

RESULTS

2019

CEMIG



Disclaimer

Certain statements and estimates in this material may represent expectations about future events or results, which are subject to risks and uncertainties that may be known or unknown. There is no guarantee that the events or results will take place as referred to in these expectations.

These expectations are based on the present assumptions and analyses from the point of view of our management, in accordance with their experience and other factors such as the macroeconomic environment, and market conditions in the electricity sector; and on our expectations for future results, many of which are not under our control.

Important factors that could lead to significant differences between actual results and the projections about future events or results include our business strategy, Brazilian and international economic conditions, technology, our financial strategy, changes in the electricity sector, hydrological conditions, conditions in the financial and energy markets, uncertainty on our results from future operations, plans and objectives, and other factors. Because of these and other factors, our real results may differ significantly from those indicated in or implied by such statements.

The information and opinions herein should not be understood as a recommendation to potential investors, and no investment decision should be based on the veracity, currentness or completeness of this information or these opinions. None of our professionals nor any of their related parties or representatives shall have any liability for any losses that may result from the use of the content of this presentation.

To evaluate the risks and uncertainties as they relate to Cemig, and to obtain additional information about factors that could give rise to different results from those estimated by Cemig, please consult the section on *Risk Factors* included in the Reference Form filed with the Brazilian Securities Commission (CVM) – and in the 20-F form filed with the U.S. Securities and Exchange Commission (SEC).

In this material, financial amounts are in **R\$ million (R\$ mn)** unless otherwise stated. Financial data reflect the adoption of IFRS.

CREDITS OF PIS, PASEP AND COFINS TAXES CHARGED ON AMOUNTS OF ICMS

- In 2019 Cemig won its legal action on unconstitutionality of including ICMS tax amounts in calculation base for PIS, PASEP, Cofins taxes

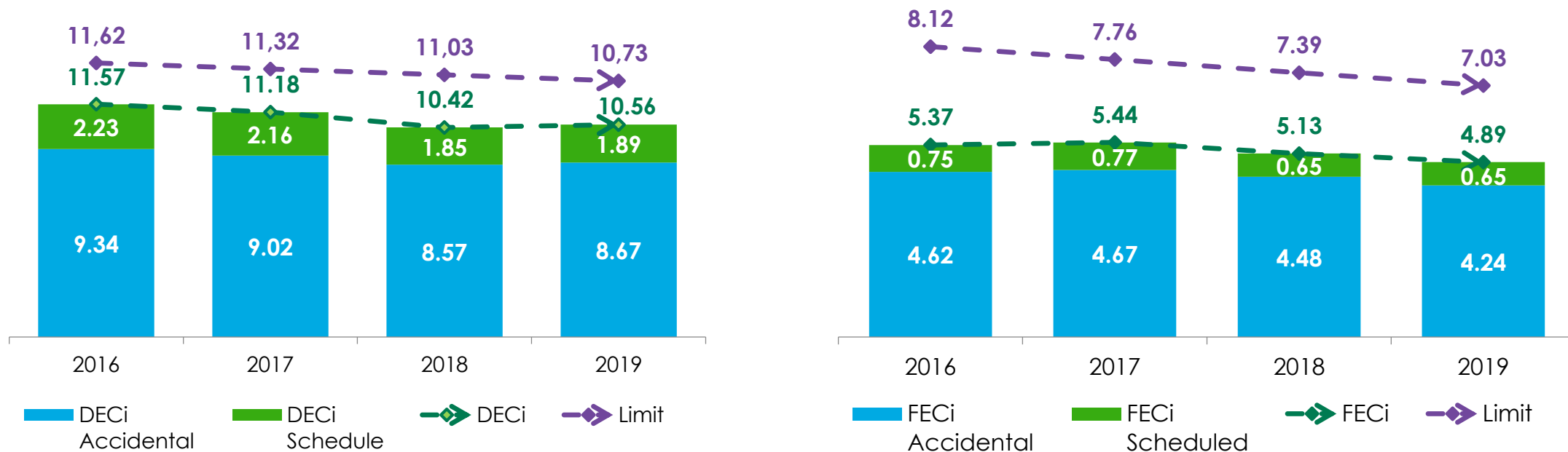
JUN/08	Ago/08 a Ago/11	MAI/19	JUN/19	FEV/20
Legal action filed	Cemig deposited in escrow	Cemig won final (un-appealable) judgment by First Regional Federal Appeal Court (TRF)	Application made for release of escrow funds	Escrow deposits received

