Loss) on 2024 Derivatives - Swap	Gain / (Loss) on Fair value on the hedged item
1	Yen	JIC-BZP15-OBR	3,927,290	154,834	156,205	(1,371)	(1,371)	326
2	Yen	JIC-BZP15-CON	1,834,860	75,069	73,013	2,056	2,056	(2,550)
3	Yen	JIC-BZP17-CON	2,559,546	105,119	101,762	3,357	3,357	(4,027)
4	Yen	JIC-BZP17-OBR	616,110	25,302	24,476	826	826	(984)
5	Yen	JIC-BZP18-CON	1,781,080	70,242	70,869	(627)	(627)	153
6	Yen	JIC-BZP18-OBR	3,399,720	134,034	135,221	(1,187)	(1,187)	282
7	Yen	JIC-BZP19-OBR	20,139,925	823,242	800,959	22,283	22,283	(27,597)
8	Yen	JIC-BZP19-CON	2,529,050	99,813	100,460	(647)	(647)	9
Total			**36,787,581**	**1,487,655**	**1,462,965**	**24,690**	**24,690**	**(34,388)**

In thousands of reais, unless otherwise stated

Derivatives not designated as hedging instruments

In July 2025, interest rate swap transactions were entered into for the 35th issue, swapping from IPCA 7,26% p.a. to DI - 0.32 p.a.

Also in July 2025, interest rate swap transactions were entered into, swapping from 5.625% p.a. to IPCA + 9.28% p.a. for Blue bonds, and from IPCA + 9.28% p.a. to DI +1.39% p.a. for the 36th issue.

These derivatives were not designated to documented hedge accounting structures, and the Company chose to irrevocably designate the hedged liabilities to the fair value option.

The effect of derivatives not designated to hedge accounting, as well as of liabilities selected at the fair value option on the statement of financial position and income statement is shown below:

Individual								
Transactions	Currency / Index	Financing	Notional Value	Fair Value of Asset Position	Fair Value of Liability Position	Accumulated Gain / (Loss) on Derivatives - Swap	Gain / (Loss) on 2025 Derivative - Swap	Gain / (Loss) on Fair value on the hedged item
1	IPCA	DEBENTURES 33rd	2,700,000	2,924,087	2,937,875	(13,788)	(13,788)	(1,521)
2	IPCA	DEBENTURES 35th	1,000,000	1,006,016	1,021,221	(15,205)	(15,205)	7,301
3	IPCA	DEBENTURES 36th	2,815,700	2,860,438	2,890,028	(29,590)	(29,590)	1,957
Total			**6,515,700**	**6,790,541**	**6,849,124**	**(58,583)**	**(58,583)**	**7,737**

Consolidated								
Transactions	Currency/ Index	Financing	Notional Value	Fair Value of Asset Position	Fair Value of LiabilityPosition	Accumulated Gain / (Loss) on Derivatives - Swap	Gain / (Loss) on 2025 Derivatives - Swap	Gain / (Loss) on Fair value on the hedged item
1	IPCA	DEBENTURES 33rd	2,700,000	2,924,087	2,937,875	(13,788)	(13,788)	(1,521)
2	IPCA	DEBENTURES 35th	1,000,000	1,006,016	1,021,221	(15,205)	(15,205)	7,301
3	IPCA	DEBENTURES 36th	2,815,700	2,860,438	2,890,028	(29,590)	(29,590)	1,957
Total			**6,515,700**	**6,790,541**	**6,849,124**	**(58,583)**	**(58,583)**	**7,737**
1	USD	*Blue Bonds LUX*	500,000	2,702,193	2,809,644	(107,451)	(108,436)	(17,873)
Total			**500,000**	**2,702,193**	**2,809,644**	**(107,451)**	**(108,436)**	**(17,873)**
Total			**7,015,700**	**9,492,734**	**9,658,768**	**(166,034)**	**(167,019)**	**(10,136)**

In thousands of reais, unless otherwise stated

As of December 31, 2024, there were no instruments designated as fair value options.

18 Taxes and Contributions

(a) Current assets

	Individual		Consolidated	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Income tax and social contribution	309,876	752,355	309,876	752,355
Withheld income tax (IRRF) on financial investments	92,980	45,907	93,005	45,921
Other federal taxes	22,885	2,535	22,885	2,535
Total	425,741	800,797	425,766	800,811

(b) Current liabilities

	Individual		Consolidated	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Income tax and social contribution	442,063	-	443,547	1,957
PIS and COFINS	152,172	162,995	152,320	163,156
INSS (social security contribution)	40,057	44,763	40,057	44,763
IRRF (withholding income tax)	6,634	290,949	6,629	290,949
Others	92,778	90,403	92,869	90,446
Total	733,704	589,110	735,422	591,271

19 Deferred PIS/Cofins taxes

	Individual and Consolidated	
	September 30, 2025	December 31, 2024
PIS/Cofins - Financial Asset	924,807	822,482
PIS/Cofins - Estimated Revenue	74,117	111,475
Others	192,339	183,847
Total	1,191,263	1,117,804
Current Liabilities	74,117	-
Noncurrent Liabilities	1,117,146	1,117,804

In thousands of reais, unless otherwise stated

20 Deferred taxes and contributions

(a) Statement of financial position details

	Individual and Consolidated	
	September 30, 2025	December 31, 2024
Deferred income tax assets		
Provisions	624,418	839,864
Pension plan obligations - G1	125,198	125,198
Donations of underlying assets on concession agreements	41,451	43,321
Allowance for doubtful accounts	135,083	177,271
Allowance for losses on other accounts receivable	54,426	50,515
Allowance for inventory losses	116,737	127,840
Allowance for losses works and projects	57,606	57,606
Allowance for losses on write-off of assets	37,607	42,812
Performance Agreements	79,969	74,670
Present value adjustment (PVA) accounts receivable	90,365	100,913
Loss – hedge (Other comprehensive income)	4,316	4,302
Derivative financial instruments in profit/loss	245,579	3,297
Contractors' provisions	127,331	-
Deferred PIS/Cofins	380,053	
Others	69,757	75,644
Total deferred tax asset	2,189,896	1,723,253
Deferred income tax liabilities		
Temporary difference in the concession of intangible asset	(293,406)	(314,641)
Capitalization of borrowing costs	(521,214)	(461,362)
Profit on supply to government entities	(562,554)	(334,477)
Financial asset of the concession	(3,399,289)	(3,111,446)
Actuarial gain – G1 Plan	(125,096)	(125,096)
Construction margin	(35,795)	(37,842)
Borrowing costs	9,872	(280)
Total deferred tax liabilities	(4,927,482)	(4,385,144)
Net Deferred Tax Assets/(Liabilities)	(2,737,586)	(2,661,891)

