

RELEVANT FACT

CENTRAIS ELÉTRICAS BRASILEIRAS S/A

CNPJ: 00.001.180/0001-26 | NIRE: 533.0000085-9

PUBLIC COMPANY

Centrais Elétricas Brasileiras S/A ("Company" or "Eletrobras") (B3: ELET3, ELET5 & ELET6; NYSE: EBR & EBR.B; LATIBEX: XELT.O & XELT.B) hereby informs its shareholders and the market in general that, that the Eletrobras Board of Directors, at a meeting held on July 31, 2020, approved the Strategic Plan for Eletrobras Companies 2020-2035, which the content can be verified in the presentation attached to this Relevant Fact.

The previous strategic plan, 2015-2030, released through a Market Announcement of 11/27/2014, contemplated the changes resulting from Provisional Measure 579, of 9/11/2012 - converted into Law 12,783 of 01/11/2013, referring to the concessions that were extended at the time under the new conditions brought by referred law.

The impacts brought by MP 579 compromised the company's financial health in the following years, having been necessary to adopt a series of adjustment measures, based on the three strategic pillars that allowed the recovery of the company's balance: (i) Operational Excellence; (ii) Financial Discipline and (iii) Governance and Compliance.

The new Strategic Plan 2020-2035, in addition to defining a new corporate identity (Purpose, Vision and Values), establishes a set of guidelines and objectives aimed at the growth and modernization of Eletrobras and in line with the new trends in the energy sector.

Rio de Janeiro, August 01, 2020.

Elvira Cavalcanti Presta
CFO and Investor Relations Officer



ELETROBRAS STRATEGIC PLAN 2020-2035

July 2020

Strategic Plan 2020 - 2035

Disclaimer

This presentation intends to show the shareholders and the market in general, the strategies and initiatives Eletrobras will pursue to achieve its Strategic Plan 2020-2035 goals. However, it is important to note that this presentation contains certain estimates. Such estimates are not statements of past or future events, but reflect our management's beliefs and expectations and may constitute uncertain approximations and projections about future events in accordance with the Securities and Exchange Commission of Brazil and the Securities and Exchange Commission, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended.

The words “believes”, “may”, “estimates”, “anticipates”, “intends”, “anticipates”, “potential” and similar aim at identifying estimates that necessarily involve risks and uncertainties, known or not. Known risks and uncertainties include, but are not limited to, economic, regulatory, political and commercial conditions in Brazil and abroad, changes in interest rates, inflation and value of the Brazilian Real, changes in volumes and patterns of electricity use by consumer, competitive conditions, our level of indebtedness, the possibility of receiving

payments related to our receivables, changes in rainfall and water levels in the reservoirs used to power our hydroelectric plants, our financing and capital investment plans, existing and future government regulations, and other risks described in our Reference Form, Forms 20-Fs and other documents registered by the Brazilian Securities and Exchange Commission of Brazil (CVM) and U.S. Securities and Exchange Commission (SEC).

Therefore, the estimates and projections in this document refer only to the date in which they were expressed, with no obligation in our part to perform or update any of these measures, financial metrics or projections because of new information of future events. It is important to highlight that Eletrobras has not changed its disclosure policy and continues to not disclose projections respecting the CVM Instructions No. 480 and No. 538. The future results of the Companies' operations and initiatives may differ from current expectations and the investor should not rely exclusively on the information comprised herein.

Summary

COVID-19 AND ITS IMPACTS ON ELETROBRAS STRATEGIC PLAN

1

THE CHALLENGE OF RECENT YEARS

2

PROBABLE FUTURES: IN WHICH ENVIRONMENT WILL WE OPERATE?

3

OUR COMPETITIVE ADVANTAGES

4

OUR ESSENCE AND WHAT WE LOOK FOR

5

PRIORITIZED SUSTAINABLE DEVELOPMENT GOALS

COVID-19 and its impacts on Eletrobras Strategic Plan

The COVID-19 pandemic, caused by the wide transmission of coronavirus, has profoundly impacted the economy, as well as Eletrobras companies.

Eletrobras has been following orientations from the Ministry of Health and state and city-level governments where its companies and operational units are located. Eletrobras has also created a Crisis Committee that coordinates and monitors every action related to the pandemic.

ADOPTED MEASURES

- ➔ Coordinated operation with agents of the Brazilian electric sector
- ➔ Contingency Plan: mapping, monitoring and orientation of necessary actions in the generation and transmission operations
- ➔ Preservation of essential activities
- ➔ Care with its employees and collaborators in order to avoid COVID-19 transmission. 63% of its employees are currently working from home and 9% on vacation

COVID-19 and its impacts on Eletrobras Strategic Plan

APART FROM THE ATYPICAL SCENARIO, SOME RISKS AND IMPACTS MAY BE IDENTIFIED

Identified Risks and impacts

- ➔ Reduction in energy demand with magnitude still uncertain. As a result, the oversupply scenario and the postponement of new auctions prevail.
- ➔ Difficulties in the Regulated Contracting Environment (ACR), with over-contracting of distribution companies.
- ➔ Postponement of the discussion and the Brazilian Electric Sector Modernization Bill and Eletrobras privatization. However, privatization may be an alternative for economic recovery post crisis, given the future needs for infrastructure investment.

FOR THE LONG TERM (STRATEGIC PLAN 2035), IT IS EXPECTED THAT THE FOUNDATIONS USED TO DEVELOP THIS STRATEGIC PLAN, SUCH AS ELECTRIC SECTOR MAIN TRENDS AND PRE CRISIS CONDITIONS, WILL BE MAINTAINED. THEREFORE, LONG TERM STRATEGY IS STILL VALID, AS WELL AS THE PROPOSED GOALS.