- Cemig received escrow deposits, with updated value of R\$ 1.382 billion:
 - Cemig D – R\$ 1.186 billion; Cemig GT – R\$ 196 million
- Total to be repaid to Cemig: R\$ 7.190 billion – of which R\$ 4.154 billion is payable to customers of Cemig D, via structure to be set by Aneel

As a result of the court decision, as from June 2019 amounts of ICMS tax are no longer included in the PIS, PASEP and Cofins taxes charged to clients of Cemig D. This has reduced their electricity bills by an average of approximately 1%

QUALITY INDICATORS: CONCESSION CONTRACT

- Investments to maintain service quality
 - Expansion and improvement of distribution networks
 - Improvement of customer service channels
 - Reduction of client service times



RECOGNITION BY THE MARKET

- Winner of 2019 Transparency Trophy – for the 15th time
- Cemig present in the leading sustainability indices



Cemig included in all 20 years since its founding

ISEB3

Corporate Sustainability Index: included since creation in 2005

Índice Carbono Eficiente **IC02**

Carbon efficient index: included since index was created in 2010

- Corporate Knights (Canada) survey: Most sustainable electricity company in Latin America
- Recognition for water management excellence: included in the 'A list' of CDP's Water Security Program

CEMIG IN THE ANEEL CONSUMER SATISFACTION SURVEY

- Aneel's IASC Satisfaction Survey(1) researches residential users' opinion on electricity service quality



- 70.58% approval by Cemig residential clients
- Exceeds Aneel target
- Cemig's best result since 2009

- Iberian-Brazilian Client Relations Institute (IBRD)



- Second placed in the 2019 Exame Magazine/IBRC ranking for client service in electricity sector

CAPEX

In 2019

Segments	R\$m
Distribution	986
Generation	26
Transmission	223
Total capex	1,235

Capex expense on:
 Connecting approximately 213,203 new consumers
 Modernization of the asset base, aiming to
 reduce costs of operation and maintenance
 improve service quality indicators, and
 increase client satisfaction

2020–2024: Planned investments – Total R\$ 10.4 bi

Segments R\$m	2020	2021 to 2024	Total
Distribution	1,667	6,985	8,653
Generation	95	295	390
Transmission	250	1,139	1,389
Total capex	2,012	8,420	10,432

DIVIDENDS

Distribution of R\$0,50 per share (net of taxes)

- Total to be distributed: R\$764 million
 - **R\$400** paid as Interest on Equity
 - in two equal installments, by end-June and end-December 2020,
 - to stockholders of record on December 23, 2019
 - **R\$364** as dividends for the business year 2019
 - To be paid by dec/20
 - to stockholders of record on date of the AGM



CAPITAL INCREASE

Since on December 31, 2019 the Profit reserves (excluding the Tax Incentive Reserve) exceeded the share capital by R\$ 536,646, the Board of Directors will submit a proposal to the AGM for increase in the share capital, to R\$ 7,593,763

(Article 199:) The total of profit reserves, excluding reserves for contingencies, the Tax Incentive reserve, and the Future Earnings reserve, may not exceed the share capital. When this limit is reached, the general meeting must decide on application of the excess in paying-up or increasing the share capital, or distribution of dividends.