In thousands of reais, unless otherwise stated

(b) Changes

	Individual and Consolidated		
	December 31, 2024	Net Change	September 30, 2025
Deferred income tax assets			
Provisions	839,864	(215,446)	624,418
Pension plan obligations - G1	125,198	-	125,198
Donations of underlying assets on concession agreements	43,321	(1,870)	41,451
Allowance for doubtful accounts	177,271	(42,188)	135,083
Allowance for losses on other accounts receivable	50,515	3,911	54,426
Allowance for inventory losses	127,840	(11,103)	116,737
Allowance for losses works and projects	57,606	-	57,606
Allowance for losses on write-off of assets	42,812	(5,205)	37,607
Performance Agreements	74,670	5,299	79,969
Present value adjustment (PVA) accounts receivable	100,913	(10,548)	90,365
Loss – hedge (Other comprehensive income)	4,302	14	4,316
Derivative financial instruments in profit/loss	3,297	242,282	245,579
Others	75,644	(5,887)	69,757
Contractors' provisions	-	127,331	127,331
Deferred PIS/Cofins	-	380,053	380,053
Total deferred tax asset	1,723,253	466,643	2,189,896
Deferred income tax liabilities			
Temporary difference on concession of intangible assets	(314,641)	21,235	(293,406)
Capitalization of borrowing costs	(461,362)	(59,852)	(521,214)
Profit on supply to government entities	(334,477)	(228,077)	(562,554)
Financial asset of the concession	(3,111,446)	(287,843)	(3,399,289)
Actuarial gain – G1 Plan	(125,096)	-	(125,096)
Construction margin	(37,842)	2,047	(35,795)
Borrowing costs	(280)	10,152	9,872
Total deferred tax liabilities	(4,385,144)	(542,338)	(4,927,482)
Net deferred tax liabilities	(2,661,891)	(75,695)	(2,737,586)

In thousands of reais, unless otherwise stated

(c) Reconciliation of the effective tax rate

The amounts recorded as income tax and social contribution expenses in the quarterly information are reconciled to the statutory rates, as shown below:

	Individual			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Profit before taxes	3,239,375	8,715,679	9,332,464	12,408,884
Statutory rate	34%	34%	34%	34%
Estimated expense at statutory rate	(1,101,388)	(2,963,331)	(3,173,038)	(4,219,021)
Permanent differences				
Tax benefit from interest on equity	-	-	-	50,214
Provision Law No. 4819/1958 – G0 (i)	(13,163)	(35,213)	(6,370)	(20,383)
Donations	(333)	(3,833)	(204)	(3,700)
Tax Incentives	-	-	-	(1,360)
Agreement with AAPS	-	-	(2,084)	(3,572)
Other differences	34,074	63,317	(38,885)	(66,418)
Income tax and social contribution	(1,080,810)	(2,939,060)	(3,220,581)	(4,264,240)
Current income tax and social contribution	(1,370,181)	(2,863,350)	(433,782)	(1,510,116)
Deferred income tax and social contribution	289,371	(75,710)	(2,786,799)	(2,754,124)
Effective rate	34%	34%	35%	34%

	Consolidated			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Profit before taxes	3,240,859	8,719,627	9,333,666	12,412,192
Statutory rate	34%	34%	34%	34%
Estimated expense at statutory rate	(1,101,892)	(2,964,673)	(3,173,446)	(4,220,145)
Permanent differences				
Tax benefit from interest on net equity	-	-	-	50,214
Provision Law No. 4819/1958 – G0 (i)	(13,163)	(35,213)	(6,370)	(20,383)
Donations	(333)	(3,833)	(204)	(3,700)
Tax Incentives	-	-	-	(1,360)

In thousands of reais, unless otherwise stated

Agreement with AAPS	-	-	(2,084)	(3,572)
Other differences	33,094	60,711	(39,679)	(68,602)
Income tax and social contribution	(1,082,294)	(2,943,008)	(3,221,783)	(4,267,548)
Current income tax and social contribution	(1,371,665)	(2,867,298)	(434,984)	(1,513,424)
Deferred income tax and social contribution	289,371	(75,710)	(2,786,799)	(2,754,124)
Effective rate	34%	34%	35%	34%

21 Provisions

(a) Lawsuits and proceedings that resulted in provisions

(I) Statement of financial position details

The Company is a party to several legal claims and administrative proceedings arising from the normal course of business, including civil, tax, labor, and environmental matters. Management recognizes provisions consistently with the recognition and measurement criteria established in Note 3.16 of the 2024 Financial Statements. The payment terms and amounts are defined based on the outcome of these lawsuits.

Throughout 2025, the Company revised its criteria for evaluating legal proceedings, which were previously defined internally, by hiring external law firms. Furthermore, it adopted a new internal policy for reaching legal settlements, as this was not the usual practice of the Company. During the period, certain environmental provisions were reversed, reflecting changes in the period related to decisions on the matter and changes in circumstances.

	Individual and Consolidated September 30 ,2025			Individual and Consolidated December 31, 2024		
	Provisions	Escrow deposits	Provisions net of deposits	Provisions	Escrow deposits	Provisions net of deposits
Customer claims (i)	132,494	(7,627)	124,867	149,803	(11,341)	138,462
Supplier claims (ii)	73,972	(59)	73,913	235,683	(58)	235,625
Other civil claims (iii)	137,416	(623)	136,793	174,151	(1,431)	172,720
Tax claims (iv)	26,637	(742)	25,895	176,426	(2,417)	174,009
Labor claims (v)	1,319,453	(16,383)	1,303,070	1,077,083	(13,210)	1,063,873
Environmental claims (vi)	146,545	(46)	146,499	657,041	(51)	656,990
Total	1,836,517	(25,480)	1,811,037	2,470,187	(28,508)	2,441,679
Current	1,331,565	-	1,331,565	1,546,184	-	1,546,184
Noncurrent	504,952	(25,480)	479,472	924,003	(28,508)	895,495

In thousands of reais, unless otherwise stated

(II) Changes

	Individual and Consolidated					
	December 31, 2024	Additional provisions	Interest and inflation adjustment	Use of the provision	Amounts not used (reversal)	September 30 ,2025
Customer claims (i)	149,803	10,841	26,778	(22,669)	(32,259)	132,494
Supplier claims (ii)	235,683	51,720	15,274	(136,871)	(91,834)	73,972
Other civil claims (iii)	174,151	59,404	30,288	(84,101)	(42,326)	137,416
Tax claims (iv)	176,426	35,998	11,775	(935)	(196,627)	26,637
Labor claims (v)	1,077,083	325,991	168,254	(44,556)	(207,319)	1,319,453
Environmental claims (vi)	657,041	32,018	34,947	-	(577,461)	146,545
Sub-total	2,470,187	515,972	287,316	(289,132)	(1,147,826)	1,836,517
Escrow deposits	(28,508)	(54,045)	(6,240)	5,820	57,493	(25,480)
Total	2,441,679	461,927	281,076	(283,312)	(1,090,333)	1,811,037

