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

MATERIAL FACT

ENGIE BRASIL ENERGIA AWARDS EXCLUSIVITY RIGHTS IN NEGOTIATIONS FOR THE SALE OF THERMOELECTRIC ENERGY GENERATION ASSETS

ENGIE BRASIL ENERGIA S.A. (EGIE3), a publicly listed company with registered offices in in the city of Florianópolis in the state of Santa Catarina at Rua Paschoal Apóstolo Pítsica, 5064, enrolled in the tax register (CNPJ) under number 02.474.103/0001-19 ("Company" or "ENGIE"), pursuant to the provision in CVM instructions 358/2002 and 480/2009, announces to its investors and to the market at large that as a result of the studies and discussions conducted by the Task Force set up to evaluate solutions for the Jorge Lacerda Thermoelectric Complex ("CTJL" or "Asset") in relation to ENGIE's global strategy of decarbonization, currently envisage the alternatives of either selling the Asset or its phased decommissioning. The Task Force is detailing simultaneously the two alternatives and mobilizing several stakeholders with the aim of reaching the best solution for all concerned.

These discussions have been instrumental in ENGIE progressing in its negotiations with FRAM Capital (https://www.framcapital.com/), to which the Company, based on the proposal presented to it, has granted exclusive rights over a period of 120 days to execute due diligence with respect to the sale of CTJL, which has an installed capacity of 857 MW and is located in Capivari de Baixo in the south of the state of Santa Catarina.

The final terms and conditions of the transaction, should the negotiations be successful, will still be subject to the approval of the management and shareholders of the Company as well as the approval of the appropriate governmental authorities. In the event that the sale is not concluded, the plan for the phased decommissioning of the asset – which continues in execution – will be implemented.

The alternatives offered as a solution in this Material Fact are aligned with ENGIE's proposal for acting to accelerate the transition to a carbon neutral world with the focus of the Company's activities on generation of renewable energy, natural gas and infrastructure.

The Company will maintain its shareholders, employees and the market informed as to any significant developments in these negotiations.

Florianópolis, February 25, 2021.

Eduardo Antonio Gori Sattamini
Chief Executive and Investor Relations Officer