



CENTRAIS ELÉTRICAS DE SANTA CATARINA S.A.
PUBLICLY-HELD COMPANY
CNPJ nº. 83.878.892/0001-55
NIRE 42300011274

NOTICE TO THE MARKET

Annual Tariff Adjustment – Celesc Distribuição S.A.

CENTRAIS ELÉTRICAS DE SANTA CATARINA (CELESC) (B3: CLSC3, CLSC4), publicly-held company, listed in Corporate Governance Level 2, in compliance with the provisions set forth in CVM Instruction 358/2002 and article 157, of Law 6404/76, discloses to the shareholders and market in general that the National Electric Power Agency (ANEEL), in the context of the Public Meeting of the Executive Board, held on August 20, 2019, authorized the adjustment to the tariffs to be practiced by its wholly-owned subsidiary Celesc Distribuição S.A. beginning August 22, 2019. In the adjustment calculation, as set forth in the concession agreement, ANEEL considers the variation of the costs associated with the provision of services and takes into consideration the acquisition and transmission of power energy, as well as the sector charges.

The average tariff effect to be transferred to consumers, of approximately -7.80%, is composed of -6.87% of sector charges, +1.43% of transmission costs, -0.67% of power expenses, -0.05% of unrecoverable revenues, +0.86% of distribution costs, +3.18% of financial expenses from current process and -5.69% of removal of financial components from previous ordinary process.

In the composition of the Net Revenue for the 2019-2020 period, Portion A (non-manageable costs with charges, transmission and power) accounts for 79.3%. Portion B (manageable costs) accounts for 20.7%, totaling R\$1,637 billion.

Subsidiary Celesc Distribuição S.A. serves over 3 million of consumption units.

Florianópolis, August 20, 2019

Claudine Furtado Anchite
Finance and Investor Relations Officer

For further information, please contact the IR team: ri@celesc.com.br or (48) 3231.5100