

## 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) ) informs that, on this date, it has received the attached letter from the Ministry of Mines and Energy informing it about the publication of the Provisional Measure that addresses the privatization process of the Company ("PM").

The Provisional Measure authorizes the National Bank for Economic and Social Development ("BNDES") to commence studies for the modeling of the privatization. It also includes some modifications to the text of the Eletrobras privatization bill No. 5,877/2019 ("PL"), which was submitted by the President of the Republic to the National Congress on November 5, 2019, and has not yet been approved.

To facilitate the identification of the modifications, the Company has published on its investor relations page ([www.eletrobras.com/ri](http://www.eletrobras.com/ri)) a comparison between the Provisional Measure that is the subject matter of this Relevant Fact and the PL.

Among the modifications, we highlight: the inclusion of the extension of the Tucuruí hydroelectric power plant (Concession Contract No. 007/2004-Aneel-Eletronorte), of the subsidiary Centrais Elétricas do Norte do Brasil S.A. ("Eletronorte") for a period of 30 years, which is currently already subject to the independent producer regime (and not the quota regime); the obligation to invest resources for revitalization of the water resources of the hydrographic basins in the area of influence of the reservoirs of the Furnas Centrais Elétricas S. A. - Furnas (R\$230 million over 10 years), whose concession contracts are affected by the PM, and for the structural reduction of power generation costs in the Legal Amazon (R\$295 million over 10 years), directly by Eletrobras or, indirectly, through its subsidiary Centrais Elétricas do Norte do Brasil S. A. - Eletronorte, in addition to the revitalization of the water resources of the São Francisco river basin (R\$3.5 billion in 10 years, which was already provided for in the PL); a new distribution of revenues between the Federal Government (through bonus payment concessions) and the CDE - Energy Development Account (through the payment of annual dues over 30 years); and a provision for the creation of a special class of preferred shares, owned exclusively by the Federal Government, under the terms of the provisions of paragraph 7 of art. 17 of Law No. 6,404, of December 15, 1976, which will establish the powers of veto in respect of certain corporate resolutions provided for in the MP mentioned above ("Golden Shares").

We emphasize that the rationale adopted in the PL remains that all the financial obligations providing in the PM will be discounted from the amount added resulting by the change in regime and the granting of new concession grants, for 30 years, of the contracts extended by art. 1 of Law No. 12. 783, of January 11, 2013, and the concessions reached by the provisions of item II of §2 of art. 22 of Law No. 11.943, of May 28, 2009 (power plants under the quota regime), as well as the concessions reached in §3 of art. 10 of Law No. 13.182, of November 3, 2015 (UHE Sobradinho and UHE Itumbiara); and the new contract of UHE Tucuruí mentioned above. The residual amount, after said discounts, will be fully split between 50% (fifty percent) for the CDE, to contribute to the tariff moderation, and 50% (fifty percent) for the payment of the concession, being the amount that shall be considered for the purpose of the capital increase ("Follow-On"), to be made to dilute the Federal Government's equity interest, regardless of any secondary public offers that the Federal Government, or company controlled by it, may need to make in order to relinquish its controlling interest in Eletrobras.

The capitalization of Eletrobras is conditioned on the conversion of the MP into law.

Finally, the Company clarifies that the Ministry of Mines and Energy has published on its website (<https://www.gov.br/mme/pt-br>) preliminary calculations of the possible amounts of the award to be paid and the assumptions used for this calculation, which are transcribed below. However, it should be emphasized that these figures are only preliminary estimates, and the assumptions will be reviewed at the due time, specifically for Eletrobras.

Losses + GSF	10%
Price/MW	R\$155 from 2022 to 2029 and R\$167 from 2030 to 2051
Period of decommissioning	5 years
Wacc	7.2%

Preliminary Figures <sup>1</sup> (in reais billions)	
Revitalizations and Legal Amazonas <sup>2</sup>	8.75
CCC Credit <sup>3</sup>	2.50
50% Federal Revenue (grant)	25.50
50% CDE Revenues (grant)	25.50
Total	61.25

1- Considers revision of the physical guarantee of the current concessions

2- Values foreseen in the MP

3- Financial Information 9/30/2020 Eletrobras

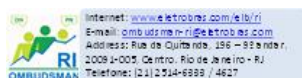
4- Release Ministry of Mines and Energy: informs values over BRL 50 billion to be shared between the Union and CDE

The Company will keep the market informed about the matter addressed in this Relevant Fact and informs that the Provisional Measure will be disclosed on its website as soon as it is made available by the Federal Government.

Rio de Janeiro, February 23, 2021.

Elvira Cavalcanti Presta  
CFO and Investor Relations Officer

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