Proposal for increase in share capital

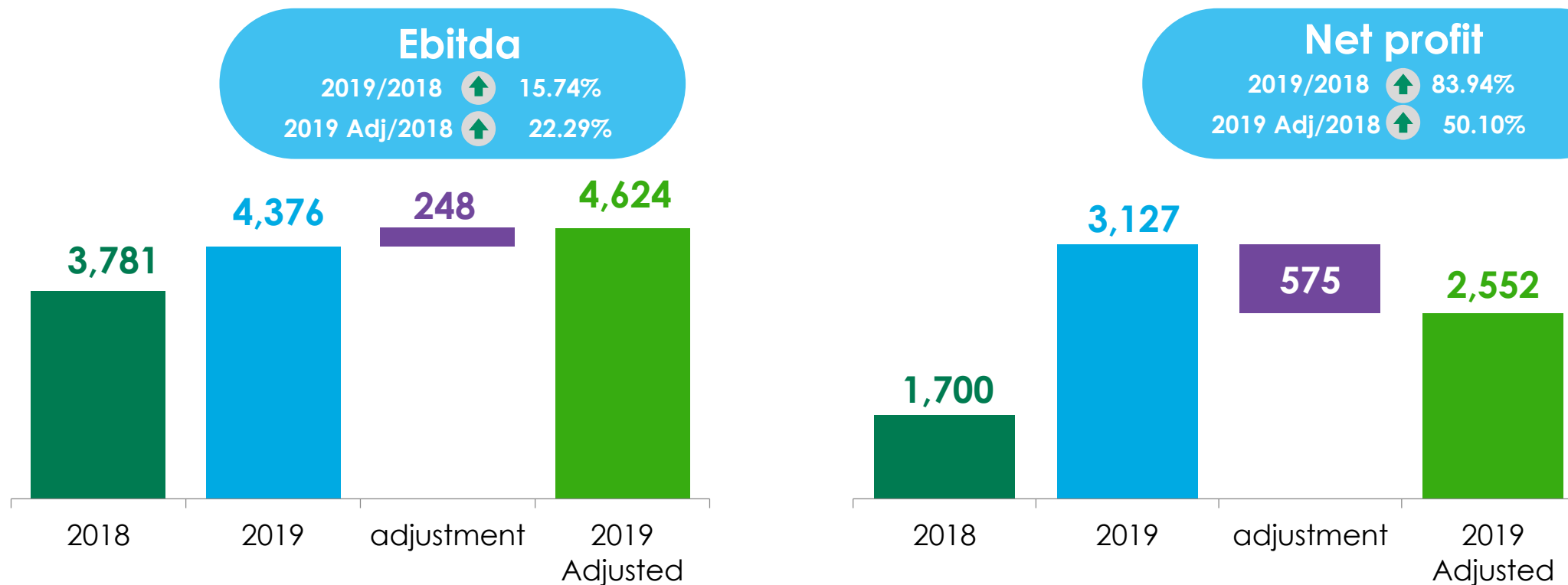
- R\$ 300 million – increase of 4.11%
- Issuance of 60 million new shares
 - ✓ ON – 20.1 million shares.
 - ✓ PN – 39.9 million shares



ANALYSIS OF RESULTS

CEMIG

CONSOLIDATED FIGURES 2019

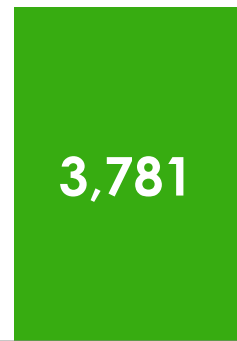


Adjustment	Company	Ebitda	Net profit
Recovery of PIS/Pasep and Cofins taxes credits over ICMS	Cemig H, GT, D	-1,439	-1,984
Provision for accounts receivable from Renova	Cemig H, GT	688	688
Provision for tax claim - profit shares	Cemig H, GT, D	1,183	862
Result of remeasurement - Light	Cemig H	-309	-224
Write-off for Igarapé thermal plant	Cemig H, GT	71	47
Obligations under investment contract (Aliança)	Cemig H, GT	32	21
Impairment at Volta do Rio wind farm	Cemig H, GT	22	15
		248	-575

