

## COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY – CNPJ 17.155.730/0001-64 – NIRE 31300040127

## CEMIG GERAÇÃO E TRANSMISSÃO S.A.

LISTED COMPANY – CNPJ 06.981.176/0001-58 – NIRE 31300020550

### MATERIAL ANNOUNCEMENT

#### Acquisition of interests in Renova

In accordance with CVM Instruction 358 of January 3, 2002 as amended, **Cemig** (*Companhia Energética de Minas Gerais* (listed, with securities traded on the stock exchanges of São Paulo, New York and Madrid), and its wholly-owned subsidiary **Cemig Geração e Transmissão S.A.** (**‘Cemig GT’**), a Brazilian corporation registered for listing, **hereby inform** the public, the Brazilian Securities Commission (CVM), the São Paulo stock exchange (B3), and the market in general **as follows**:

#### I. Signature of Contract for Acquisition of an Equity Interest in Renova Energia S.A. (**‘Renova’**) and Public Offer to Acquire Shares

- 1.1. A Share Purchase Agreement (**‘the Agreement’**) was signed on today’s date governing acquisition by **Cemig GT** and **Light Energia S.A.** (**‘Light Energia’**) of up to 7,282,036 shares in Renova, of which 6,637,878 are common shares and 644,158 are preferred shares, all nominal and without par value, and all owned by **CG I Fundo de Investimento em Participações** (**‘CG I’**) and certain related parties of CG I (**‘the Share Acquisition’**). The shares to be acquired from CGI include the shares currently bound by the Stockholders’ Agreement of Renova, signed on December 19, 2014 (**‘the Stockholders’ Agreement’**).
- 1.2. Under the Agreement, the shares owned by CGI will be acquired in the proportion of 67.85% by **Cemig GT** and 32.15% by **Light Energia**, and, in consideration, CG I will receive securities issued by Renova and subscribed by Cemig GT and by Light Energia (as described below), subject to the proportion stated above, and corresponding to the nominal value of R\$ 14.68 per share in Renova, both common and preferred (**‘the Exchange Ratio’**). The Exchange Ratio will be subject to adjustments arising, among other factors, from (i) the costs incurred for regularization of landholdings of Renova; and (ii) existence of certain contingencies up to the date of closing of the transaction (**‘the Closing’**).
- 1.3. The Agreement also provides that certain common shares owned by CGI shall be converted into preferred shares, enabling Cemig GT to form **‘Units’** in Renova in the terms specified in Article 54 of the by-laws of Renova. After the Closing, these transactions will result in Cemig GT being the owner of 50% or less of the common shares in Renova. Under the Agreement, Cemig GT and Light Energia must notify BNDES Participações S.A. (**‘BNDESPar’**) for it to state its position on exercise (or not) of its (**‘tag-along’**) right to joint sale, as specified in the stockholders’ agreement signed on November 6, 2012.
- 1.4. The Closing of the Acquisition of Shares is subject to compliance with the conditions that are usual in this type of transaction, and to completion of the acts of financial restructuring of Renova.
- 1.5. Also, the Board of Directors of Cemig GT have approved, subject to the Closing of the Acquisition of Shares, a Public Offer to Acquire Shares in Renova, to be made by Cemig GT and Light Energia, on a date to be announced, in which the stockholders of Renova will be offered equal treatment to that being offered to CG I (**‘the Public Offer to Acquire Shares’**).

## II. Re-profiling of the debts between related parties

- 2.1. Further, on today's date, the Board of Directors of Cemig GT has approved lengthening and restructuring of the credit of R\$ 768 million (base: March 2019) held by Cemig GT against Renova ('the Cemig GT Credit'). As part of the financial restructuring of Renova, both the Cemig GT Credit and the credit held by Light Comercializadora de Energia S.A. ('LightCom'), in the amount of R\$ 253 million (base: March 2019) ('The LightCom Credit') will be re-profiled into the following instruments:
- 2.2. Securities issued by Renova and subscribed by Cemig GT and Light Energia in the total amount of approximately R\$ 298 million (base: March 2019), with maturity at six years, grace period of one year, and interest of 155% of the CDI rate, with asset guarantee and surety guarantee, which will be used for the Acquisition of Shares (and/or, as the case may be, for acquisition of the shares owned by BNDESPar and the shares in circulation in the market, in the Public Offer to Acquire Shares).
- 2.3. The remaining balance of the Cemig GT Credits and the LightCom credits will be reprofiled substantially in the form of Debt Recognition Agreements ('TARDs') or securities subscribed by Cemig GT and LightCom, in the amount of approximately R\$ 723 million (base: March 2019), issued by Renova with six year maturity, payment bullet, interest at 155% of the CDI rate, and asset guarantee.
- 2.4. Conclusion of the reprofiling of the Cemig GT credits and the LightCom credits will be subject to the conditions that are usual in this type of transaction.
- 2.5. The reprofiling of the Cemig GT credits and the LightCom Credits, and the acquisition of the shares held by CG I, using part of the credits, will be jointly-executed and mutually contingent transactions, taking effect as a single transaction.

Cemig will keep its stockholders and the market opportunely and appropriately informed on developments on the matters that are the subject of this Material Announcement.

Belo Horizonte, March 21, 2019.

Maurício Fernandes Leonardo Júnior  
Chief Finance and Investor Relations Officer