



# ACCELERATING CEMIG'S VALUE CREATION AND TRANSFORMATION



IBRX100 B3

IEE B3

ISE B3

ICO2 B3

Some statements and estimates in this material may represent expectations about future events or results that involve risks and uncertainties known and unknown. There is no guarantee that the events or results referred to in these expectations will occur.

These expectations are based on present assumptions and analyses from the viewpoint of our management, based on their experience, the macroeconomic environment, market conditions in the energy sector and our expected future results, many of which are not under Cemig's control.

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

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

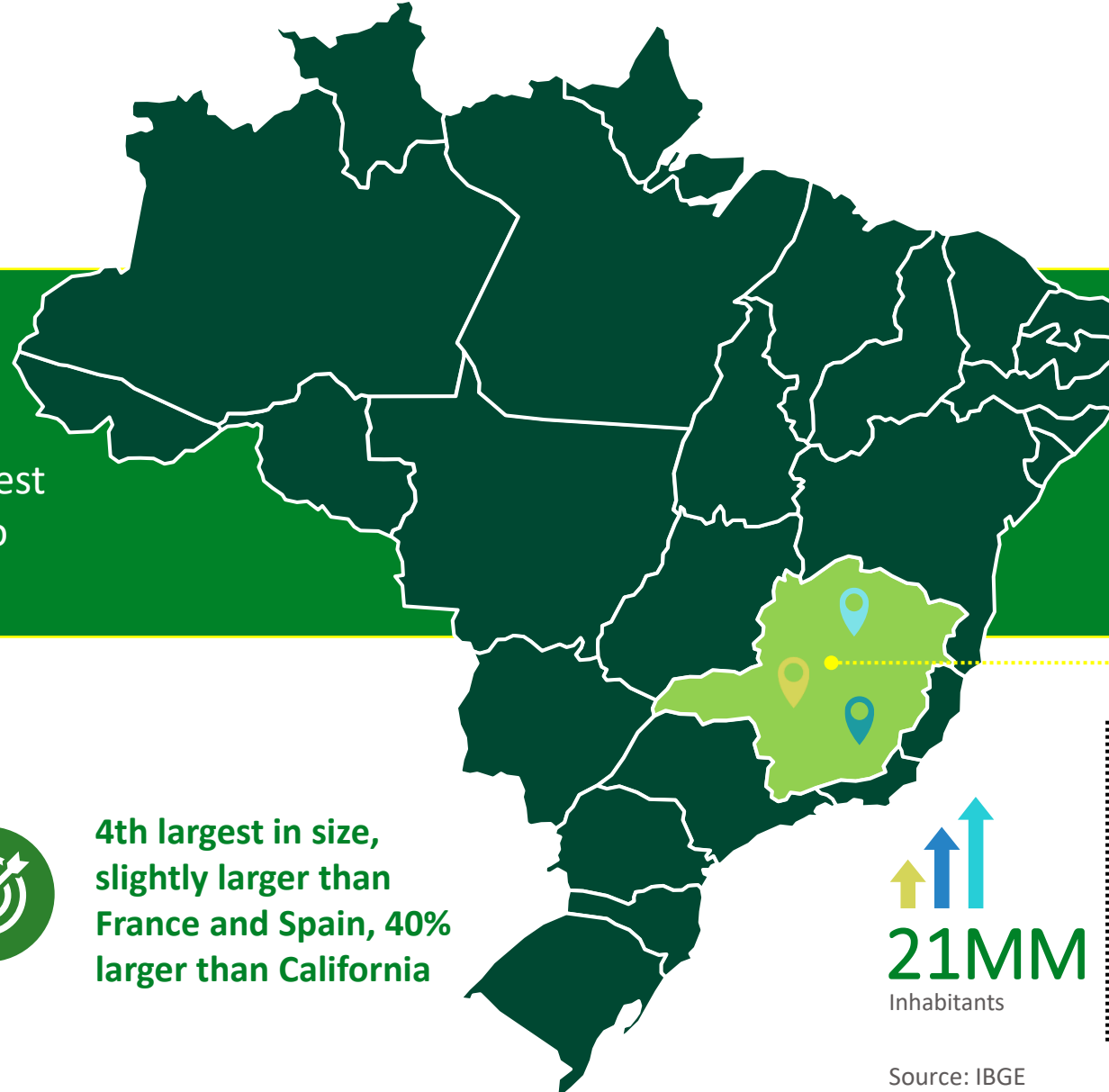
In this material, financial amounts are in **R\$ million (R\$ mn)** unless otherwise stated. Financial data reflect the adoption of IFRS