1 The challenge of recent years

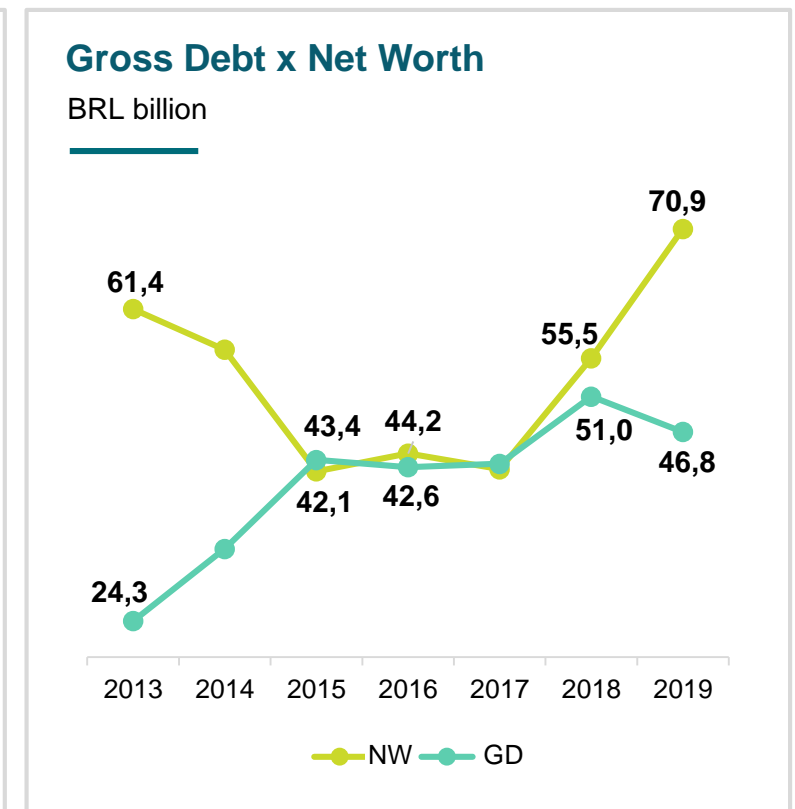
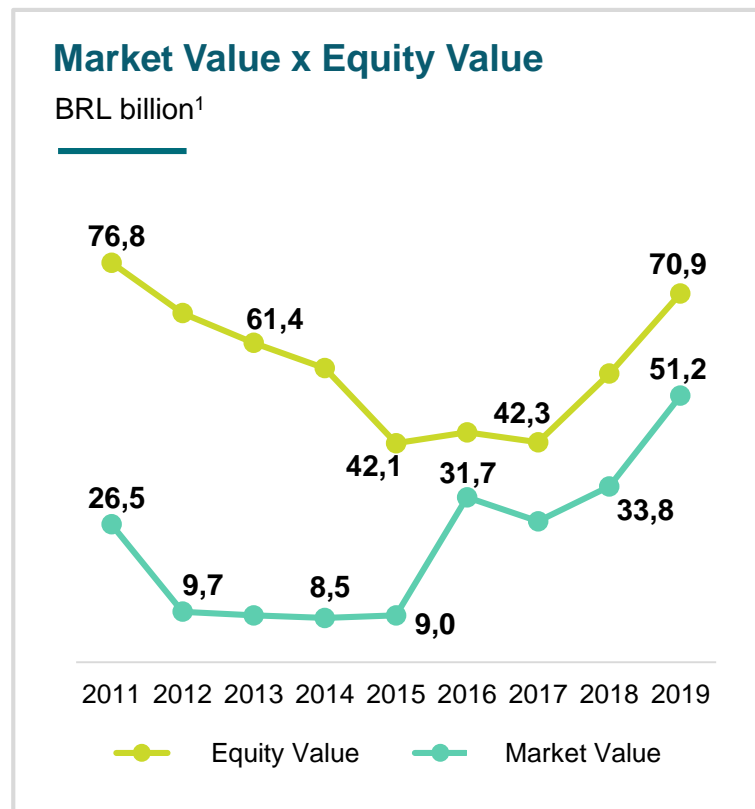
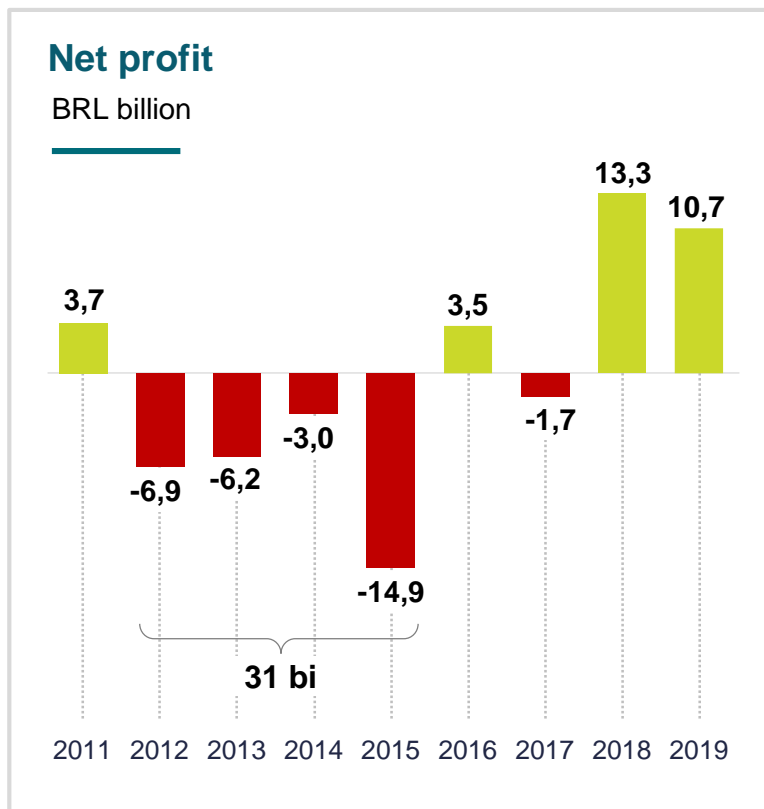
Eletrobras was profoundly impacted by the MP 579¹ in 2012 and had its financial health compromised in the following years. As a result, great adjustments measures were taken in the recent years, focusing on its indebtedness reduction and financial balance recovery, adjustment of real costs to regulatory costs in generation and transmission and recover of the company's balance.

In the meantime, Eletrobras reduced its investments, lost market share and payed out less dividends, lowering its shareholders financial returns.

1: Brazilian acronym for Provisional Measure.

2012-2015 – a difficult crossing

MP 579/2012 heavily impacted Eletrobras financial health. In the period 2012-2015, losses reached BRL 30 billion. Between 2011 and 2015, the company lost about 65% of its market value. The gross debt exceeded its net worth in 2015.



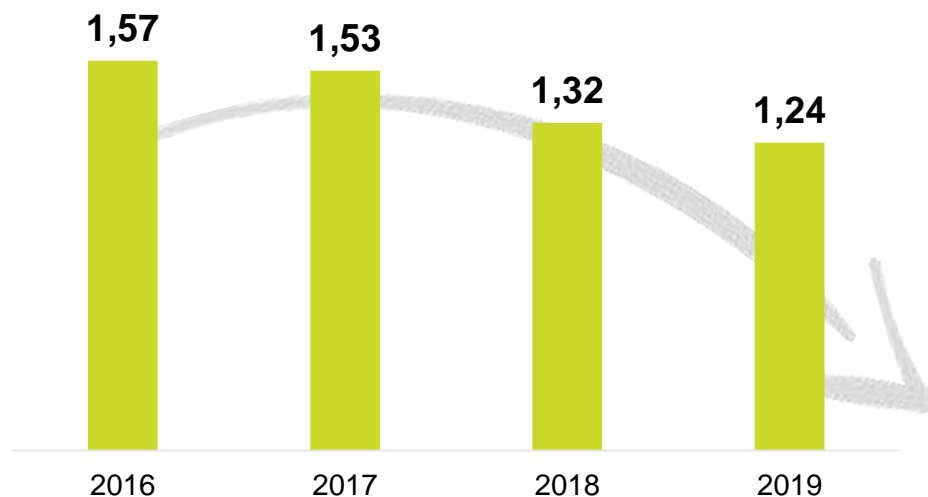
Sources: Chart 1: Eletrobras Financial Statements. Chart 2: Economática (market value) and Eletrobras Financial Statements (equity value). Chart 3: Investors Reports 4T14, 4T15, 4T16, 4T17, 4T18 e 4T19. The most recent values from each period were used.

2016-2019 – Recovery efforts

Strong adjustment measures were taken in order to recover Eletrobras balance, operational efficiency increase and indebtedness reduction.

