



**AUREN
ENERGIA S.A.**

Publicly-held Company

CNPJ No. 28.594.234/0001-23

NIRE 35300508271 | CVM Code 026620

**CESP - COMPANHIA ENERGÉTICA DE
SÃO PAULO**

Publicly-held Company

CNPJ No. 60.933.603/0001-78

NIRE 35300011996 | CVM Code 2577

MATERIAL FACT

Agreement Involving the Indemnification of Três Irmãos HPP

AUREN ENERGIA S.A. ("Auren" or "Company") and **CESP – Companhia Energética de São Paulo** ("CESP"), in compliance with the provisions of Article 157, § 4, of Law No. 6.404/1976, as amended, and CVM Resolution No. 44/2021, communicate to its shareholders and to the market in general that CESP, on this date, entered into a judicial agreement with the Federal Government aiming at indemnifying CESP for the reversal of non-amortized or non-depreciated assets in relation to the Três Irmãos Hydroelectric Power Plant ("Agreement").

The purpose of the Agreement, as attached to this Material Fact, is to receive the indemnity in question under the terms of Interministerial Ordinance MME/MF No. 129/2014, dated March 27, 2014, for the historical amount of BRL 1,717,362,148.59 (one billion, seven hundred and seventeen million, three hundred and sixty-two thousand, one hundred and forty-eight BRL and fifty-nine cents), duly restated at the rate of the Special Settlement and Custody System – SELIC under the compound interest method and paid in 84 (eighty-four) consecutive monthly installments, calculated in accordance with the Constant Amortization System – SAC, with the beginning of payment of the first installment until October 15, 2023. The source of funds to afford the indemnity is the Global Reversal Reserve (RGR).

This agreement implies the express waiver by CESP of all other legal requests contained on Case No. 0045939-32.2014.4.01.3400.

As provided for in the Agreement, the parties shall submit it to the approval of the 17th Federal Court of the Judicial Section of the Federal District to produce the legal effects arising therefrom.

Auren and CESP will keep the market informed of any subsequent material facts related to the Agreement, in accordance with the law and the regulations of the Securities and Exchange Commission.

São Paulo, December 07, 2022.

Mario Bertoncini

Finance VP and Investor Relations Director



MATERIAL FACT

Agreement Involving the Indemnification of Três Irmãos HPP

APPENDIX

[Free Translation]

AGREEMENT No. 00028/2022/CRNNS/PRU1R/PGU/AGU

NUP: 00410.087878/2020-71

INTERESTED PARTIES: REGIONAL NEGOTIATION CENTER - CRN

SUBJECTS: ADMINISTRATIVE ACTS

JUDICIAL SETTLEMENT AGREEMENT

The **FEDERAL GOVERNMENT**, the defendant, a legal entity governed by domestic public law, hereby represented by the undersigned Federal Lawyer, pursuant to Article 131 of the Constitution of the Republic and Complementary Law No. 73, dated February 10, 1993, hereinafter referred to as the FEDERAL GOVERNMENT; and

CESP – Companhia Energética de São Paulo (“CESP”), the plaintiff, legal entity enrolled with CNPJ No. 60.933.603/0001-78, located at Av. Dra. Ruth Cardoso, 8501, 2º andar, Pinheiros, CEP 05425-070, in the City of São Paulo, State of São Paulo, hereby represented by its Officers and by its lawyer with powers to make a settlement [\[1\]](#), hereinafter referred to as CESP.

WHEREAS the consensual settlement of disputes, based on self-compositional methods, represents an important mechanism for improving the judicial provision;

WHEREAS the solution based on the joint effort of the parties tends to be more satisfactory and less subject to possible in court disputes ;

WHEREAS the guidelines established by the new Code of Civil Procedure stimulate the consensual solution of disputes at any procedural stage (Article 3, §2 and §3 of CPC/2015);

WHEREAS the legal authorization to make agreements given by Article 1, §4 of Law No. 9.469, dated July 10, 1997, regulated by Decree No. 10.201, dated January 15, 2020;

WHEREAS there are guidelines for the execution of settlement agreements involving the Federal Government's interest, within the scope of the Federal Attorney General's Office, through PGU Ordinance No. 11, dated June 8, 2020;

WHEREAS there is a lawsuit filed by Companhia Energética de São Paulo (CESP) against the FEDERAL GOVERNMENT, registered under No. 0045939-32.2014.4.01.3400, in which CESP claims the recognition that the payment of indemnification for the reversal of the assets and facilities linked to the exploration of the Três Irmãos Hydroelectric Power Plant – HPP must take into consideration not only the value of the investments made in the plant, but also the values of the investments made in the two locks and in the Pereira Barreto channel.

WHEREAS the Pereira Barreto channel and its two sluices (eclusas) are not part of the Federal Government's assets.

WHEREAS the proposal for settlement sent by CESP, on 11/25/2020, inaugurating the self-compositive scenario between the parties and with the objective of ending the judicial dispute.

WHEREAS the authorizations promoted by the Minister of State of Mines and Energy, through the Order of the Minister dated as of October 26, 2022, and by the Attorney General of the Federal Government, through the Order n. 14709/2022/PGU/AGU.