**CEMIG**

## MG

Minas Gerais has the 3rd largest GDP in Brazil, behind only São Paulo and Rio de Janeiro



### GDP



GDP MG 2021: R\$805 bn (+5.1%)

GDP Brasil 2021: R\$8.7 trillion(+4.6%)

Growth Expectation 2022 : +3.05%



2nd largest population in Brazil, approx. 10% of the country's population



4th largest in size, slightly larger than France and Spain, 40% larger than California

**21MM**  
Inhabitants

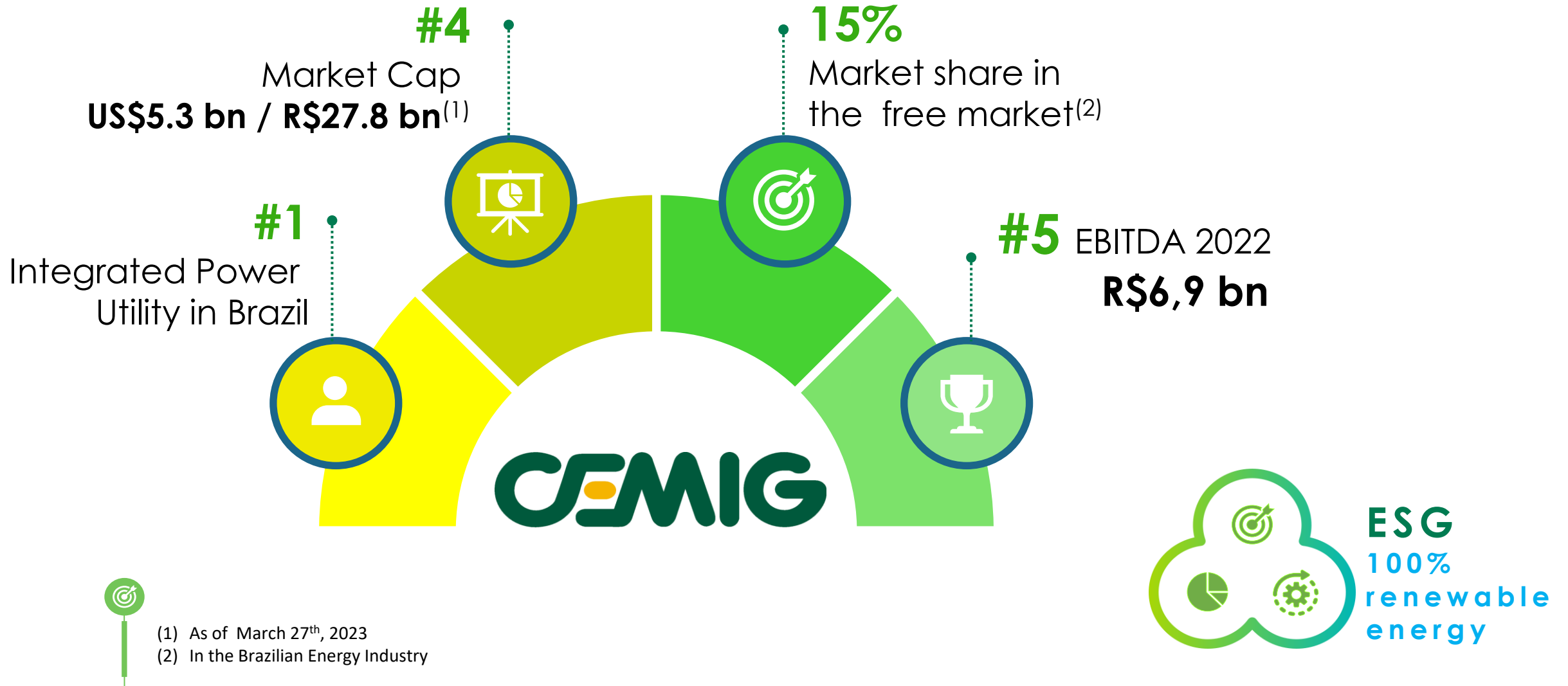
Source: IBGE

Average Income(2021) R\$ 2,277

HDI (2010) 0.731

IDEB – Early years in elementary school (2019) 6.3