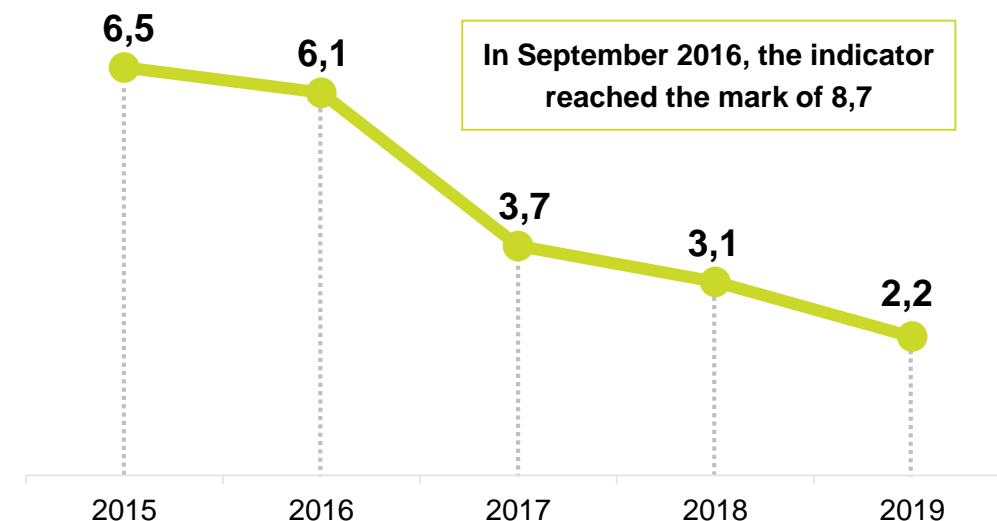
The search for **Operation Efficiency**

PMSO/ Regulatory PMSO¹



Indebtedness Reduction

Net Debt / EBITDA²

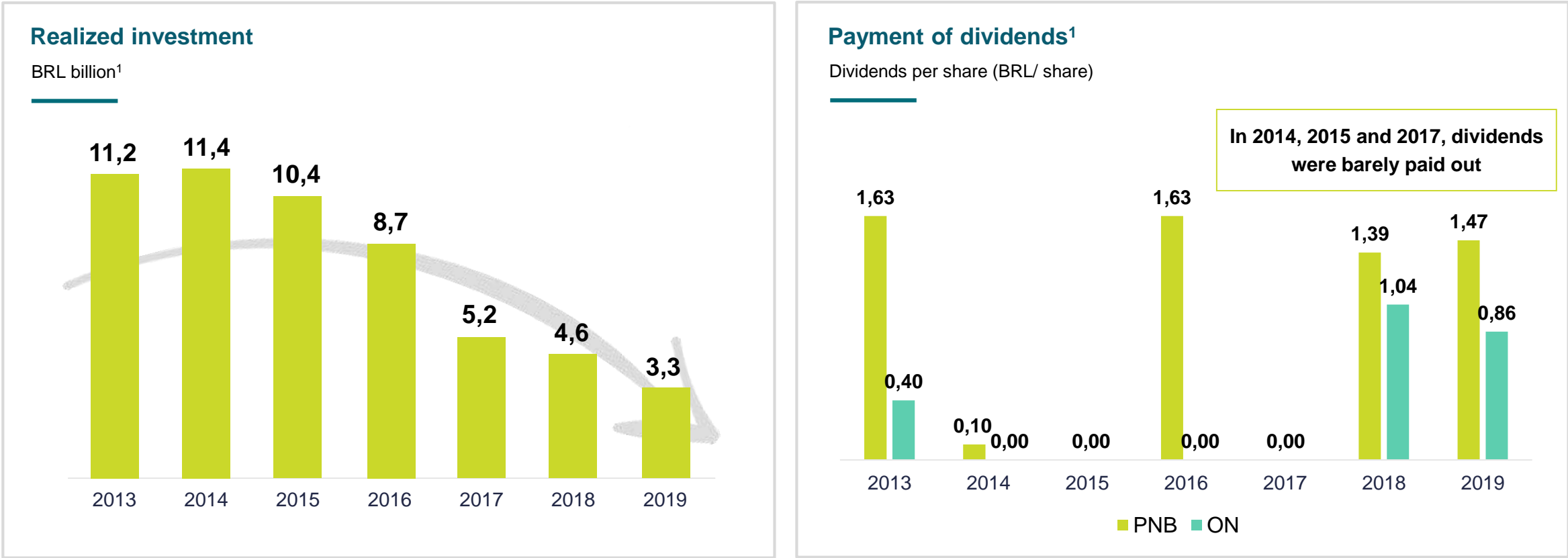


Notes: (1): Brazilian acronym for Personal, Materials, Services and Others. (2): EBITDA without RBSE (Brazilian acronym for Basic Network of Existing System).

Sources: Chart 1: Monitoring of PDNG 2018-22 (2016 and 2017) and PDNG 2020-24 v.17.12.19 (2018 e 2019); Chart 2: Investors Report 4T16, 4T17, 4T18 e 4T19. The most recent values from each period were used.

2016-2019 – Recovery efforts

Recovery efforts reduced Eletrobras investment capacity and its payment of dividends.

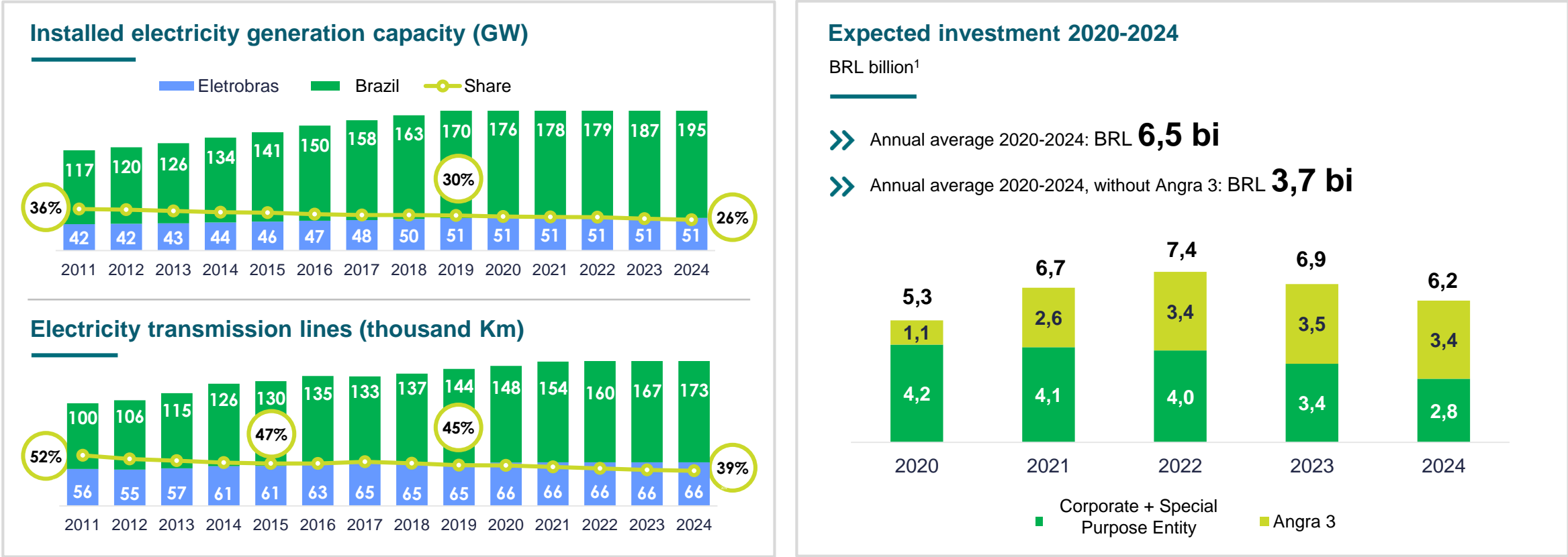


Notes: (1). Despite of high net profit in 2018 (BRL 13,2 billions) resulting from the loss reversal with Angra 3 (BRL 7,2 billions), payment of dividends was limited to R\$ 1.3 billion due to cash limitations, causing a BRL 2,3 billion reserve of dividends.

Sources: Chart 1: Investors Report, Eletrobras. Chart 2: <https://eletrobras.com/pt/ri/Paginas/Direitos.aspx>; DFP 2018.

The relevance and value creation challenge

In this period, Eletrobras lost market share, with little participation in auctions, and generated less results to its shareholders. The current challenge is to elevate its investment capacity and create more value to its shareholders.



Sources: Chart 1: 2011-2019: Monthly Monitoring Bulletin of the Brazilian Electric System– Dec/2019; 2020-2024: PNDG 2020-2024 and The Ten-Year Energy Expansion Plan 2029
Chart 2: PDNG 2020-2024.

2 Probable futures: in which environment will we operate?

Decarbonization, alternative energy sources, distributed generation, technological disruption, accelerated digitalization. Those and other trends from the electric sector will call for adjustments in Brazilian sectorial model.

Possibilities from those adjustments, combined with Brazil economical evolution and its electricity demand outspread, generate four scenarios for the Brazilian electric sector.

Two of them, which point out to a broad modernization of the regulatory framework, refer to Eletrobras strategy for the next 16 years.

