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

ANNOUNCEMENT TO THE MARKET

ENGIE BRASIL ENERGIA S.A., a publicly listed company with registered offices in Florianópolis, state of Santa Catarina at Rua Paschoal Apóstolo Pítsica, 5064, enrolled in the tax register (CNPJ) under number 02.474.103/0001-19 ("ENGIE" or "Company"), pursuant to the provision in CVM 358/2002 and 480/2009, announces to its shareholders and the market at large as follows:

On October 13, 2020, the Company published an Announcement to the Market with respect to a report in the newspapers on the filing of a Class Action ("ACP") and the granting of an injunction order against **Gralha Azul Transmissão de Energia S.A.**, controlled by ENGIE. On that occasion, ENGIE explained that it had not yet been notified as to the injunction order, but provided due clarifications on the status of the ACP (number 5042816-11.2020.404.7000, before the 11th Federal Court of Curitiba) and its purpose: the environmental licensing of certain transmission lines comprising the **Sistema de Transmissão Gralha Azul ("ST Gralha Azul")**. The Company further provided due clarifications with respect to the regularity of the environmental licensing undertaken and the efforts made to demonstrate the legality of this process to the Court.

Further to what has already been clarified, the Company informs that it has been notified of the said injunction order, suspending the execution of work involving groups 1 and 2 of **ST Gralha Azul.** Consequently, work on these two circuits has been suspended. However, as ENGIE has already clarified, every effort will be made and all legal resources at its disposal adopted, to ensure the lifting of the said injunction and the continuation of the work in hand.

In addition, ENGIE informs that today (October 21, 2020), the Company was notified of a second ACP (number 5050258-28.2020.4.04.7000/PR, also before the 11th Court of Curitiba), also questioning the environmental licensing of the project. On this occasion the action was filed by the Federal and State Public Prosecutor's Offices for the state of Paraná. The defendants are also **Gralha Azul Transmissão de Energia S.A.**, **IAT** (Instituto Água e Terra, a Paraná state body responsible for licensing) and **IBAMA** (the Federal Environmental Protection Agency). The action relates to the licensing of all 7 groups comprising **ST Gralha Azul**. The plaintiffs are requesting the granting of an injunction for suspending work on the entire project and all licenses and authorizations issued by IAT, although at the present time there is no information as to any court approval in this context.

As has already been clarified, it is worth emphasizing that over more than 2 years, the environmental licensing of **ST Gralha Azul** has been conducted strictly and transparently by IAT, as well as being endorsed by several consenting bodies such a IPHAN, Funai, Fundação Cultural Palmares, Municipal Governments, and others. The routing of **ST Gralha Azul** was

decided after in-depth studies, aerial and ground surveys, public hearings, and technical meetings in order to minimize the impact on environmentally protected and preserved areas. Worthy of mention is that the Public Prosecutors Offices in the region were accordingly invited to take part in these discussions but in the end did not attend the hearings.

Additionally, the Company has adopted voluntary additional initiatives to minimize the need for brush clearance. The pioneering use of drones for cable payout has been instrumental in reducing the need for brush clearance by approximately 50%. Higher towers allow the vegetation to coexist with the transmission lines. Brush clearance will occur only where really necessary and will involve the corresponding environmental compensation.

Currently, the Company is examining the new ACP and in due course will provide the required clarifications to the Court, endeavoring to show the legality of all the environmental studies, licenses, and other administrative initiatives instrumental in licensing the construction work.

Florianópolis, October 21, 2020.

Eduardo Antonio Gori Sattamini
Chief Executive and Investor Relations Officer