(b) Lawsuits deemed as contingent liabilities

The Company is a party to lawsuits and administrative proceedings relating to environmental, tax, civil, and labor claims, which are assessed as contingent liabilities in the quarterly information, since neither are outflows expected to be required nor can the amount of the obligations cannot be reliably measured. Contingent liabilities, assessed as possible loss, net of deposits, are represented as follows:

	Individual and Consolidated	
	September 30 ,2025	December 31, 2024
Customer claims (i)	211,245	171,831
Supplier claims (ii)	919,230	807,950
Other civil claims (iii)	721,968	669,108
Tax claims (iv)	1,717,463	1,362,849
Labor claims (v)	817,318	1,321,935
Environmental claims (vi)	5,048,964	5,294,595
Total	9,436,188	9,628,268

(c) Explanation of the nature of the main classes of lawsuits

(i) Customer claims

Refer mainly to lawsuits from customers claiming that their tariffs should be equal to those of other consumer categories, lawsuits for reduction of sewage tariff due to system losses, consequently requiring the refund of amounts charged by the Company, and lawsuits for reduction of tariff for being eligible to the Social Welfare Entity category.

(ii) Supplier claims

Include lawsuits filed by some suppliers alleging underpayment of inflation adjustments and economic and financial imbalance of the agreements, and are in progress at various courts.

(iii) Other civil claims

Refer mainly to indemnities for property damage, pain and suffering, and loss of profits allegedly caused to third parties, such as vehicle accidents, claims, and challenges on the methodology to collect tariffs, among others, filed at various court levels.

(iv) Tax claims

Tax claims refer mainly to tax collections and fines in general challenged due to disagreements regarding notification or differences in the interpretation of legislation by the Company's Management.

(v) Labor claims

The Company is a party to several labor lawsuits, involving issues such as overtime, shift schedule, health hazard premium and hazardous duty premium, prior notice, change of function, salary equalization, service outsourcing, and others, which are at various court levels.

(vi) Environmental claims

These refer to several administrative proceedings and lawsuits filed by government entities, including Companhia Ambiental do Estado de São Paulo (CETESB) and the Public Prosecution Office of the São Paulo State, which aim at certain obligations to do and not to do, demanding fines for non-compliance and imposition of compensation for environmental damages allegedly caused by the Company.

The main litigations involving the Company include: a) discharge or release of sewage without proper treatment; b) investment in the water and sewage treatment system of the municipality, under penalty of paying a fine; c) pay compensation for environmental damages.

In thousands of reais, unless otherwise stated

(d) Guarantee insurance

In July 2025, the company renewed the agreement for the issue of policies under several types of guarantee insurance, whose limit that can be used as insurance for escrow deposit is R$ 375 million.

The guarantee insurance for escrow deposit is used in legal claims, where instead of immediately disbursing cash, the Company uses the guarantee provided by the insurance until the end of these proceedings, limited to up the effectiveness period of five years. As of September 30, 2025, the amount of R$ 347 million was available for use.

22 Labor and social obligations

	Individual and Consolidated	
	September 30 ,2025	December 31, 2024
Salaries and payroll charges	53,282	70,291
Provision for vacation	219,288	218,987
Provision for Christmas bonus	74,003	-
Healthcare plan (i)	107,908	117,578
Provision for profit sharing (ii)	159,632	181,446
Incentivized Dismissal Program - IDP (iii)	24,305	62,127
Voluntary Dismissal Program - VDP (iv)	474,833	629,273
Consent Decree (TAC)	6,764	5,587
Knowledge Retention Program (KRP)	519	904
Total	1,120,534	1,286,193

(i) Healthcare plan

Benefits granted are paid after the event, free of choice, and are sponsored by the contributions of SABESP and the employees. In the third quarter of 2025, the Company contributed 7.4%, on average, of gross payroll, totaling R$ 216,104 (8.5% in the third quarter of 2024, totaling R$ 220,318) in expenses with salaries, payroll charges, and benefits.

The agreement entered into between SABESP and AAPS (SABESP's Association of Retirees and Pensioners) regarding the financial compensation linked to the effectiveness of the SABESP and VIVEST health plan agreement, for the period of 60 months of the migration of retirees, former employees, pensioners and dependents between health plans, is recorded in this line.

Until the ratification of the agreement, SABESP was responsible for transferring to VIVEST the amounts related to the deficits of the health plans of retirees, former employees, pensioners and dependents, and for the reimbursement by each of them to the Company for the deficit.

In the first quarter of 2024, the Company recognized the obligation related to the agreement, considering the entire population migrated or under negotiation for health plan migration, with a total impact on profit or loss for the period of R$ 162,388 recorded in the line general expenses.

Until September 30, 2025, the total provision amount was R$ 138,059, of which R$ 40,445 in this line in current liabilities, and R$ 97,614 in non-current liabilities under the line "Other Obligations".

(ii) Provision for profit sharing

The Profit Sharing Program was implemented based on an agreement with the labor unions. Payment corresponds to up to one month's salary for each employee, based on the achievement of established goals. In addition, a new short-term incentive program was approved at the 2025 AEGM, which will be paid as Profit Sharing to the Company's management positions, subject to the achievement of individual and collective goals. This program is provisioned monthly, according to the achievement of these targets.

(iii) Incentivized Dismissal Program ("IDP")

In June 2023, the Company implemented the IDP to reduce the number of employees in a conciliatory manner, aiming at efficiency gains, increased competitiveness and optimized costs (more details in Note 21 to the Annual Financial Statements as of December 31, 2023).

As of September 30, 2025, R$ 24,966 was recorded due to the provision for compensation incentives for employees who joined the Program, of which R$ 24,305 in this line under current liabilities and R$ 661 in noncurrent liabilities under "Other obligations" line. These amounts refer to Health Plan reimbursements to be implemented for 24 consecutive and uninterrupted months, until approximately the end of 2026.

(iv) Voluntary Dismissal Program ("VDP's")

The VDP's were implemented to reduce the number of employees in a conciliatory manner, aiming at efficiency gains, increased competitiveness and optimized costs and was carried out in three phases:

1- 2025 VDP: applications in the period from December 23, 2024 to January 31, 2025, with 2,039 applications and contractual terminations beginning February 2025 (further details in Note 23 of the Annual Financial Statements as of December 31, 2024).