The Ds of the electric sector

DECARBONIZATION

is the challenge! Energy generation with lower GHG emissions

DIVERSIFICATION

of the electrical matrix, with more alternative energy sources

DECENTRALIZATION

of the energy generation, with distributed generation on site or close to the consuming unit

DIGITALIZATION

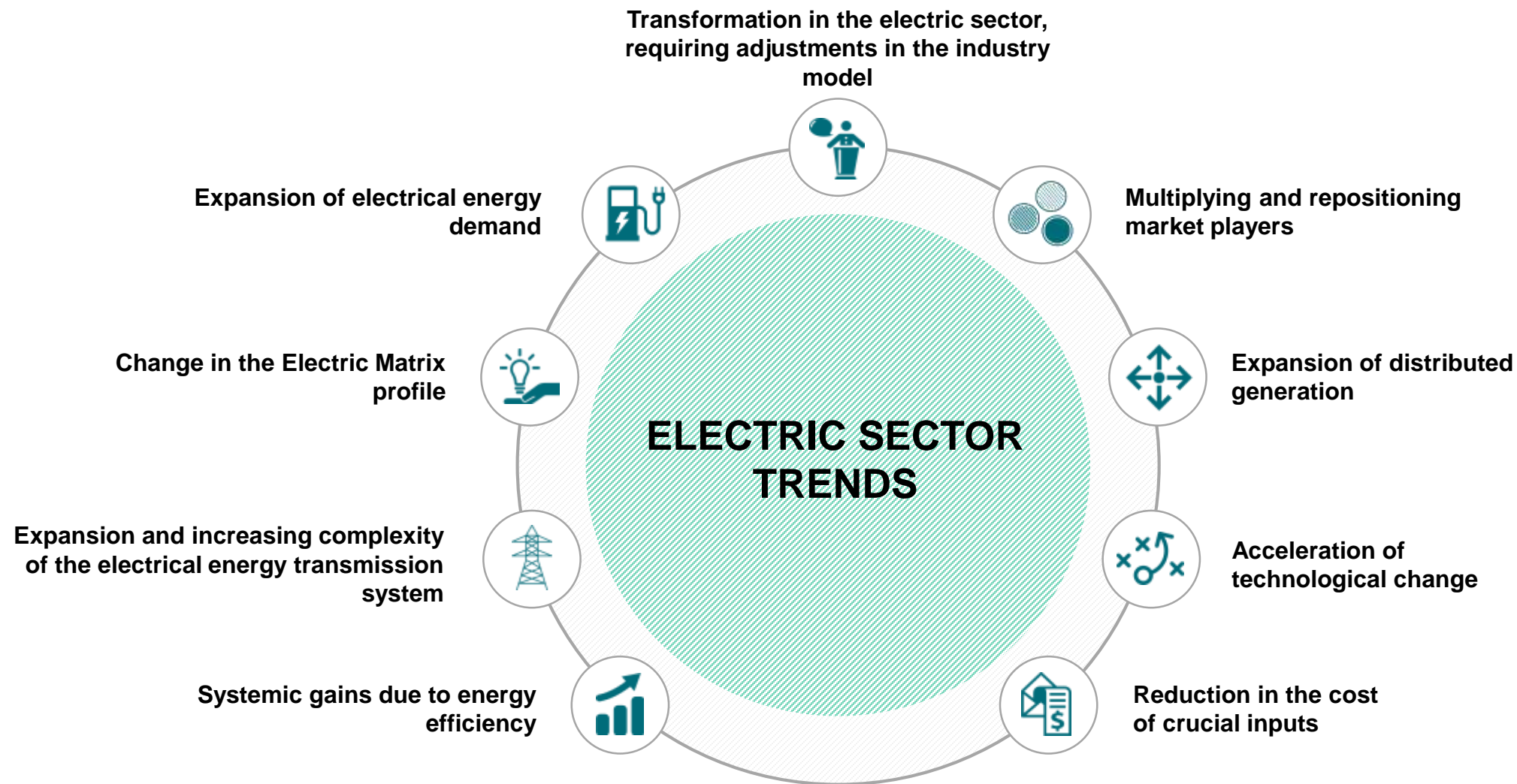
big data and automation with large impacts on energy efficiency and costs reduction

DISRUPTION

in technology, business models and smart electricity consumption

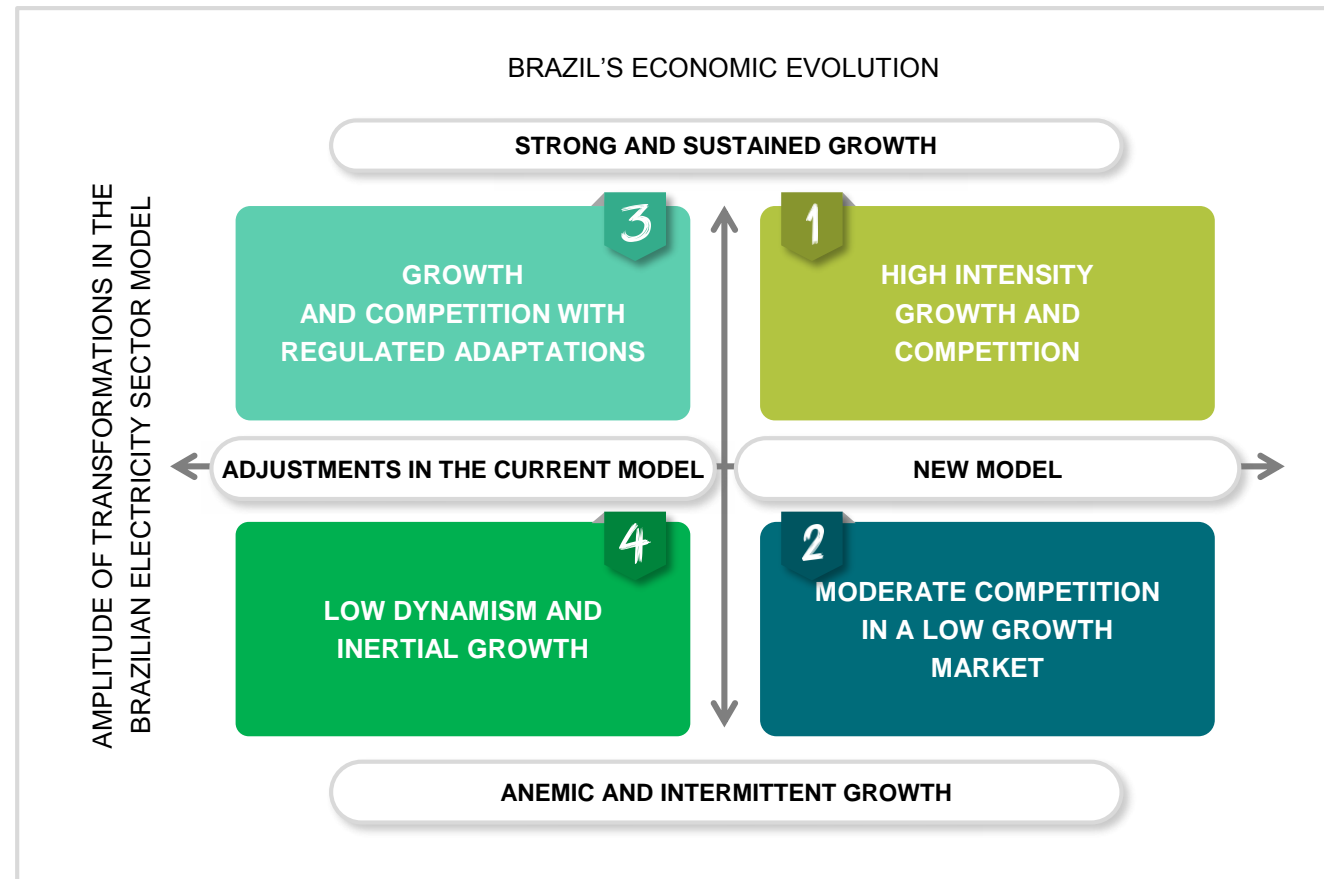


Electric sector trends



Scenarios for the Brazilian electric sector in 2020-2035

Given the uncertainties of the environment, the long-term strategy needs to be robust to navigate, especially between **scenarios 1 and 2**



Reference scenarios 2020-2035

Scenarios main characteristics

1 – Growth and competition in high intensity – and 2 – Moderate competition in a low growth market



Comprehensive modernization of the regulatory framework



Expansion of electricity demand, varying from tendential to large, induced by the market (private, foreign and diversified capital)



Decentralized risk management, with risks being gradually allocated in the value chain, creation and maturing of hedge mechanisms in the long term (energy exchange, derivatives, etc.)



