ENGIE BRASIL ENERGIA S.A.
A Publicly Listed Company – CNPJ 02.474.103/0001-19
NIRE 4230002438-4

ANNOUNCEMENT TO THE MARKET

Clarifications on B3 Notice No. 844/2020-SLS – ENGIE Brasil Energia S.A. – Request for clarification on news published in the press

B3 S.A. – Brasil, Bolsa, Balcão
Issuer Listing and Supervision Superintendence
Care of: Ms. Ana Lucia da Costa Pereira

Dear Madam,

ENGIE BRASIL ENERGIA S.A., a publicly listed company with registered offices in the city of Florianópolis, state of Santa Catarina, at Rua Paschoal Apóstolo Pítsica, 5064, Bairro Agronômica, ("ENGIE" or "Company"), respectfully provides the clarifications requested by B3 S.A. – Brasil, Bolsa, Balcão in connection with Notice No. 844/2020-SLS, received by the Company on October 9, 2020 ("Notice"), as transcribed below:

Care of Mr.
EDUARDO ANTONIO GORI SATTAMINI
Investor Relations Officer of
ENGIE BRASIL ENERGIA S.A.
E-mail: ri.brenergia@engie.com

Subject: **Request for clarification on news published in the press.**

Dear Sirs,

A news published in the Valor Econômico newspaper of October 9, 2020, under the title "Court suspends ENGIE project in Paraná" reports, among other information, that the "Gralha Azul" project, with BRL 2 billion in investments, has been paralyzed due to an injunction order given by the Paraná State Courts after NGOs filed a Class Action challenging the validity of the environmental impact studies associated with transmission lines crossing sensitive and protected areas.

We request clarification on the foregoing by **October 13, 2020**, confirming or denying the information, and providing any additional information you may deem relevant.

Response from the Company:

Concerning the referenced published news and the information therein, ENGIE provides the following clarifications:

Initially, in response to the notice from you, the Company has so far not been notified of any injunctive orders, so that it can neither confirm nor deny the existence thereof, or provide any comments on its contents. However, the Company is aware of Class Action (*Ação Civil Pública*) No. 5042816-11.2020.4.04.7000/PR before the 11th Federal Court of Curitiba, the subject of which is the one at hand.

Furthermore, for the purposes of clarification on the activities of **Gralha Azul Transmissão de Energia S.A. ("Gralha Azul"** or **"Transmission Concession Holder")**, an indirect subsidiary of ENGIE and the entity responsible for the project at hand, we report that on March 08, 2018, after placing the winning bid in a Transmission Auction, the **Transmission Concession Holder** entered into a Concession Agreement governing implementation and operation of the Gralha Azul Transmission System ("**Gralha Azul TS**"). The system will cross 27 municipalities and is made up of approximately 1000 kilometers of transmission lines and 10 substations, subdivided into 10 transmission lines (525/230 kV); 5 branches from existing 230 kV transmission lines; 5 new substations; and 5 substations to be upgraded, grouped into 7 separate licensing groups according to the respective technical, geographical and environmental characteristics, pursuant to the instructions of the relevant environmental authority. This is a Public Use project of great relevance not just for the state of Paraná, but for the country overall.

To provide an understanding of the scope of the Class Action at hand, it is worth emphasizing that its purpose only concerns Group I and Group II projects. These include the 525 kV transmission lines of the Ivaiporã-Ponta Grossa Stretch C1 and C2, and the Ponta Grossa – Bateias Stretch C1 and C2.

Concerning environmental licensing of the **Gralha Azul TS**, it is worth emphasizing that the process began more than 2 years ago, was fully compliant with every applicable technical and legal rule, and was conducted transparently by the relevant environmental authority – the Paraná State Water and Land Institute (*Instituto de Água e Terra* – IAT). This included **several aerial and overland inspections, public hearings and technical meetings, and was endorsed by several consenting authorities, such as the Funai, Fundação Cultural Palmares, IPHAN, CINDACTA – COMAER and City Halls, among others**. The layout of the **Gralha Azul TS** was exhaustively studied to avoid, insofar as possible, impacting environmentally protected and preserved areas. Locational definition met a series of technical, legal, environmental, social and land-use requirements.

Because of its transparent and regular licensing process, the **Transmission Concession Holder** **was granted every applicable environmental license.**

It is also worth mentioning that the **Transmission Concession Holder** has been adopting **voluntary additional initiatives** to minimize the need for plant suppression, using innovative techniques some of which are unprecedented for the industry at this magnitude, such as elevated towers and large-scale cable payout by means of drones. Taken together, these measures have caused plant suppression to be under four (04) percent of the area directly affected by the project's transmission lines. The use of drones, in and of itself, has already enabled a reducing the need for plant suppression by approximately 50%.

Despite its regularity and transparency, the licensing process has been challenged by non-governmental organizations that filed the Class Action at hand.

Given the foregoing the Company reports that it is currently attempting to show the Court that it is compliant with all legal procedures, as well as its commitment to and respect for the environment, thereby seeking to preserve the legitimate continuity of the implementation activities for the mentioned transmission lines.

ENGIE reaffirms its commitment to the highest levels of transparency and governance, and will continue to provide additional clarifications that the market may require.

Florianópolis, October 13, 2020.

Eduardo Antonio Gori Sattamini
Chief Executive and
Investor Relations Officer