2- VDPD: applications in the period from August 6, 2025 to August 29, 2025, with 145 applications and contract terminations scheduled from August 6, 2025 to December 31, 2025.

3 –VDP2: applications in the period from September 1, 2025 to September 26, 2025, with 1716 applications and contract terminations according to the schedule previously established, from September 1, 2025 to December 31, 2025.

Until September 30, 2025, the amount of R$ 474,833 was recorded in current liabilities, under the line "Labor and social obligations", arising from the provision for indemnity incentives for employees who joined the programs.

23 Pension plan obligations

The Company has Post-Employment Benefits in the following modalities: Defined Benefit (BD) – G1 Plan (ii) and G0 (i);

In thousands of reais, unless otherwise stated

and Defined Contribution (CD) – SABESPrev Mais (iii) and VIVEST (iv), and only the latter is open for new adhesions. See the reconciliation of expenses with such plans in item (v).

Summary of pension plan obligations - Liabilities

	Individual and Consolidated		
	G1 Plan	G0	Total
Pension plan obligations as of December 31, 2024	-	(1,931,145)	(1,931,145)
(Expenses) recognized in 2025	(29,592)	(174,967)	(204,559)
Payments made in 2025	29,592	156,902	186,494
Pension plan obligations as of June 30, 2025	-	(1,949,210)	(1,949,210)

	Individual and Consolidated		
	G1 Plan	G0	Total
Pension plan obligations as of December 31, 2023	(44,249)	(2,098,622)	(2,142,871)
(Expenses) recognized in 2024	(4,661)	(141,956)	(146,617)
Payments made in 2024	29,828	153,366	183,194
Pension plan obligations as of June 30, 2024	(19,082)	(2,087,212)	(2,106,294)

(i) G1 Plan

The defined benefit plan ("G1 Plan") managed by SABESPREV receives similar contributions established in a plan of subsidy of actuarial study of SABESPREV, as follows:

- 0.99% of the portion of the salary of participation up to 20 salaries; and
- 8.39% of the surplus, if any, of the portion of the salary of participation over 20 salaries.

(ii) G0

According to State Law 4819/1958, employees who started providing services before May 1974 acquired a legal right to receive supplemental pension payments under the "G0 Plan". The Company pays supplemental retirement and pension amounts on behalf of the São Paulo State and seeks reimbursements of such amounts, which are recorded in the "Balances with related parties" line, limited to the amounts considered virtually certain to be reimbursed by the São Paulo State.

(iii) Sabesprev Mais Plan

The sponsor's contributions correspond to the result obtained by applying a percentage of 100% to the basic contribution made by the participant.

(ii) VIVEST Plan

Managed by VIVEST, the sponsor's contributions correspond to the result obtained by applying a percentage of

In thousands of reais, unless otherwise stated

100% to the basic contribution made by the participant.

(v) Reconciliation of expenditures with pension plan obligations

	Individual and Consolidated			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
G1 Plan (i)	9,762	29,592	1,538	4,661
Go (ii)	58,322	174,967	47,319	141,956
SABESPrev Mais Plan (iii)	5,259	17,472	7,511	20,851
VIVEST Plan (iv)	835	2,007	220	629
Sub-total	74,178	224,038	56,588	168,097
Capitalized	(2,861)	(9,403)	(1,093)	(3,277)
Reimbursement of additional retirement and pension benefits paid (Go)	(19,609)	(71,401)	(28,584)	(82,005)
Others	3,370	12,175	2,278	5,381
Pension plan obligations (Note 29)	55,078	155,409	29,189	88,196

24 Services payable

	Individual		Consolidated	
	September 30 ,2025	December 31, 2024	September 30 ,2025	December 31, 2024
Service providers	558,306	412,422	561,797	415,873
Municipal transfers	410,381	563,244	410,381	563,301
FAUSP	1,131,407	395,179	1,131,407	395,179
Other services	150,887	64,153	151,146	64,154
	2,250,981	1,434,998	2,254,731	1,438,507

This line records the balances payable, mainly for services received from third parties, such as the supply of electric power, reading of hydrometers and delivery of water and sewage bills, cleaning, surveillance and security services, collection, legal counsel services, audit, marketing, and advertising and consulting services, among others.

FAUSP – Definition of Balancing Tariffs

As of September 30, 2025, after ARSESP (the Regulatory Agency for Public Services of the State of São Paulo) defined the balancing tariff tables, the Company adjusted the provision for the amounts allocated to the Escrow Account pursuant to Concession Agreement No. 01/2024.

Between the 3rd quarter of 2024 and the 2nd quarter of 2025, the Company recognized a provision for FAUSP (a support fund for sanitation in the State of São Paulo) on a quarterly basis, resulting in the difference between the balancing and revenues and the application of approximately 3.22%. In August 2025, ARSESP communicated the balancing tariff to the Company based on the application of 4,2167% on the tariff tables of ARSESP Resolution No. 1,514/2024. The use of the tables reported by ARSESP resulted in a difference between the balancing revenues. Thus, since the 3rd quarter of 2025, the provision for FAUSP is approximately 3.74% of the investment revenue.

In thousands of reais, unless otherwise stated

The impact resulting from this adjustment, which considers the period between July 2024 and June 2025, was R$ 107 million, recognized in profit or loss for the 3rd quarter of 2025.

25 Equity

(a) Capital

As of September 30, 2025 and December 31, 2024, the Company's fully subscribed and paid-in capital, totaling R$ 18,400,000 and R$ 15,000,000, respectively, was composed of registered, book-entry shares with no par value, as follows:

	Common		Preferred		Total Capital	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
State of São Paulo (1)(2)	123,036,669	18.0	1	100.0	123,036,670	18.0
Equatorial S.A.	102,526,480	15.0	-	-	102,526,480	15.0
Free Float	457,946,719	67.0	-	-	457,946,719	67.0
Total	683,509,868	100.0	1	100.0	683,509,869	100.0

(1) Considers 123,036,663 common shares held by the São Paulo State Treasury Department and six common shares held by Cia. Paulista de Parcerias – CPP, a company controlled by the São Paulo State.
(2) Special class preferred share.

(b) Capital increase

As of March 24, 2025, the Board of Directors approved a capital increase from R$ 15,000,000 to R$ 18,400,000 with the capitalization of part of the investment reserve in the amount of R$ 3,400,000. This transaction did not affect cash.

(c) Dividends and interest on equity

The Annual General Meeting, held on April 29, 2025, approved the distribution of dividends as interest on equity totaling R$ 1,831,122, corresponding to minimum mandatory dividends and R$ 718,692 as supplementary minimum dividends, totaling R$ 2,549,814, paid in May 2025.