Consolidation and structuring of traders and maturation of the market, with progressive reduction of speculative spaces



Matrix diversification: strong increase in renewables and use of pre-salt gas in the electricity generation



High-quality business environment, legal certainty and **medium to high attractiveness for investors**

3 Our competitive advantages

Leadership in electricity generation and transmission, presence throughout the Brazilian territory and an electrical matrix formed by 96% clean energy constitute a solid foundation to strengthen, with efficiency gains, Eletrobras strategic positioning and results generation.

Leadership in electricity generation and transmission

GENERATION

51.143 MW

installed electricity generation capacity in 2019

30,1%

Brazilian installed electricity generation capacity

96%

Clean energy capacity*

Generation of

185.025 GWh in 2019

Fonte: Eletrobras, 2019. * Includes renewables and nuclear.

TRANSMISSION

71,154 thousand km

transmission lines in 2019

45,2%

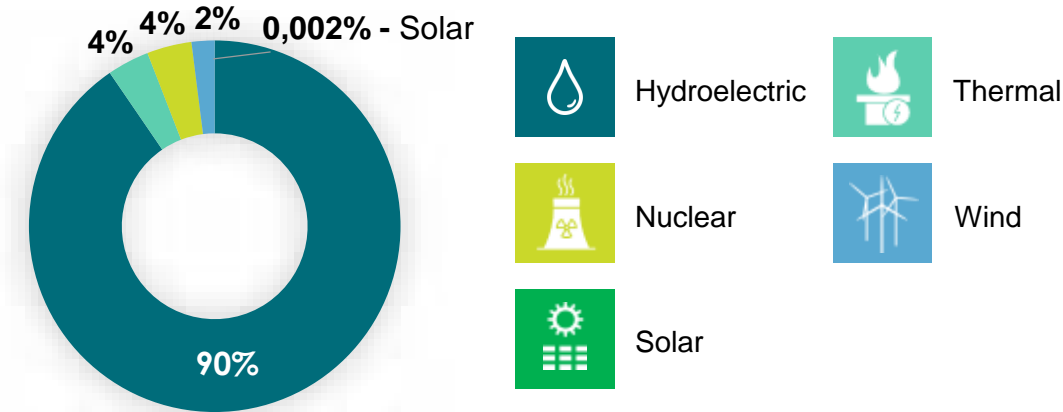
Brazilian National Interconnected
System transmission lines



G&T Assets

ROBUST PORTFOLIO

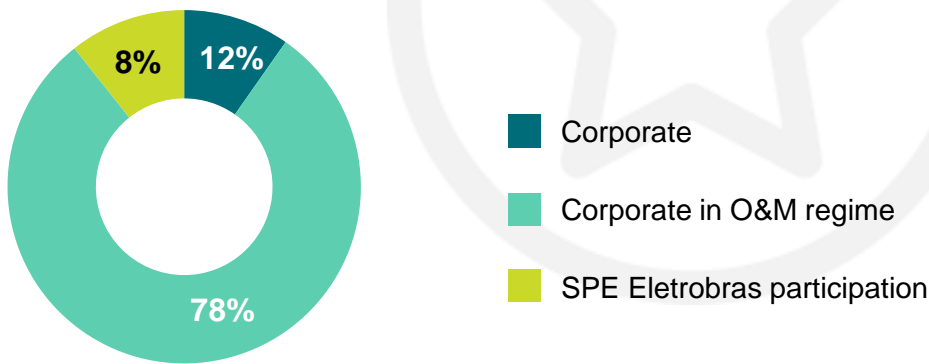
125 Operating power plants in 2019¹
58 corporate, **67** SPEs
92% renewables