## In the Power Industry since 1952



Integrated portfolio making it possible to capture synergies and reduce risks

## Generation

5.5 GW  
69 Power plants



## Transmission

7,960 km

## Distribution

558,031 km

## Free Customers

15% share



**Retail**  
Largest distribution  
company

# Cemig is Uniquely Positioned

# #1

**Integrated - Leader in Renewable**  
100% of our generation is renewable

## CEMIG GT

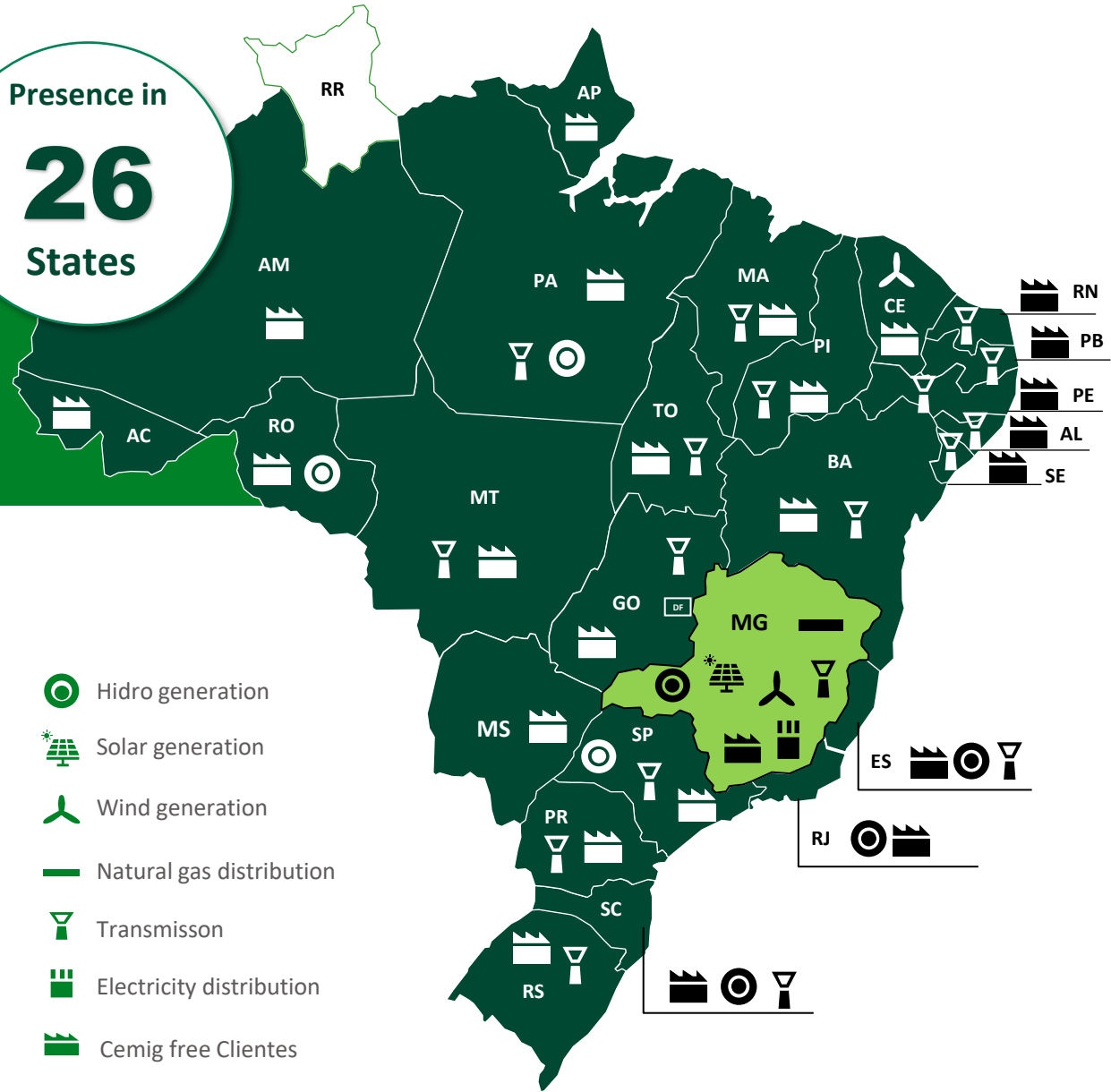
- 4<sup>o</sup> largest transmission group\*
- 6<sup>o</sup> largest generator group