Ebitda Adjusted - 2019

Cemig consolidated

2019/2018  22.30%



2018



2019

Cemig D

2019/2018  39.07%



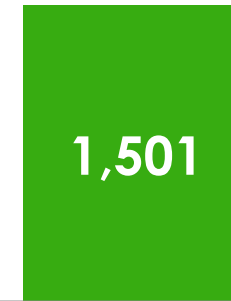
2018



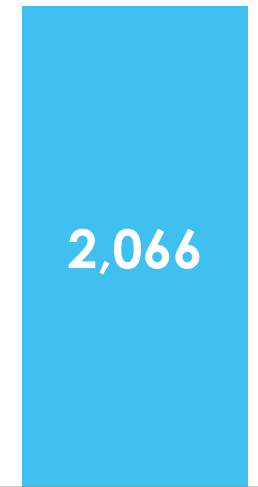
2019

Cemig GT

2019/2018  37.66%



2018

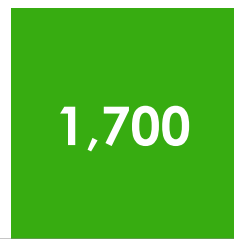


2019

NET PROFIT 2019 - ADJUSTED

Cemig consolidated

2019/2018  50.12%



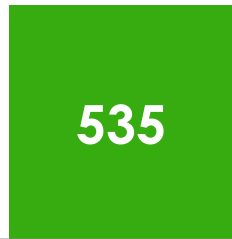
2018



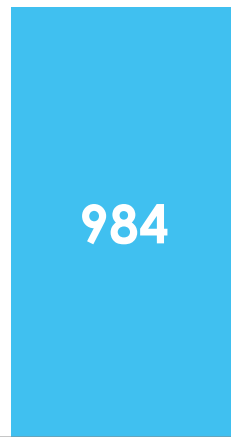
2019

Cemig D

2019/2018  83.93%



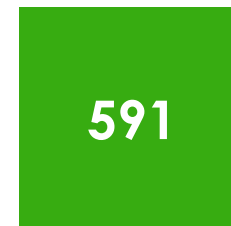
2018



2019

Cemig GT

2019/2018  116.63%



2018



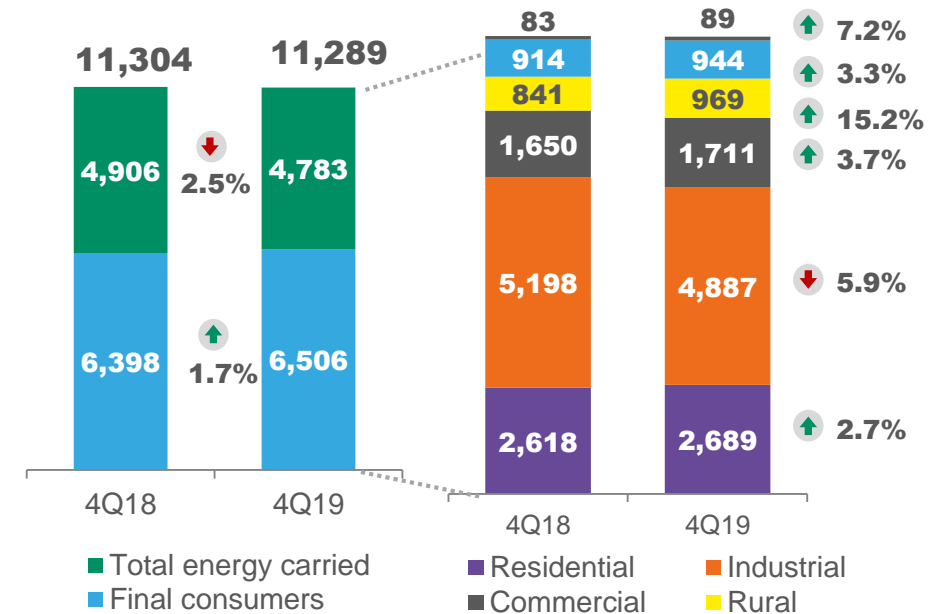
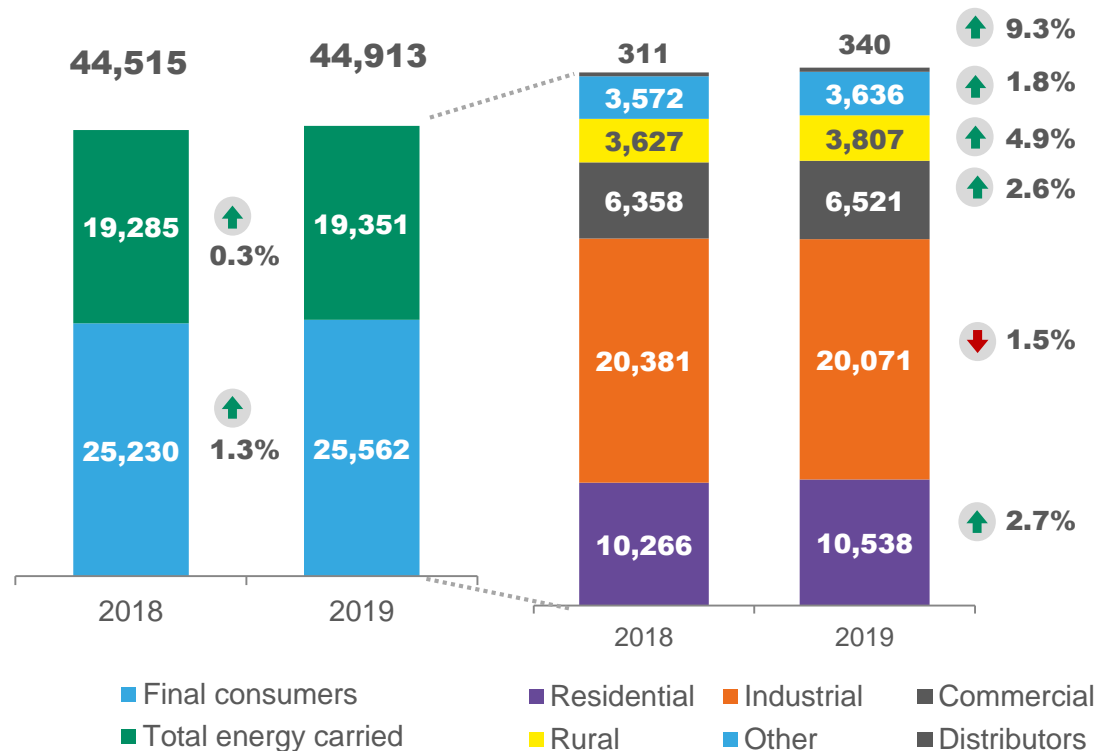
2019