Fonte: Eletrobras, 2019

64,1 thousand km
Corporate and corporate in
O&M regime

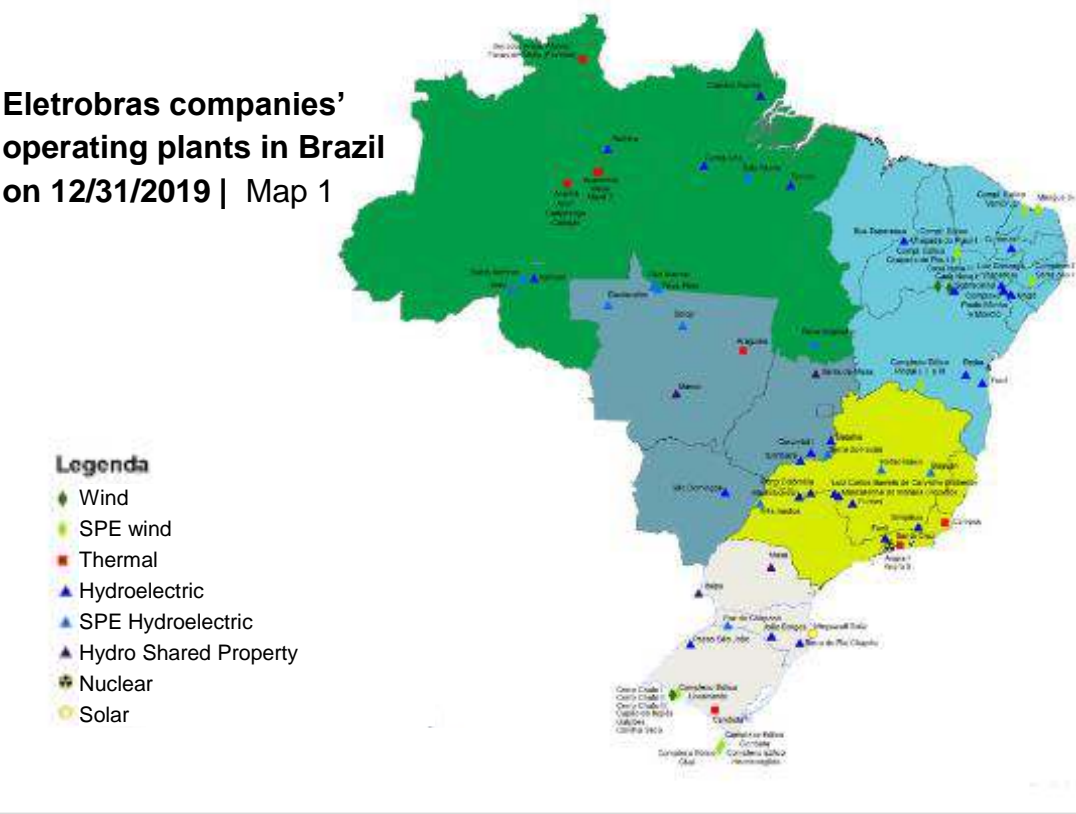
7,0 thousand
Transmission lines in
SPEs



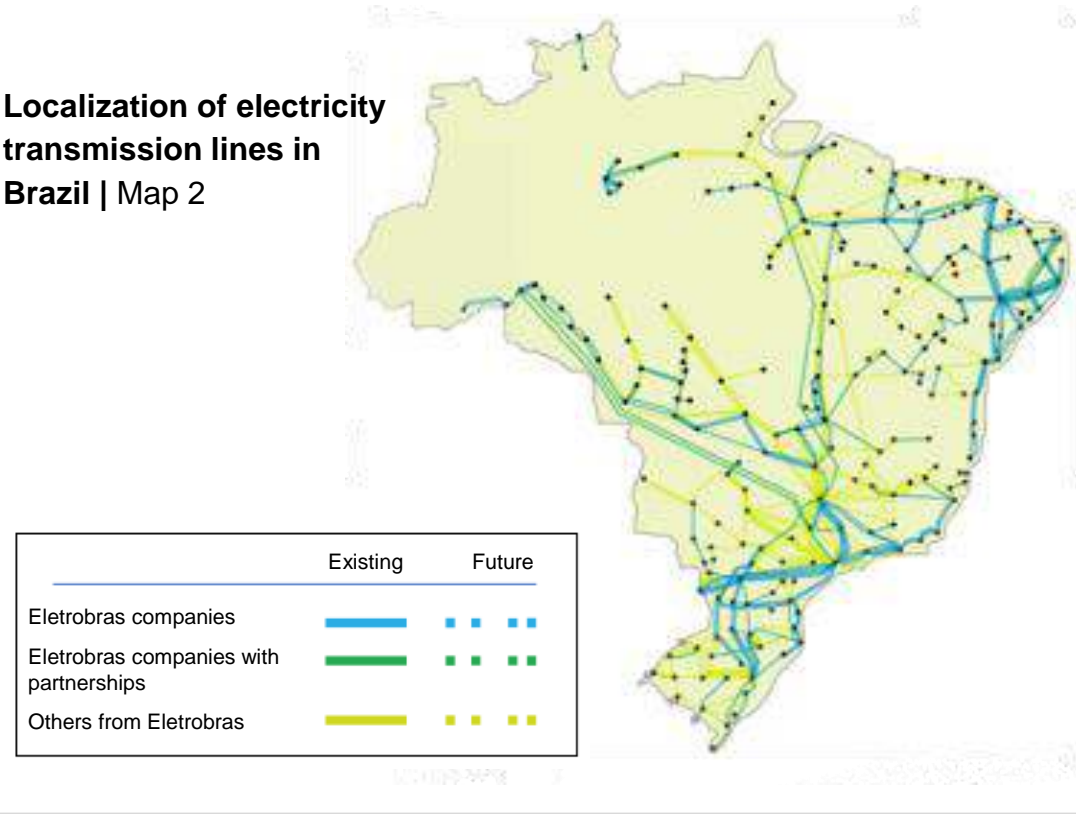
Presence throughout the Brazilian territory

CAPILLARITY

Eletrobras companies' operating plants in Brazil on 12/31/2019 | Map 1



Localization of electricity transmission lines in Brazil | Map 2



Source: Administration Report 2019. Eletrobras.

Advances in Eletrobras Companies' integrated management

ERP SAP DEPLOYMENT PROGRAM

The deployment of ERP, realized in stages, contemplated the following companies



Eletrobras Holding

Cepel

Eletropar

Furnas



Amazonas GT

Chesf

CGTEE

Eletrosul

Eletronuclear



Eletronorte

2018

2019

2020



Verified savings in 2018: **BRL 180** million

and in 2019: **BRL 76** million

SHARED SERVICES CENTER DEPLOYMENT

The deployment of Shared Services Center (SSC), completed in 2019, centralizes Eletrobras Companies' transnational and support activities in various processes:



Finances



IT



Accounting



Legal



Human Resources



Logistics and infrastructure



Purchasing



General Services



Verified savings in 2019: **BRL 374,5** million

4 Our essence and what we look for

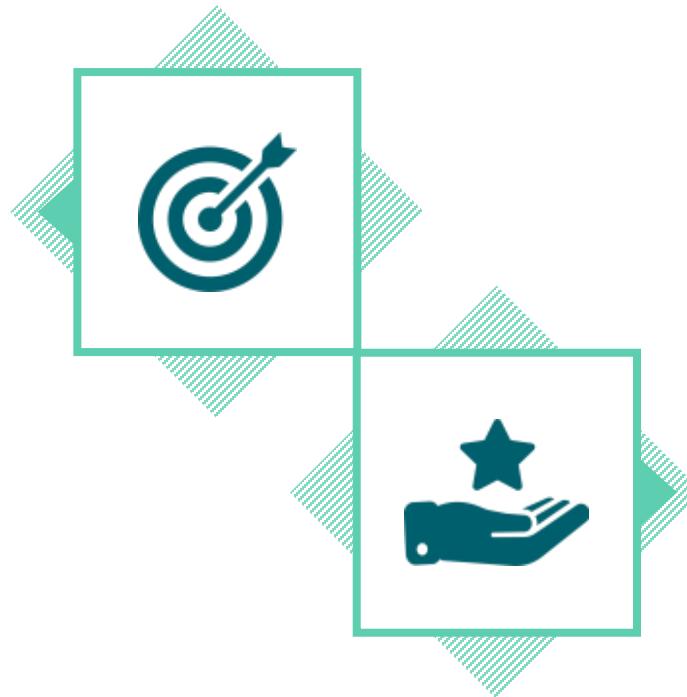
Aware of the challenges to be overcome and its strengths, Eletrobras renews its essence – based on the compromise with sustainable development of society, ethics and respect for people and life.

An innovative, clean energy company, recognized for excellence and sustainability. A company that operates with high performance standards, having as goal value creation for its investors and other stakeholders.

Business identity

Purpose

We put all our energy into the sustainable development of society



Values

We are guided by:

Respect for people and life
Ethics and transparency
Excellence
Innovation
Collaboration and recognition

Business identity



Values

We are guided by and are committed to:

- » **Respect for people and life:** Respecting differences, diversity, individual and collective rights, and life in all its forms, with security and equity.
- » **Ethics and transparency:** Being straightforward and honest, loyal to our commitments, aware of our responsibilities and transparent in our actions and results at all times.
- » **Excellence:** Pursuing excellence, the quality of resource allocation, the discipline of execution, the culture of high performance and the generation of value for our stakeholders.
- » **Innovation:** Stimulating the culture of innovation to create new ideas and solutions capable of impacting the future of energy and its applications in the organization.
- » **Collaboration and recognition:** Valuing merit, commitment, collaboration and continuous learning, establishing conditions that promote personal and professional development with the consequent expansion of competitiveness.

Vision

To be an innovative, clean energy company, recognized for excellence and sustainability.



Indicators to be monitored

Clean energy

- » % Clean energy: renewables + nuclear
- » % de Renewables

Excellence and economical sustainability

- » Return on Equity - ROE (Net Income/Shareholder equity)
- » Assets Value - (US\$ BI)

Environmental sustainability

- » % Clean energy: renewables + nuclear
- » GHG Emissions (TonCO₂/TWh)

Social sustainability

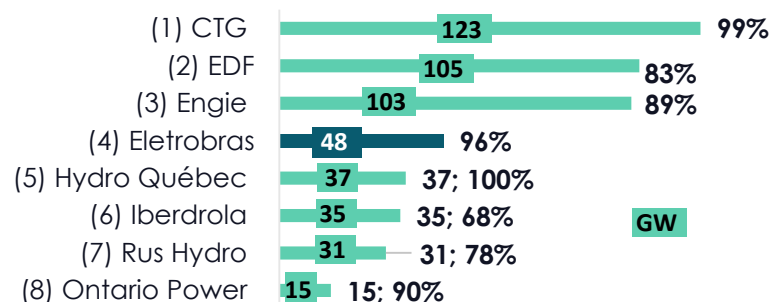
- » # Direct and indirect jobs generated
- » # People served by social projects

Vision

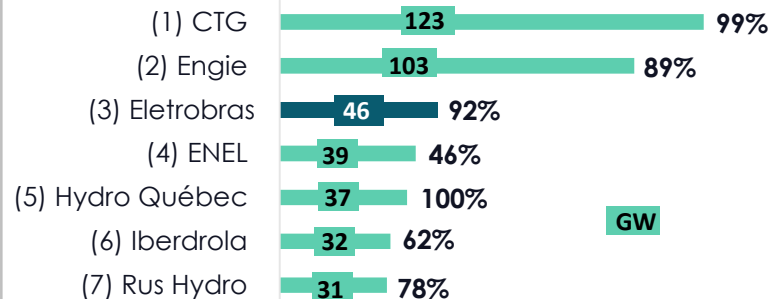
“To be an innovative, clean energy company, recognized for excellence and sustainability.”

