

Copel's New Dividend Policy

Companhia Paranaense de Energia - COPEL ("Company"), a company that generates, transmits, distributes and trades energy, with shares listed on B3 (CPLE3, CPLE5, CPLE6), NYSE (ELPVY, ELP) and LATIBEX (XCOP), informs its shareholders and the market in general that the Company's Board of Directors ("CAD") approved, in a meeting held on this date, the new Dividend Policy of Copel ("New Policy").

The New Policy aims to provide more transparency and predictability of the flow of payment of earnings to shareholders, defining judicious parameters that preserve the Company's strategic and financial guidelines in the medium and long term, namely:

- Limits for Financial Leverage Index = Net Debt/EBITDA ("Leverage");
- Maintenance of Available Cash Flow ("ACF" or "FDC"), with ACF being the cash generated by operating activities, less investments made ("CAPEX") in the period (ACF = Operating Cash - CAPEX);
- Increase in distribution frequency from 1 event to at least 2 annual payment events.

Thus, considering the level of indebtedness, operating cash generation and the realized CAPEX, proposals for regular dividends will be calculated according to the criteria below:

- a) Leverage below 1.5x = 65% of Adjusted Net Profit
- b) Leverage between 1.5x and 2.7x = 50% of Adjusted Net Profit
- c) Leverage over 2.7x = 25% of Adjusted Net Profit

In order to preserve the ability to make sustainable investments, the amounts calculated above, except for the mandatory dividend, will always be limited by the ACF. Additionally, the company will try not to exceed the 2.7x leverage.

The New Policy is another significant advance in the improvement of Corporate Governance and the regulation of resource allocation, aiming to optimize the capital structure and strengthen the alignment among all shareholders of the Company, equally.

Thus, the Company informs that the dividend distribution proposals to be made by management, even in relation to profit reserves, including the one mentioned in MF 01/21 of 01.08.2021, will follow the parameters established in the New Policy.

The detailed document is available on the Company's Investor Relations website.

Material Fact – 04/21

More details on the new dividend policy can be clarified in the call with investors that the Company will hold tomorrow (01/21/2021) at 12:00 (at noon), whose access will be available on the Investor Relations website (ri.copel.com) or on this [link](#).

Curitiba, January 20, 2021.

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