## CEMIG D

- Largest energy distribution concession in the country
- ✓ 9 million clients in 9M22
- ✓ 34.7 thousand GWh of distributed energy in 9M22
- ✓ 558 thousand Km of lines

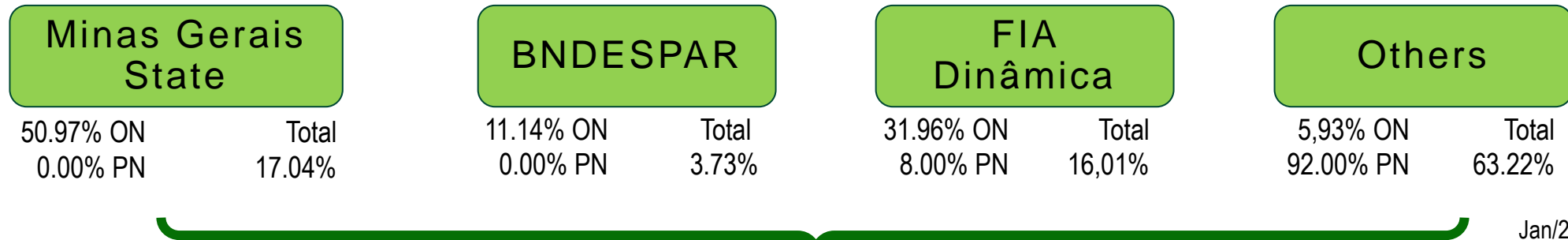
**Largest trading company**  
Largest energy supplier for free clients 15% market share

Presence in  
**26**  
States



\*Considering a proportional 21.68% stake in TAESA's RAP

## Shareholder structure - Based in State of Minas Gerais



### Among the most liquid stocks in Brazil's electricity sector

- Listed on New York, São Paulo and Madrid
- More than 220,000 shareholders in 40 countries
- Average daily trading volume in 2022  
**R\$130.0 mn** in B3 and **US\$15.2mn** (R\$79.5 mn) in NYSE



### Solid dividend policy

- Payout - 50%



### Best-in-Class Corporate Governance

- Board of Directors - eleven members
  - ✓ Ten members have the characteristics of an Independent Board Member, by the criteria adopted by the Dow Jones Sustainability Indexes (DJSI) / nine by IBGC
- Present for 23 years in the Dow Jones Sustainability Index (the only company in the sector in Latin America) and main indexes (ISEE, ICO2, IGCX, among others)



