

SABESP – MATERIAL FACT

SÃO PAULO, SÃO PAULO, BRAZIL , October 1, 2023 /EINPresswire.com/ -- Companhia de Saneamento Básico do Estado de São Paulo – Sabesp (“Company” or “Sabesp”), in compliance with CVM Resolution nº 44, of August 23, 2021, hereby informs its shareholders and the market in general that, pursuant to the provisions of article 14, paragraph 2 of the Federal Law 14,026/2020 (“New Legal Framework for Basic Sanitation”), the São Paulo State has sent Official Letters to municipalities served by the Company, proposing changes to the conditions of the concession contracts in force (“Notice”).

The Notice highlights general aspects of the proposed concession contract (“New Contract”) that aims to replace the contracts in force, pursuant article 14 of the indicating that the New Legal Framework for Basic Sanitation, following guidelines will be observed within the scope of the new contract to be signed with these municipalities:

- (a) the anticipation of the universalization goals established in the New Legal Framework for Basic Sanitation for 2029, safeguarding any shorter deadlines contractually foreseen;
- (b) the extension of the concession contract to 2060;
- (c) Sabesp's obligation to serve the population residing in consolidated informal urban centers and rural areas, in order to cover the entire municipal territory; and
- (d) details of the investments to be made in each municipality.

The Notice reaffirms the commitment to increase and anticipate investments, tariff reduction and improve sanitation services, aiming at:

- (a) providing predictability and transparency to the regionalized structure, considering the shared infrastructure; and
- (b) detailing in the contract, Sabesp’s specific obligations to each municipality, including coverage targets, main works and investments.

In the aforementioned Notice, the State of São Paulo reaffirms that Sabesp's privatization project aims at the following main objectives: (i) anticipate the universalization of water supply and sewage services; (ii) inclusion of the population not currently served by Sabesp; (iii) tariff reduction, focusing on the most vulnerable population; (iv) increase the quality of service offered; (v) contractual extension until 2060; (vi) implementation of the regionalization established by Law No. 17,383/2021, in order to guarantee the uniformity necessary for the execution, operation and resilience of shared infrastructure; and (vii) predictability of the parties regarding the regulation, supervision and due implementation of the investments necessary for

the universalization and appropriate provision of services.

The extension of the contractual term of the concessions until 2060 for the municipalities which adhere to the proposal will represent an extension of the duration of the relevant concessions to the Company.

Finally, the Notice informs that the State of São Paulo is finalizing the measures to send the Bill of Law to obtain authorization for the privatization of the Company, according to art. 47, item XV, of the State Constitution.

The Company will keep the market informed of any developments related to the subject matter of this Material Fact.

Contatos de RI
SABESP
+55 11 3388-8793
sabesp.ri@sabesp.com.br

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