HEREBY RESOLVE to enter into this **SETTLEMENT AGREEMENT**, submitting it to the approval of the Court of the 17th Federal Court of the Judicial Section of the Federal District to produce its legal effects in the lawsuit No. 0045939-32.2014.4.01.3400, pursuant to Article 487, III, *b*, of the Code of Civil Procedure.

CHAPTER I – PRELIMINARY

FIRST CLAUSE. The commitments entered into with the conclusion of this settlement agreement shall bind the Parties, only after approval, before the competent court of this settlement agreement.

SECOND CLAUSE. The terms of this settlement agreement derive from the self-composition between the parties, not implying the recognition of any legal theses already discussed or to be discussed before any court.

Sole paragraph. The calculation parameters and form of compliance defined in this settlement agreement apply exclusively to lawsuit No. 0045939-32.2014.4.01.3400, pending before the 17th Federal Court of the Judicial Section of the Federal District.

CHAPTER II – PURPOSE OF THE SETTLEMENT AGREEMENT

THIRD CLAUSE. The purpose of the judicial settlement agreement is to indemnify for the reversal of non-amortized or non-depreciated assets in relation to the Três Irmãos Hydroelectric Power Plant, under the terms of the Interministerial Ordinance MME/MF No. 129/2014.

Sole Paragraph. Interministerial Ordinance MME/MF No. 129/2014 is restricted to assets related to Três Irmãos HPP.

CHAPTER III – OBLIGATIONS OF THE PARTIES

FOURTH CLAUSE. The FEDERAL GOVERNMENT is responsible for the payment of the indemnity referred to in this instrument, in the right and total amount of the historical value of BRL 1,717,362,148.59 (one billion, seven hundred and seventeen million, three hundred and sixty-two thousand, one hundred and forty-eight BRL and fifty-nine cents), to be duly updated from June 2012 to 30 days prior to the date of payment of the first installment, at the rate of the Special Settlement and Custody System – SELIC under the compound capitalization regime (“Updated Historical Value”), pursuant to Interministerial Ordinance MME/MF No. 129, dated March 27, 2014.

Paragraph one. The indemnity referred to in the caput will be settled in 84 monthly and consecutive installments, calculated according to the Constant Amortization System (SAC), being that:

I – The first installment will be paid by October 15, 2023, and the others will be paid by the 15th day of the subsequent months.

II – The value of the amortization quota of each of the 84 installments due will be equivalent to 1/84 (one eighty-fourth) of the Updated Historical Value, determined under the terms of the caput of this clause.

III – The correction value of each of the 84 installments will correspond to the update of the rate of the Special Settlement and Custody System – SELIC (under the compound capitalization regime) levied on the remaining outstanding balance, in the period between the date of effective payment of the previous installment and the date of payment of the month in question.

IV - For the composition of the first installment of the correction value, the rate of the Special Settlement and Custody System - SELIC in the compound capitalization regime will be calculated according to the period between the date of calculation of the Updated Historical Value and the date of payment.

V - Under no circumstances will the cumulative incidence of SELIC be allowed with any other interest index and/or monetary correction.

Paragraph two. If the SELIC rate is extinguished during the execution of the payments, the update of the outstanding indemnity installments will be made by means of another official rate that will replace it.

Paragraph three. The source of funds to fund the indemnity is the Global Reversal Reserve (RGR).

FIFTH CLAUSE. The signing of this agreement implies acceptance, insofar as it does not conflict with this judicial settlement agreement, of the terms of Interministerial Ordinance MME/MF No. 129, dated March 27, 2014, notably in relation to the values and assets described therein, while imposing an express waiver, pursuant to Article 487, III, "c" of the CPC, to the other judicial requests contained on Case No. 0045939-32.2014.4.01.3400 that are not covered by said ordinance, notably regarding the indemnity related to the Pereira Barreto Channel and its sluices.

Paragraph one. The signing of this agreement implies recognition, by CESP, that the indemnity amount indicated in the Fourth Clause is sufficient to cover the amount of the portion of investments linked to reversible assets, not yet amortized or not depreciated, and there are no amounts to be claimed in relation to the granting or receipt of the indemnity referred to in Interministerial Ordinance MME/MF No. 129, dated March 27, 2014.

CHAPTER IV – APPROVAL AND PROCEDURES

SIXTH CLAUSE. After the signing of this Judicial Settlement Agreement:

I - the parties shall submit a request for approval of the agreement before the court of the 17th Federal Court of the Judicial Section of the Federal District to produce the legal

effects resulting from it, resulting in the extinction of the case with resolution of merit, pursuant to Article 487, III, *b*, of the Code of Civil Procedure, from the records of Case No. **0045939-32.2014.4.01.3400**.

CHAPTER V – ATTORNEY FEES FOR LOSS OF SUIT AND REMAINING COURT COSTS

SEVENTH CLAUSE. The parties acknowledge that there will be no conviction in defeat fees of their attorneys.

EIGHT CLAUSE. The costs and procedural expenses will be borne by the party that has already advanced them in court, that is, CESP. Including expenses related to expert fees that have already been paid.

NINTH CLAUSE. CESP will be responsible for the payment of any remaining legal costs.

CHAPTER VI – ANNEXES

TENTH CLAUSE. The following Annexes are part of this Judicial Settlement Agreement:

[\[1\]](#) Power of attorney of CESP representatives _____