CLEAN ENERGY AND ENVIRONMENTAL SUSTAINABILITY¹

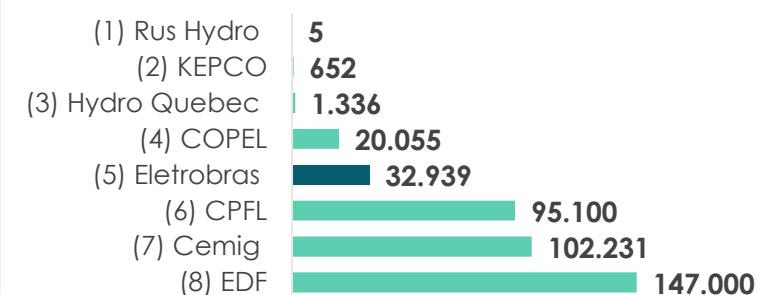
Clean energy (GW and %) - 2018



Renewables (GW and %) - 2018

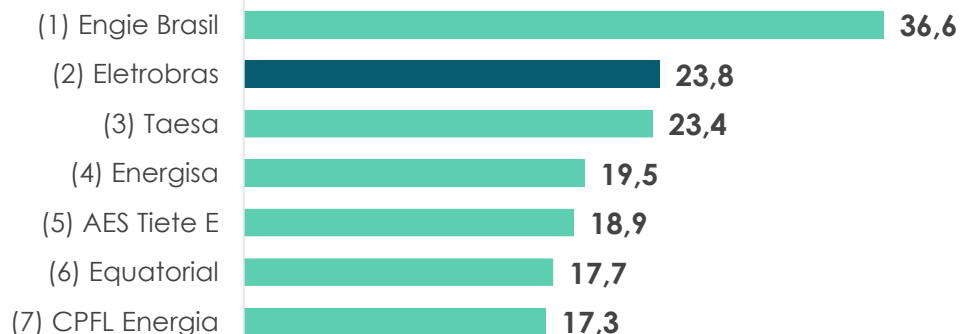


GHG Emissions (TonCO₂/TWh) - 2018

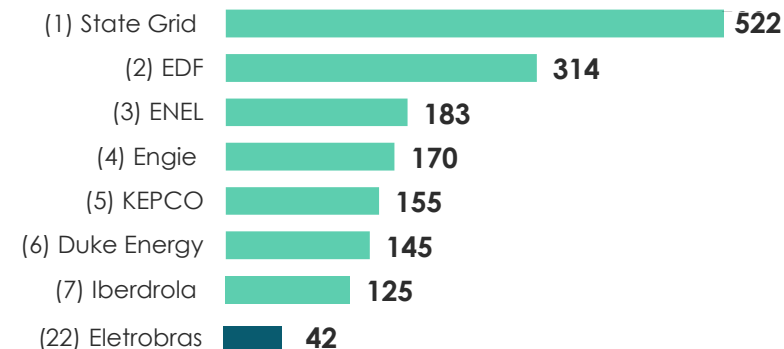


EXCELLENCE AND ECONOMICAL SUSTAINABILITY²

Profitability (ROE) - 2018

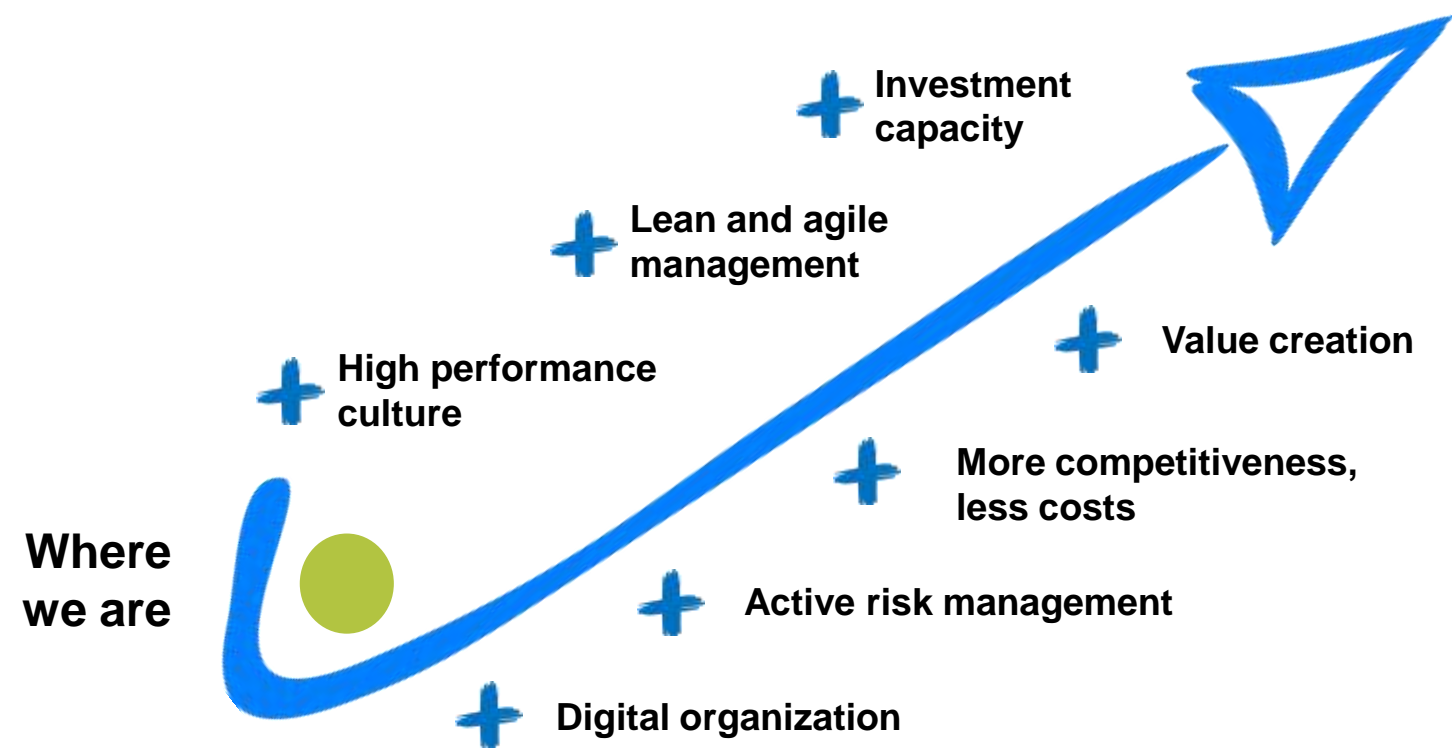


Assets value (US\$ BI) - 2018



2020-2035 – ELETROBRAS STRATEGIC TRANSFORMATION

The challenge we expect to overcome with this strategic plan.