(d) Long-Term Incentive Plan - ILP

At the Extraordinary General Meeting held on April 29, 2025, SABESP's Restricted Share and Performance Plans were approved. The granting of shares is subject to the permanence of the participants in the Company and, in the case of performance shares, in addition to the fulfillment of specific goals such as the Universalization Factor (U Factor) and the Total Shareholder Return (TSR).

In thousands of reais, unless otherwise stated

The Restricted Share Plan provides its participants with 4-year vesting with the acquisition of 25% of the shares each year. Specifically for the Chief Executive Officer, vesting will be 8 years, following a staggered schedule of annual acquisition.

The Performance Share Plan has a 5-year vesting with annual acquisition conditioned on the achievement of goals for its participants. In the specific case of the Chief Executive Officer, the transfer of shares is planned to occur only at the end of the program period. If U Factor goals are achieved in 2029 (universalization), as provided for in the Concession Agreement – URAE-1, the plan provides for the possibility of accelerating the vesting in October 2030 for all participants, including the Chief Executive Officer.

The number of shares to be granted will be defined by SABESP's Board of Directors, within the aggregate global limit approved by the meeting of 1% of the share capital (on a fully diluted basis).

As of September 30, 2025, an expense of R$ 5,927 was recognized in profit or loss for the period referring to the Long-Term Incentive Plans, with a contra entry in Equity.

As of October 2025, the Company held 508,439 treasury shares.

26 Earnings per share

Basic and diluted

The Company does not have potentially dilutive common shares outstanding or debts convertible into common shares. Accordingly, basic and diluted earnings per share are equal.

	Individual and Consolidated		Individual and Consolidated	
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Profit attributable to the Company's shareholders	2,158,565	5,776,619	6,111,883	8,144,644
Weighted average number of common shares issued	683,509,868	683,509,868	683,509,868	683,509,869
Basic and diluted earnings per share (reais per share)	3.16	8.45	8.94	11.92

27 Operating segment information

The Company's Management, composed of the Board of Directors and the Executive Board, has determined the operating segment used to make strategic decisions, such as sanitation services.

In thousands of reais, unless otherwise stated

Profit or loss - Individual:

	Individual					
	July to September 2025			January to September 2025		
	Sanitation (i)	Reconciliation to the statement of profit or loss (ii)	Balance according to financial statements	Sanitation (i)	Reconciliation to the statement profit or loss (ii)	Balance according to financial statements
Gross operating revenue	5,921,011	3,921,357	9,842,368	18,497,843	9,590,592	28,088,435
Gross sales deductions	(429,063)	-	(429,063)	(1,304,349)	-	(1,304,349)
Net operating revenue	5,491,948	3,921,357	9,413,305	17,193,494	9,590,592	26,784,086
Costs, selling, general, and administrative expenses	(2,912,723)	(3,921,357)	(6,834,080)	(8,499,214)	(9,590,592)	(18,089,806)
Operating income before other operating expenses, net and equity accounting	2,579,225	-	2,579,225	8,694,280	-	8,694,280
Other operating income (expenses), net			(54,964)			(7,526)
Equity accounting			11,308			38,217
Financial income, net			703,806			(9,292)
Profit before income tax and social contribution			3,239,375			8,715,679
Depreciation and amortization	(533,849)	-	(533,849)	(1,658,307)	-	(1,658,307)

	Individual					
	July to September 2024			January to September 2024		
	Sanitation (i)	Reconciliation to the statement of profit or loss (ii)	Balance according to financial statements	Sanitation (i)	Reconciliation to the statement profit or loss (ii)	Balance according to financial statements
Gross operating revenue	14,725,803	1,529,900	16,255,703	26,303,320	4,138,152	30,441,472
Gross sales deductions	(1,269,003)	-	(1,269,003)	(2,163,207)	-	(2,163,207)
Net operating revenue	13,456,800	1,529,900	14,986,700	24,140,113	4,138,152	28,278,265
Costs, selling, general, and administrative expenses	(3,474,007)	(1,495,503)	(4,969,510)	(10,374,093)	(4,045,114)	(14,419,207)

In thousands of reais, unless otherwise stated

Operating income before other operating expenses, net and equity accounting	9,982,793	34,397	10,017,190	13,766,020	93,038	13,859,058
Other operating income (expenses), net			(169,687)			(155,789)
Equity accounting			6,211			16,344
Financial income, net			(521,250)			(1,310,729)
Profit before income tax and social contribution			9,332,464			12,408,884
Depreciation and amortization	(591,655)	-	(591,655)	(2,152,413)	-	(2,152,413)

Profit or loss - Consolidated:

	Consolidated					
	July to September 2025			January to September 2025		
	Sanitation (i)	Reconciliation to the statement of profit or loss (ii)	Balance according to financial statements	Sanitation (i)	Reconciliation to the statement profit or loss (ii)	Balance according to financial statements
Gross operating revenue	5,930,173	3,924,246	9,854,419	18,525,095	9,596,154	28,121,249
Gross sales deductions	(429,528)	-	(429,528)	(1,305,628)	-	(1,305,628)
Net operating revenue	5,500,645	3,924,246	9,424,891	17,219,467	9,596,154	26,815,621
Costs, selling, general, and administrative expenses	(2,920,031)	(3,924,246)	(6,844,278)	(8,520,777)	(9,596,154)	(18,116,931)
Operating income before other operating expenses, net and equity accounting	2,580,613	-	2,580,613	8,698,690	-	8,698,690
Other operating income (expenses), net			(54,304)			(6,865)
Equity accounting			7,452			31,980
Financial income, net			707,098			(4,178)
Profit before income tax and social contribution			3,240,859			8,719,627
Depreciation and amortization	(535,082)	-	(535,082)	(1,662,007)	-	(1,662,007)

In thousands of reais, unless otherwise stated

	Consolidated					
	July to September 2024			January to September 2024		
	Sanitation (i)	Reconciliation to the statement of profit or loss (ii)	Balance according to financial statements	Sanitation (i)	Reconciliation to the statement profit or loss (ii)	Balance according to financial statements
Gross operating revenue	14,734,835	1,531,417	16,266,252	26,328,885	4,142,042	30,470,927
Gross sales deductions	(1,269,410)	-	(1,269,410)	(2,164,345)	-	(2,164,345)
Net operating revenue	13,465,425	1,531,417	14,996,842	24,164,540	4,142,042	28,306,582
Costs, selling, general, and administrative expenses	(3,480,762)	(1,496,986)	(4,977,748)	(10,390,609)	(4,048,917)	(14,439,526)
Operating income before other operating expenses, net and equity accounting	9,984,663	34,431	10,019,094	13,773,931	93,125	13,867,056
Other operating income (expenses), net			(169,685)			(155,791)
Equity accounting			8,794			25,601
Financial income, net			(524,537)			(1,324,674)
Profit before income tax and social contribution			9,333,666			12,412,192
Depreciation and amortization	(592,888)	-	(592,888)	(2,156,113)	-	(2,156,113)

(i) Includes income from restatement of financial assets, in the amount of R$ 154,164 from July to September 2025 and R$ 846,600 from January to September 2025. See Note 33 for further information about non-cash items, other than depreciation and amortization that impact segment results, and for additional information on long -lived assets.

