

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Return of funds held in court escrow

Providing complementary information to the Material Announcement of June 27, 2019: **Cemig** (*Companhia Energética de Minas Gerais*, listed in São Paulo, New York and Madrid), in compliance with CVM Instruction 358 of January 3, 2002 as amended, **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (B3) and the market **as follows**:

As a result of the decision of the 7th Federal Court of Belo Horizonte, Minas Gerais, Cemig's wholly-owned subsidiaries Cemig Distribuição S.A. (**'Cemig D'**) and Cemig Geração e Transmissão S.A. (**'Cemig GT'**) have today received the amounts that were deposited in guarantee in the legal action (in which judgment has been given against which there is no further appeal) in which they applied for exclusion, from calculation of the ICMS state value-added tax, of all amounts (payable or already paid) of the Pasep and Cofins taxes – the amounts being, respectively, R\$ 1.186 billion and R\$ 196 million.

The effects of this final judgment in favor of the Company were posted in 2019, in the results for the third quarter, contributing R\$ 1.969 billion (net of tax effects) to consolidated net profit.

As reported in the Quarterly Information (ITR) for 3Q19, the total amount to be recovered as a result of winning this action is approximately R\$ 7.29 billion, of which R\$3,036 billion relates to Cemig, Cemig GT and Cemig D.

The difference, of approximately R\$ 4,154 billion, is to be repaid to clients of Cemig D, in a manner to be decided by the competent official bodies, and in the context, also, of recovery of funds through offsetting of future Pasep and Cofins taxes, and/or receipt of court-ordered debt securities (*precatórios*).

Belo Horizonte, February 13, 2020.

Maurício Fernandes Leonardo Júnior
Chief Finance and Investor Relations Officer