Where do we want to get

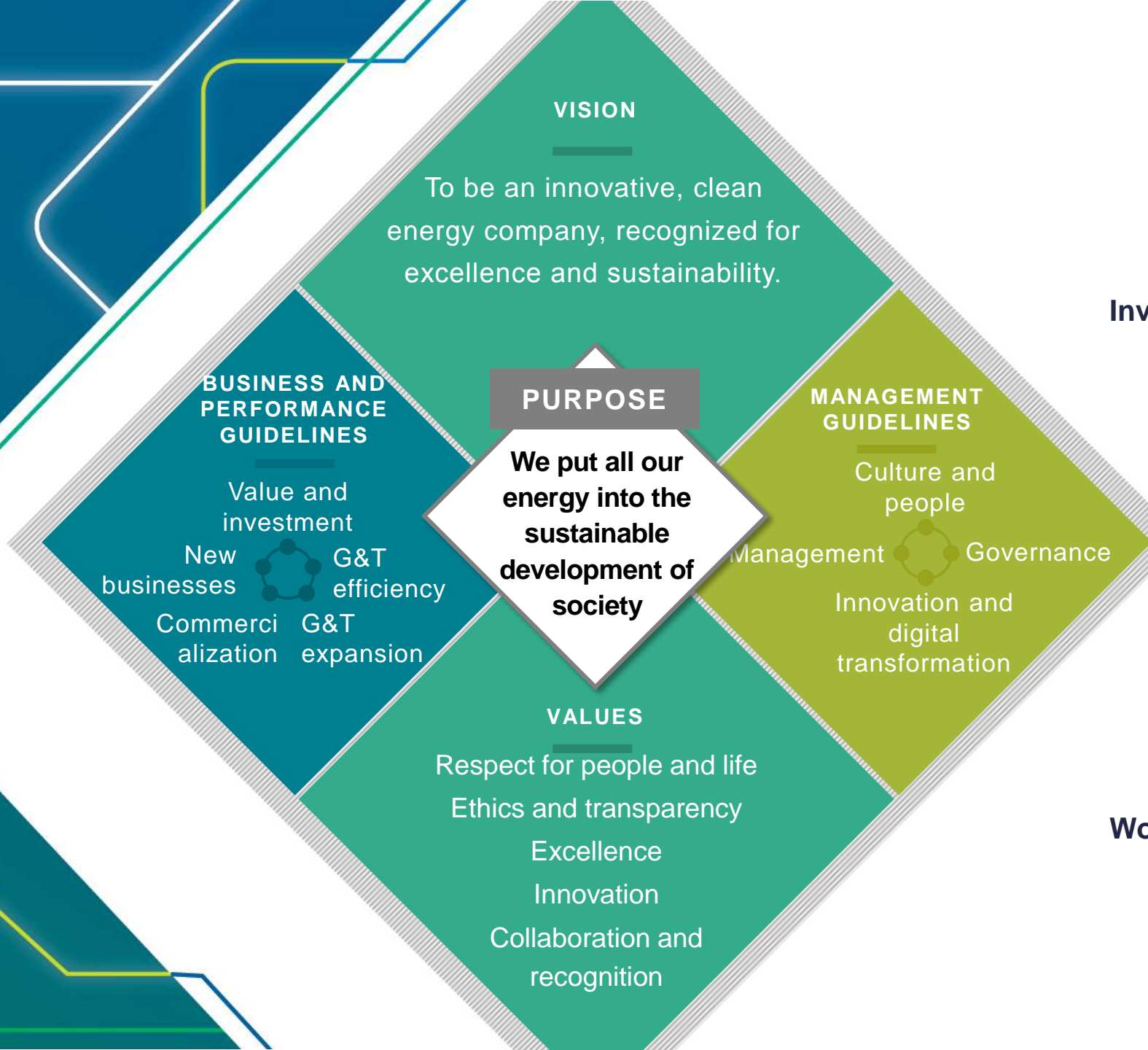


Vision

To be an innovative, clean energy company, recognized for excellence and sustainability.

Strategy 2020-2035

Strategy and stakeholders



Investors, shareholders and market analysts

Clients

Government, parliamentarians and regulatory bodies

Press and opinion leaders

Community

Society

Partners, sponsors and suppliers

Workforce and relatives

Strategic Map 2020-2035

Purpose	Business and performance guidelines	Strategic objectives
We put all our energy into the sustainable development of society	Multiply value creation and expand the company's investment capacity	>> Optimize the capital structure of the Eletrobras group >> Increase the Company's investment capacity
	Create value by increasing the efficiency of G&T assets	>> Optimize the economic-financial performance of G&T assets >> Achieve high levels of reliability of G&T assets >> Increase regulatory effectiveness with active action with the regulator
	Consolidate leadership in G&T, focusing on clean energy	>> Expand generation, prioritizing clean energy and gas thermal opportunities >> Expand transmission, focusing on value creation
	Achieve leadership in trading, with attractive margins and risk management efficiency	>> Diversify the customer portfolio, expanding operations in energy retail >> Develop the energy trading segment
	Invest in new businesses, focused on energy, participating in the consolidation of the sector (M&A)	>> Increase revenue from services sales, data transmission and other synergistic opportunities
	Management guidelines	
	Develop a high-performance culture and excellence in people management, with meritocracy	>> Value meritocracy with a system of incentives and consequences >> Develop leadership, teamwork and knowledge management to sustain the company's critical competencies >> Ensure employee safety and satisfaction
	Achieve excellence in Governance, Risk Management and Internal Controls	>> Acquire and develop robust risk management competence >> Achieve and maintain standards of corporate governance and business integrity in accordance with international benchmarks >> Promote active institutional articulation and transparency in the relationship with stakeholders
	Focus the company's management on value creation and competitiveness increase	>> Strengthen execution discipline, with agility and optimization of resources
	Take a leading role in innovation and promote the digital transformation of business and management processes	>> Accelerate the digitization and automation of business and management processes >> Invest in research and innovation, creating an innovative ecosystem based on internal capabilities and partnership with startups
Values		
<ul style="list-style-type: none"> • Respect for people and life • Ethics and transparency • Excellence • Innovation • Collaboration and recognition 		
Vision		
To be an innovative, clean energy company, recognized for excellence and sustainability.		

Strategic Guidelines 2020-2035

BUSINESS PERFORMANCE

VALUE AND INVESTMENT >> Increase value generation and expand the company's investment capacity

INDICATORS

>> **MARKET VALUE:** Enterprise Value / EBITDA

BUSINESS

G&T EFFICIENCY >> Create value by increasing the efficiency of G&T assets

G&T EXPANSION >> Consolidate leadership in G&T, focusing on clean energy

COMMERCIALIZATION >> Achieve leadership in commercialization, with high margin and risk management efficiency

NEW BUSINESSES >> Invest in new businesses, focused on clean energy, participating in the consolidation of the sector (M&A)

>> **AVAILABILITY:** DISPGR, DISPOLT / **EFFICIENCY:** PMSO/PMSO Reg.

>> **G&T EXPANSION:** Installed capacity and G&T Market share

>> **MARGINS:** Margin in relation to the reference price

>> **REVENUE:** New businesses revenue/ Total revenue (%)

GOVERNANCE, MANAGEMENT AND CRITICAL COMPETENCES

CULTURE AND PEOPLE >> Develop a high-performance culture and excellence in people management, with meritocracy

GOVERNANCE >> Achieve excellence in Governance, Risk Management and Internal Controls (GRC)

MANAGEMENT >> Focus the company's management on generating value and increasing competitiveness

INNOVATION AND DIGITAL TRANSFORMATION >> Take a leading role in innovation and promote the digital transformation of business and management processes

>> **SAFETY:** Accident Frequency Rate / **PEOPLE:** Employee Satisfaction Index and Training Hours/ Number of employees

>> **GOVERNANCE:** ELB position on B3 list

>> **PRODUCTIVITY:** Operating result/ employee

>> **INNOVATION:** R&D+I Investment / NOR (%)

Generation and Transmission Investment

INVESTMENT UNDER THE NO PRIVATIZATION SCENARIO

Considering the maintenance of the quota regime for plants extended by Law 12.783 / 2013

Maintaining the Company's financial discipline with the Net Debt / EBITDA indicator <2.5



Total investment in G&T expansion¹

Total 2020-2035: **BRL 95,3** billion

Per year: **BRL 6,0** billion

INVESTMENT UNDER THE PRIVATIZATION SCENARIO

Considering the decotization of the plants extended by Law 12,783 / 2013 and the signing of new electricity generation concession contracts from an independent producer, it would generate an increase in the Company's EBITDA.

Maintaining the Company's financial discipline with the Net Debt / EBITDA indicator <2.5



Total investment in G&T expansion

Total 2020-2035: **BRL 201,9** billion

Per year: **BRL 12,6** billion

5 Prioritized sustainable development goals

Sustainability is in Eletrobras essence, in the electrical energy it produces and in its way of making business.

Aligned with the Sustainable Development goals, Eletrobras has actions related to all of them, but prioritizes nine with projects linked to its business or its commitment to society.



Sustainability is our business model, which permeates and encompasses the entire Eletrobras Strategy.

SDGs prioritized by Eletrobras





Eletrobras