(ii) Construction revenue and related costs are not reported to the CODM. Revenue from construction is recognized under ICPC 01 (R1) / IFRIC 12 (Service Concession Arrangements) and CPC 47/IFRS 15 (Revenue from Contracts with Customers), as all performance obligations are met over time.

28 Operating revenue

	Individual			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Revenue from sanitation services (i)	6,099,241	18,387,471	6,062,823	17,640,340
Construction revenue	3,921,357	9,590,592	1,529,900	4,138,152
FAUSP (a)	(332,394)	(736,228)	(156,867)	(156,867)
Financial asset of the concession (ii)	154,164	846,600	8,819,847	8,819,847
PIS and Cofins	(400,825)	(1,219,634)	(1,248,685)	(2,089,254)

In thousands of reais, unless otherwise stated

Regulation, Control and Oversight Fee (TRCF) (iii)	(28,238)	(84,715)	(20,318)	(73,953)
Net operating revenue	9,413,305	26,784,086	14,986,700	28,278,265

	Consolidated			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Revenue from sanitation services (i)	6,108,403	18,414,723	6,071,855	17,665,905
Construction revenue	3,924,246	9,596,154	1,531,417	4,142,042
FAUSP (a)	(332,394)	(736,228)	(156,867)	(156,867)
Financial asset of the concession (ii)	154,164	846,600	8,819,847	8,819,847
PIS and Cofins	(401,265)	(1,220,831)	(1,249,070)	(2,090,329)
Regulation, Control and Oversight Fee (TRCF) (iii)	(28,263)	(84,797)	(20,340)	(74,016)
Net operating revenue	9,424,891	26,815,621	14,996,842	28,306,582

(i) Includes R$ 30,281 e R$ 91,577 referring to the TRCF charged from customers in the periods from July to September and from January to September 2025, respectively (R$ 29,993 and R$ 87,635 from July to September and from January to September 2024, respectively), in the municipalities regulated by ARSESP.
(ii) See Note 15.
(iii) Amount referring to regulatory, control, and oversight activities paid to regulatory authorities.

(a) See information in Note 30 (a) of the 2024 Annual Financial Statements.

29 Operating costs and expenses

	Individual			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Operating costs				
Salaries, payroll charges, and benefits	(765,959)	(1,640,842)	(524,741)	(1,560,993)
Pension plan obligations	(11,966)	(37,424)	(7,065)	(18,719)
Construction costs (Note 27)	(3,921,357)	(9,590,592)	(1,495,503)	(4,045,114)
General supplies	(164,023)	(298,029)	(78,205)	(273,542)
Treatment supplies	(119,907)	(363,285)	(120,249)	(385,620)
Outsourced services	(470,057)	(1,403,698)	(462,580)	(1,442,796)
Electricity	(300,016)	(1,132,894)	(401,463)	(1,179,761)
General expenses	(194,419)	(571,059)	(343,996)	(903,192)
Depreciation and amortization	(474,429)	(1,487,837)	(547,772)	(2,001,771)
	(6,422,133)	(16,525,660)	(3,981,574)	(11,811,508)
Selling expenses				
Salaries, payroll charges, and benefits	(76,085)	(182,773)	(65,716)	(195,736)
Pension plan obligations	(1,527)	(5,688)	(1,055)	(2,741)
General supplies	407	26,941	(1,172)	(4,431)

In thousands of reais, unless otherwise stated

Outsourced services	(81,852)	(288,279)	(98,665)	(312,107)
Electricity	(77)	(674)	(131)	(544)
General expenses	(497)	(981)	(23,975)	(76,958)
Depreciation and amortization	(6,457)	(21,948)	(7,516)	(41,836)
	(166,088)	(473,402)	(198,230)	(634,353)
Allowance for doubtful accounts (Note 9 (c))	352,408	28,886	(139,993)	(402,156)
Administrative expenses				
Salaries, payroll charges, and benefits	(265,217)	(508,847)	(112,504)	(343,428)
Pension plan obligations	(41,585)	(112,297)	(21,069)	(66,736)
General supplies	3,180	2,844	(12,355)	11,099
Outsourced services	(158,020)	(321,336)	(84,025)	(233,632)
Electricity	(205)	(758)	(284)	(967)
General expenses	(65,113)	34,155	(362,824)	(768,804)
Depreciation and amortization	(52,963)	(148,522)	(36,367)	(108,806)
Tax expenses	(18,344)	(64,869)	(20,285)	(59,916)
	(598,267)	(1,119,630)	(649,713)	(1,571,190)
Operating costs and expenses				
Salaries, payroll charges, and benefits	(1,107,261)	(2,332,462)	(702,961)	(2,100,157)
Pension plan obligations (Note 23 (iv))	(55,078)	(155,409)	(29,189)	(88,196)
Construction costs (Note 27)	(3,921,357)	(9,590,592)	(1,495,503)	(4,045,114)
General supplies	(160,436)	(268,244)	(91,732)	(266,874)
Treatment supplies	(119,907)	(363,285)	(120,249)	(385,620)
Outsourced services	(709,929)	(2,013,313)	(645,270)	(1,988,535)
Electricity	(300,298)	(1,134,326)	(401,878)	(1,181,272)
General expenses	(260,029)	(537,885)	(730,795)	(1,748,954)
Depreciation and amortization	(533,849)	(1,658,307)	(591,655)	(2,152,413)
Tax expenses	(18,344)	(64,869)	(20,285)	(59,916)
Allowance for doubtful accounts (Note 9 (c))	352,408	28,886	(139,993)	(402,156)
Total	(6,834,080)	(18,089,806)	(4,969,510)	(14,419,207)