ELECTRICITY MARKET OF 2019 - GWH

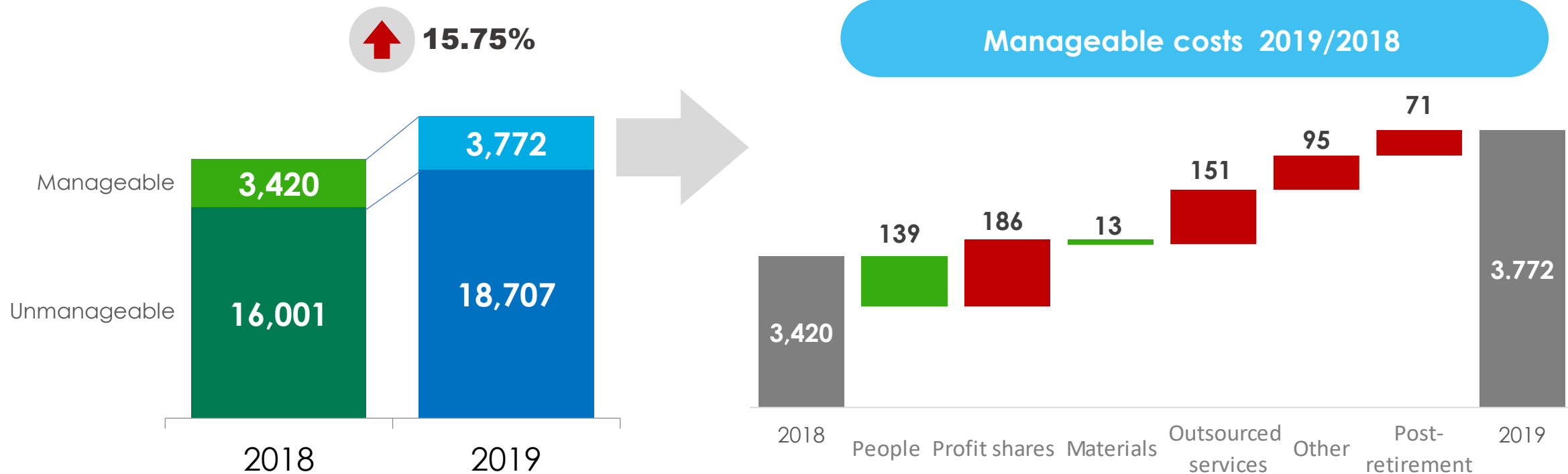
Cemig D: Billed market + Transmission

In 2019 ↑ 0.9%

In 4Q19 ↓ 0.1%



OPERATING COSTS AND EXPENSES – CONSOLIDATED



- Renegotiation of profit sharing targets to adapt to market reality
- Increase in expense on outsourced services
 - Maintenance and conservation of electrical equipment
 - Disconnection and reconnection
 - Tree pruning and powerline pathway cleaning

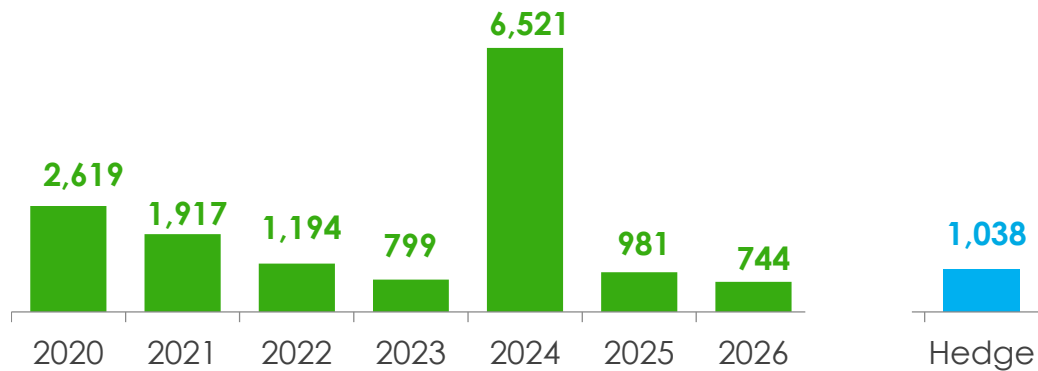
- Other expenses
 - Cost of Voluntary Retirement Program for 2019, appropriated in 2018, decommissioning of Igarapé Thermal Plant, impairment at Volta do Rio, and Aliança agreement.

