

MARKET ANNOUNCEMENT

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 on this date, the Agência Nacional de Energia Elétrica - Aneel, within the scope of public consultation number 077/2020, did not approve the amendment to the energy purchase agreements entered into with Independent Energy Producers - PIEs and the subsidiary Amazonas Geração e Transmissão de Energia S.A ("Amazonas GT"), under the terms proposed by Amazonas GT.

The totality of the energy purchased from the PIEs is delivered to the privatized distributor Amazonas Energia S.A ("Amazonas Energia"), with the transfer of the total costs of generation, including the fuel costs, because it is a pass-through contract, with no gains to Amazonas GT.

Amazonas GT's proposal was to change the PIEs energy purchase contracts, currently 100% (one hundred percent) inflexible, to the availability regime, 100% flexible and with variable unit cost - defined CVU, to be dispatched in order of merit when the CVU was less than the PLD or to meet electrical restrictions in the State of Amazonas. Such proposal would adapt the volume contracted to the needs of Amazonas Energia and of the Manaus System, reducing the over-contracting of distribution company and the dispatch of PIEs with high CVU, contributing to the reduction of the Amazonas Energia's default with Amazonas GT.

Aneel granted the deadline of 60 (sixty) days to the the sending of the drafts of the addendum terms to the Electricity Purchase and Sale Contracts - CCVEEs and Supply Contracts - CSEs, which must be signed by the parties involved. Some conditions were established for validation by the agency, such as the total generation costs related to the additions to the CCVEEs cannot exceed the costs resulting from the current operation and the additive terms must already accommodate any adjustments to maintain the economic and financial balance of the contracts. Finally, Aneel made itself available to make the mediation in order to facilitate the reaching of consensus on the drafts of additive terms to be forwarded later to the agency.

Amazonas GT, Eletronorte and Eletrobras holding are analyzing the effects of said decision and also starting work to meet the deadline granted by Aneel.

Rio de Janeiro, January 19, 2021

Elvira Cavalcanti Presta
CFO and Investor Relations Officer