	Consolidated			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Operating costs				
Salaries, payroll charges, and benefits	(766,115)	(1,641,230)	(524,902)	(1,561,628)
Pension plan obligations	(11,967)	(37,426)	(7,065)	(18,719)
Construction costs (Note 27)	(3,924,246)	(9,596,154)	(1,496,986)	(4,048,917)
General supplies	(164,184)	(298,937)	(78,959)	(275,144)
Treatment supplies	(120,047)	(363,963)	(120,475)	(386,105)
Outsourced services	(471,330)	(1,408,150)	(464,090)	(1,446,322)
Electricity	(302,138)	(1,142,560)	(401,833)	(1,182,092)
General expenses	(194,798)	(571,562)	(344,082)	(903,471)
Depreciation and amortization	(475,662)	(1,491,538)	(549,005)	(2,005,471)
	(6,430,487)	(16,551,520)	(3,987,397)	(11,827,869)
Selling expenses				
Salaries, payroll charges, and benefits	(76,118)	(182,900)	(65,762)	(195,866)

In thousands of reais, unless otherwise stated

Pension plan obligations	(1,527)	(5,688)	(1,055)	(2,741)
General supplies	397	26,919	(1,197)	(4,516)
Outsourced services	(82,008)	(288,811)	(98,852)	(312,603)
Electricity	(77)	(674)	(131)	(544)
General expenses	(554)	(1,206)	(24,039)	(77,118)
Depreciation and amortization	(6,457)	(21,948)	(7,516)	(41,836)
	(166,344)	(474,308)	(198,552)	(635,224)
Allowance for doubtful accounts (Note 9 (c))	352,449	28,358	(140,315)	(402,478)
Administrative expenses				
Salaries, payroll charges, and benefits	(265,301)	(509,147)	(112,617)	(343,942)
Pension plan obligations	(41,587)	(112,304)	(21,069)	(66,736)
General supplies	3,180	2,844	(12,355)	11,086
Outsourced services	(158,249)	(320,727)	(84,069)	(234,092)
Electricity	(205)	(758)	(284)	(1,073)
General expenses	(66,361)	32,680	(362,839)	(768,847)
Depreciation and amortization	(52,963)	(148,521)	(36,367)	(108,806)
Tax expenses	(18,410)	(63,528)	(21,884)	(61,545)
	(599,896)	(1,119,461)	(651,484)	(1,573,955)
Operating costs and expenses				
Salaries, payroll charges, and benefits	(1,107,534)	(2,333,277)	(703,281)	(2,101,436)
Pension plan obligations (Note 23 (iv))	(55,081)	(155,418)	(29,189)	(88,196)
Construction costs (Note 27)	(3,924,246)	(9,596,154)	(1,496,986)	(4,048,917)
General supplies	(160,607)	(269,174)	(92,511)	(268,574)
Treatment supplies	(120,047)	(363,963)	(120,475)	(386,105)
Outsourced services	(711,587)	(2,017,688)	(647,011)	(1,993,017)
Electricity	(302,420)	(1,143,992)	(402,248)	(1,183,709)
General expenses	(261,713)	(540,088)	(730,960)	(1,749,436)
Depreciation and amortization	(535,082)	(1,662,007)	(592,888)	(2,156,113)
Tax expenses	(18,410)	(63,528)	(21,884)	(61,545)
Allowance for doubtful accounts (Note 9 (c))	352,449	28,358	(140,315)	(402,478)
Total	(6,844,278)	(18,116,931)	(4,977,748)	(14,439,526)

30 Financial result, net

	Individual			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Financial Expenses				
Interest and charges on borrowings and financing – national currency	(576,711)	(1,533,496)	(345,736)	(944,292)
Interest and charges on borrowings and financing – foreign currency	(135,768)	(145,522)	(31,743)	(91,239)

In thousands of reais, unless otherwise stated

Other financial expenses	(201,908)	(624,376)	(178,795)	(533,888)
Inflation adjustment on borrowings and financing	(32,209)	(185,649)	(11,200)	(88,334)
Other inflation adjustments	(8,472)	(37,224)	18,277	(4,077)
Interest and inflation adjustment on provisions	57,520	186,569	(134,134)	(241,105)
Total financial expenses	(897,548)	(2,339,698)	(683,331)	(1,902,935)
Financial Income				
Inflation adjustment - gains	1,583,689	1,751,755	90,924	255,790
Income on financial investments	377,138	893,666	123,150	398,106
Interest income	57,590	233,254	22,029	157,689
PIS and COFINS	(94,189)	(133,862)	(13,380)	(40,719)
Other	-	-	4	92
Total financial income	1,924,228	2,744,813	222,727	770,958
Financial, net before exchange rate changes	1,026,680	405,115	(460,604)	(1,131,977)
Exchange rate changes				
Exchange rate changes on borrowings and financing	474,939	535,462	(102,225)	(311,945)
Gains (losses) with derivative financial instruments	(797,813)	(949,856)	41,537	133,154
Exchange rate changes on assets	-	-	41	44
Other exchange rate changes	-	(13)	1	(5)
Exchange rate changes, net	(322,874)	(414,407)	(60,646)	(178,752)
Net financial result	703,806	(9,292)	(521,250)	(1,310,729)

In thousands of reais, unless otherwise stated

	Consolidated			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Financial Expenses				
Interest and charges on borrowings and financing – national currency	(518,354)	(1,493,144)	(345,736)	(944,292)
Interest and charges on borrowings and financing – foreign currency	(161,182)	(170,936)	(31,743)	(91,239)
Other financial expenses	(202,777)	(625,319)	(179,346)	(534,477)
Inflation adjustment on borrowings and financing	(24,988)	(178,428)	(11,200)	(88,334)
Other inflation adjustments	(8,472)	(37,227)	18,010	(10,234)
Interest and inflation adjustment on provisions	57,520	186,569	(134,135)	(241,105)
Total financial expenses	(858,253)	(2,318,485)	(684,150)	(1,909,681)
Financial Income				
Inflation adjustment - gains	1,583,694	1,751,768	90,924	255,790
Income on financial investments	377,524	894,556	123,201	398,379
Interest income	40,129	235,185	19,421	150,216
PIS and COFINS	(94,189)	(133,862)	(13,380)	(40,719)
Other		-	93	93
Total financial income	1,907,158	2,747,647	220,259	763,759
Financial, net before exchange rate changes	1,048,905	429,162	(463,891)	(1,145,922)
Exchange rate changes				
Exchange rate changes on borrowings and financing	457,066	535,462	(102,225)	(311,945)
Gains (losses) with derivative financial instruments	(906,249)	(1,076,165)	41,537	133,154
Exchange rate changes on assets	107,376	107,375	41	44
Other exchange rate changes	-	(12)	1	(5)
Exchange rate changes, net	(341,807)	(433,340)	(60,646)	(178,752)
Net financial result	707,098	(4,178)	(524,537)	(1,324,674)

The main impact on the 'Inflation adjustments - gains' line item refers to the recognition of R$ 1.4 billion in monetary restatement of registered warrants.