CEMIG, CONSOLIDATED: DEBT PROFILE

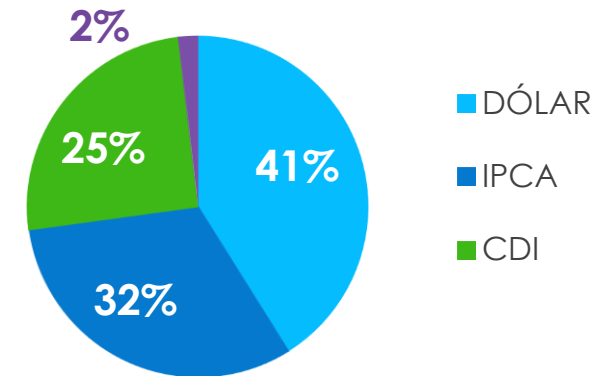
Maturities timetable - Average tenor:: 3,9 anos

Net debt: (Debt – Cx e TVM): **R\$13.4 bi**

Total net debt: (Net debt – Hedge): **R\$12.4 bi**

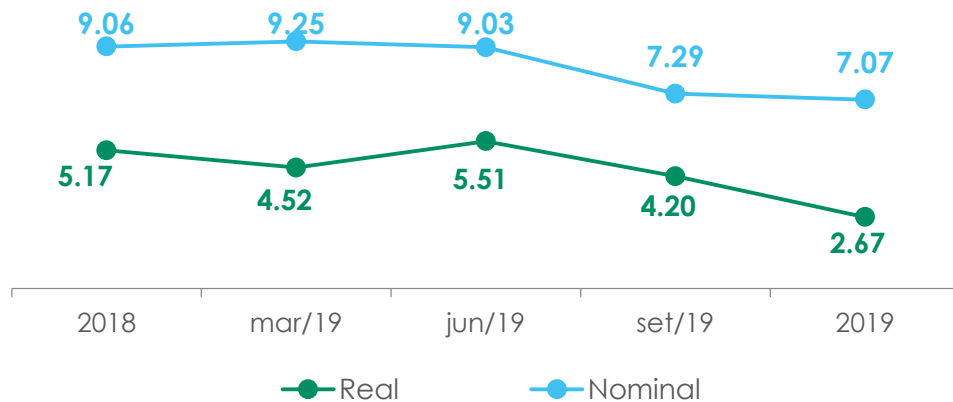


Main indexes

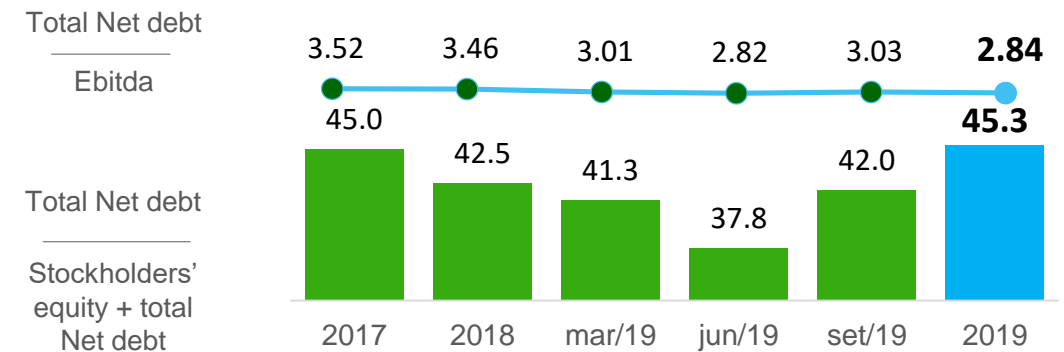


Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

Cost of debt- %



Leverage – %



The CEMIG logo is rendered in a bold, white, sans-serif font. The letters are thick and closely spaced, with a distinctive design where the 'E' and 'M' have horizontal bars that extend slightly beyond the main vertical strokes. The logo is centered within a large, abstract, multi-colored shape that overlaps the background. This shape is composed of several overlapping organic forms in shades of yellow, green, and blue.

CEMIG

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