



Notice to the Market - 21/19

Clarification on B3 queries

Companhia Paranaense de Energia - COPEL, a company that generates, transmits, distributes and sells power with shares listed on Brasil, Bolsa, Balcão - B3 (CPLE3, CPLE5, CPLE6), the NYSE (ELPVY, ELP) and the LATIBEX (XCOP), hereby provides clarifications on the news item published by Valor Econômico newspaper, on August 29, 2019, under the heading "Copel expects to close the sale of Compagas by early 2021", as requested by B3 S.A. – Brasil, Bolsa, Balcão ("B3") on the same date through Official Letter 777/2019-SLS, which is transcribed below.

August 29, 2018
777/2019-SLS

Companhia Paranaense de Energia - COPEL

Mr. Adriano Rudek de Moura
Chief Investor Relations Officer

Subject: **Request for clarification regarding news item**

Dear Sir,

We refer to the news item published by Valor Econômico newspaper on August 29, 2019, under the heading "Copel expects to close the sale of Compagas by early 2021", which contains, in summary, the following affirmations:

1. The state-owned company Copel expects to close the sale of its stake in Compagas by the first half of 2021 and, by March of next year, the divestment in its telecom branch;
2. The resources generated by the sales of the assets will assist Copel in the reduction of debt, which might, in turn, lower financial leverage to 1.5, if the Copel Telecom transaction is taken into account.

We hereby request clarifications from the Company on the above mentioned items, up to August 30, 2019, confirming or denying their veracity, as well as providing other relevant information.

In response, COPEL clarifies that such statements were made by Copel's Chief Executives during an event for investors and market analysts held on August 28, 2019 in the city of São Paulo – SP, in partnership with the Association of Analysts and Investment Professionals of the Capital Market (APIMEC).



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It should be noted that the information and statements attributed to the Executive Officers, particularly with respect to Copel's expectations of divestment in Companhia Paranaense de Gás (Compagas) and Copel Telecomunicações S.A. (Copel Telecom) are in conformity with information disclosed previously by the Company.

In this regard, prior to the beginning of the event (scheduled for 8:30 a.m.) and to the opening of the trading session at B3, the Company disclosed, on its electronic page in the IPE Module of the Empresas.NET System, on the CVM website (<https://www.cvm.gov.br>), the presentation with the information that would be addressed by the Company's representatives.

The presentation was published at 8:27 a.m., in the category "Notice to the Market", type "Presentations to analysts/market agents", subject "APIMEC 2019 Presentation", in strict compliance with article 30, XIV, of CVM Instruction no. 480, of December 7, 2009, and further amendments, and the guidelines contained in item 4.20 of Circular Letter CVM/SEP/no. 3/2019. It is also available on the Company's investor relations website (<https://ir.copel.com/enu/fact-sheet-and-presentations>) and on B3 S.A. - Brasil, Bolsa, Balcão's website (<https://www.b3.com.br>).

Having presented these clarifications, it should be pointed out that the presentation focuses both on the reduction of the Company's manageable costs and of its investment plan, among other issues.

In this context, the presentation addresses the main measures that should, in a coordinated manner, guide the execution of the Company's business improvement strategy, with emphasis on the divestments in Compagas and Copel Telecom and on the objective of reducing leverage.

Additionally, it should be highlighted that the Company's intention to offer Copel Telecom for sale has also been public knowledge for months.

In the same direction, on April 17, 2019, the Company released a notice to the market notifying that the Company's Board of Directors, on that date, approved the continuation of studies on the potential disposal of control of Copel Telecom. Subsequently, on July 11, 2019, the Company released a new notice to the market informing that the Company's Board of Directors approved the hiring of financial and legal advisors for the study on the potential sale process.

Thus, it was expected that the potential sale of certain assets and divestments in Compagas and Copel Telecom by the Company would be subject to questioning by the analysts and investors present in the event held at APIMEC, and the Company's executives, at the time, confirmed the existence of discussions and studies in this regard.

In line with the standard of prudence and diligence expected from management, and in order to maximize the generation of value for the Company and its shareholders, the divestment processes shall be



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conducted with expediency, rather than being carried out in a rushed manner. The divestitures will observe reasonable and adequate deadlines for structuring, trading and execution, based upon what is in the best interest of the Company.

It should also be noted that, when addressing the issue during the event, the executives also mentioned internal management expectations regarding the potential impacts of these processes on the desired reduction of the Company's indebtedness and leverage, naturally subject to several variables, among which the effective implementation of the divestment measures.

Such internal analyses and expectations, nonetheless, do not constitute an estimate or projection for future results of the Company, but only internal operational goals. The disclosure of such internal goals does not, however, dismiss what they really are: management goals, which do not contain, in themselves, any statement of certainty, guarantee of results or likelihood of their achievement.

Finally, the Company reaffirms its commitment to keeping its shareholders and the market in general informed about the progress of its business and about any news related to the matters discussed herein.

Curitiba, August 30, 2019.

Adriano Rudek de Moura
Chief Financial and Investor Relations Officer

For further information, please contact the Investor Relations team:
ri@copel.com or +55 41 3331-4011