In thousands of reais, unless otherwise stated

31 Other operating income (expenses), net

	Individual			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Other operating income, net	1,441	62,432	17,520	41,991
Other operating expenses	(56,405)	(69,958)	(187,207)	(197,780)
Other operating revenue (expenses), net	(54,964)	(7,526)	(169,687)	(155,789)

	Consolidated			
	July to September 2025	January to September 2025	July to September 2024	January to September 2024
Other operating income, net	2,101	63,093	17,521	41,991
Other operating expenses	(56,405)	(69,958)	(187,206)	(197,782)
Other operating revenue (expenses), net	(54,304)	(6,865)	(169,685)	(155,791)

Other operating income includes revenue from the sale of property, plant and equipment, right to sell electricity, indemnities and reimbursement of expenses, fines and guarantees, property leases, reuse water, PURA projects and services, net of PIS and Cofins.

Other operating expenses usually include the derecognition of concession assets due to obsolescence, discontinued construction works, unproductive wells, projects considered economically unfeasible, losses on property, plant and equipment, estimated losses on operational assets and asset indemnification.

In thousands of reais, unless otherwise stated

32 Commitments

The Company has agreements to manage and maintain its activities and to build new projects aiming at achieving the objectives proposed in its target plan. The main unrecognized committed amounts as of September 30, 2025 are as follows:

	1 Year	1-3 years	3-5 years	More than 5 years	Total
Contractual obligations – Expenses	3,307,529	2,890,659	1,599,242	4,051,064	11,848,494
Contractual obligations - Investments	15,887,405	8,549,344	1,700,672	577,746	26,715,167
Total	19,194,934	11,440,003	3,299,914	4,628,810	38,563,661

33 Supplemental cash flow information

	Individual		Consolidated	
	January to September 2025	January to September 2024	January to September 2025	January to September 2024
Total additions to property, plant and equipment (Note 16 (b))	115,332	62,737	115,332	62,737
Total additions to contract assets (Note 13)	10,306,224	3,972,218	10,311,786	3,976,081
Total additions to intangible assets (Note 14 (b))	3,206	2,850,443	3,206	2,850,443
Items not affecting cash (see breakdown below)	(768,316)	(939,697)	(768,316)	(939,784)
Total additions to intangible and contract assets according to the statement of cash flows	9,656,446	5,945,701	9,662,008	5,949,477
Investments and financing operations affecting intangible assets but not cash:				
Interest capitalized in the period (Note 13 (a))	683,923	439,779	683,923	439,779
Contractors payable	-	250,627	-	250,627
Performance agreement	83,852	72,205	83,852	72,205
Right of use	541	84,048	541	84,048
Construction margin (Note 27)	-	93,038	-	93,125
Total	768,316	939,697	768,316	939,784

34 Events after the reporting period

EMAE –Purchase and Sale Agreement

On October 5, 2025, the Company entered into purchase and sale agreements with:

(i) Vórtx Distribuidora de Títulos e Valores Mobiliários Ltda., as trustee, representing the joinder of debenture holders of the First Issue of Non-Convertible Secured Debentures with Additional Personal Guarantee, in a Single Series, for Private

Distribution, of Phoenix Água e Energia S.A. for the acquisition, by the Company or through a subsidiary, of 74.9% of the common shares issued by Empresa Metropolitana de Águas e Energia S.A. (EMAE), for a price per share of R$ 59.33 and;

(ii) Centrais Elétricas Brasileiras S.A. Eletrobras (Eletrobras), for the acquisition, by the Company or through a subsidiary, of 66.8% of the preferred shares issued by EMAE, for a price per share of R$ 32.07.

The transactions were negotiated separately with the respective counterparties and the consummations are subject to approvals by the respective regulatory and antitrust authorities, among other conditions precedent.

After consummation of said transactions, the Company will hold shares representing 70.1% of EMAE's total capital at a total cost of R$ 1,131,460 thousand.

This acquisition is a strategic milestone for the Company, bringing benefits on two complementary fronts:

- Water Security: the integration of the Guarapiranga and Billings systems will allow greater flexibility in the management of water resources in the Metropolitan Region of São Paulo, expanding the water supply security and enhancing the multiple uses of these springs; and
- Electrical Assets: EMAE has a portfolio of electrical assets with solid cash generation, supported by long -term revenue contracts indexed to inflation, which contributes to financial stability and sustainable value generation.

By combining water security with energy potential, the acquisition expands the synergy between the Company's businesses and consolidates a more robust base to face the challenges of climate change and growing demand for essential services.

37th Debenture Issue

On October 24, 2025, the Company approved the 37th issue of non-convertible unsecured debentures, in up to 2 series, for public distribution, under the automatic registration procedure, intended for professional investors, pursuant to CVM Resolution No. 160, dated July 13, 2022, as amended, in the total amount of R$ 5,000,000. The Offer will be intended exclusivelyfor professional investors, pursuant toarticles 11 and 13 of CVM Resolution No. 30, of May 11, 2021, asamended, and the process of structuring the Offer and distributing the Debentures will be conducted by financial institutions that are part of the securities distribution system, under firm placement commitment.

JICA Financing

On October 30, 2025, the Company entered into a new agreement with the Japan International Cooperation Agency (JICA) to obtain financing in the total amount of Yen 30 billion (approximately R$ 1.05 billion. The financing will have a twelve-year term and will be used to accelerate the Company's universalization goals.

Incorporation of Wholly-Owned Subsidiary – Concessionária SABESP URAE-1

On October 17, 2025, a wholly-owned subsidiary of SABESP was incorporated: Concessionária SABESP URAE-1 S.A. ("SABESP URAE-1"), whose corporate purpose istoprovide basic sanitation services, aiming at theuniversalization of water supplyand sewageservices within its area of operation in the State of São Paulo. Thecompany is currently non-operational. Additionally, the subscription of SABESP URAE-1's share capital was approved in the total amount of R$ 1, through the issuance of 1,000 (one thousand) registered common shares with no par value, priced at R$ 1 (one Real) each, all of which were fully subscribed by SABESP.

THE ISSUER

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For the financial statements as of and for the nine-month period ended September, 2024 and as of and for the years ended December 31, 2024 and 2023

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United States of America

U.S.$850,000,000 5.750% Blue Senior Secured Notes due 2031

U.S.$500,000,000 6.500% Blue Senior Secured Notes due 2036

Global Coordinator and Joint-Bookrunner	*Global Coordinator and Joint-Bookrunner*	*Global Coordinator, Joint-Bookrunner, Blue Structuring Agent and Development Finance Structuring Agent*
Goldman Sachs & Co. LLC	**Itaú BBA**	**J.P. Morgan**