

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

TAESA - SPA subscription for operational asset acquisition

Cemig (Companhia Energética de Minas Gerais, listed and traded in São Paulo, New York and Madrid), in accordance with CVM Instruction 358 of Jan. 3, 2002 as amended, hereby reports to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (B3) and the market as follows:

Cemig's affiliated company **Transmissora Aliança de Energia Elétrica S.A.** ('Taesa') has today published the following Material Announcement:

“ Transmissora Aliança de Energia Elétrica S.A. (B3: TAEE11) (“Taesa” or “Company”), pursuant to CVM Instruction 358, as of January 3, 2002, as amended, hereby announces to its shareholders, the market in general and other interested parties that, on this date, it entered into a Share Purchase Agreement (“Agreement”) with RC Administração e Participações S.A. (“RC” or “Seller”), with the purpose of acquiring 100% of the shares representing the total and voting capital of Rialma Transmissora de Energia 1 S.A. (“Acquisition” and “Rialma I”, respectively).

The completion of the transaction results in the acquisition of an asset located in the State of Rio Grande do Norte, interconnected with one of Taesa's substations – SE Lagoa Nova of Paraíso Açú Transmissora de Energia S.A. –, allowing operational advantages in maintaining the new asset, and consequently contributing to the Company's growth plan and its consolidation in the Brazilian transmission sector. Rialma I comprises the transmission line LT Lagoa Nova 11 – Currais Novos 11, voltage of 230 kV, double circuit, with an extension of 28 km and Annual Permitted Revenues (RAP) of R\$ 12.6 million (2019-2020 cycle).

For the Acquisition, the Company will pay to the Seller the amount of R\$ 56,717,000.00 (fifty six million, seven hundred and seventeen thousand Reais) (base date: June 30, 2019), subject to positive or negative adjustments resulting from the variation between the net debt and the working capital between the base date and the closing date, as well as other adjustments after the closing.

The closing and accomplishment of the Acquisition are subject to certain precedent conditions, including, among others, (a) regulatory authorizations of ANEEL and CADE; (b) non-occurrence of material adverse effect; (c) approval of Rialma I creditors; (d) full disbursement of the amounts financed with Banco do Nordeste do Brasil S.A.; (e) approval at the Company's General Meeting, pursuant to article 12, §1st, point “o” of the Company's bylaws, at a date to be defined.

In addition, the Company informs its shareholders that the acquisition value does not constitute a material investment, pursuant to Article 256, I combined with Article 247, both of Law No. 6,404/1976 (“Brazilian Corporate Law”). Also, the deliberation of the above subject will not give rise to any right of withdrawal, since the condition of application of paragraph 2 of Article 256 of the Brazilian Corporation Law was not verified, that is, the price of Acquisition does not exceed one and a half times the highest of the three amounts referred to in item II of the head provision of said article. Additionally, there will be no right of withdrawal for dissenting shareholders regarding the resolution of the Meeting approving the Acquisition.

The main terms and conditions of the Agreement and other relevant documents will be included in the Taesa's management proposal to be submitted to the General Meeting (“Management Proposal”) which will occur during the fulfillment of the precedent conditions applicable to the Acquisition. The Management Proposal and the call notice for the General Meeting will be filed at the Company's headquarters and will be available for consultation on the Company's website (www.taesa.com.br/ri), on B3 S.A. – Brasil, Bolsa, Balcão website (www.b3.com.br) and on the Brazilian Securities and Exchange Commission (CVM) website (www.cvm.gov.br). The Company will keep its shareholders and the market informed on a timely manner in accordance with current legislation on the development of the matters covered in this Material Fact. ”

Belo Horizonte, August 20, 2019

Maurício Fernandes Leonardo Júnior
Chief Finance and Investor Relations Officer