## Selection of leadership



### Selection through headhunter program

- ✓ Executive Board - all members selected by headhunter
  - ✓ 13 of 15 from the market
- ✓ New hiring model approved by the Board of Directors
  - ✓ Renewal of leadership roles – 40% may come from the market

## Simplification of the contracting and procurement process



### Adequacy in the hiring process

### Agility in decision making

- ✓ More digital, more reliable, more efficient and cheaper
- ✓ Omnichannel: integration of customer service channels (IBM)

## New Career and Salary Plan



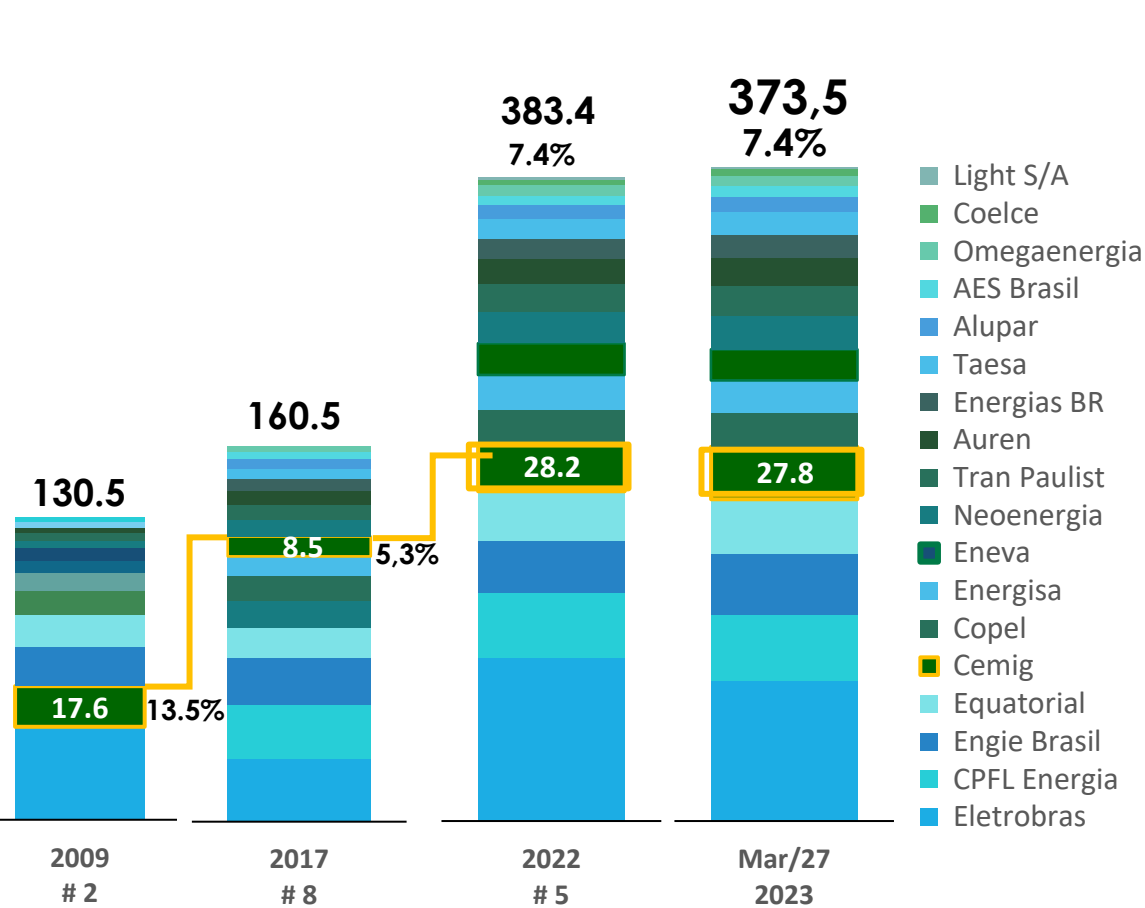
### Internal mobility - focus on talent retention

- ✓ New Model of Career Management; valuing meritocracy
- ✓ Flexibility of internal movement within the company

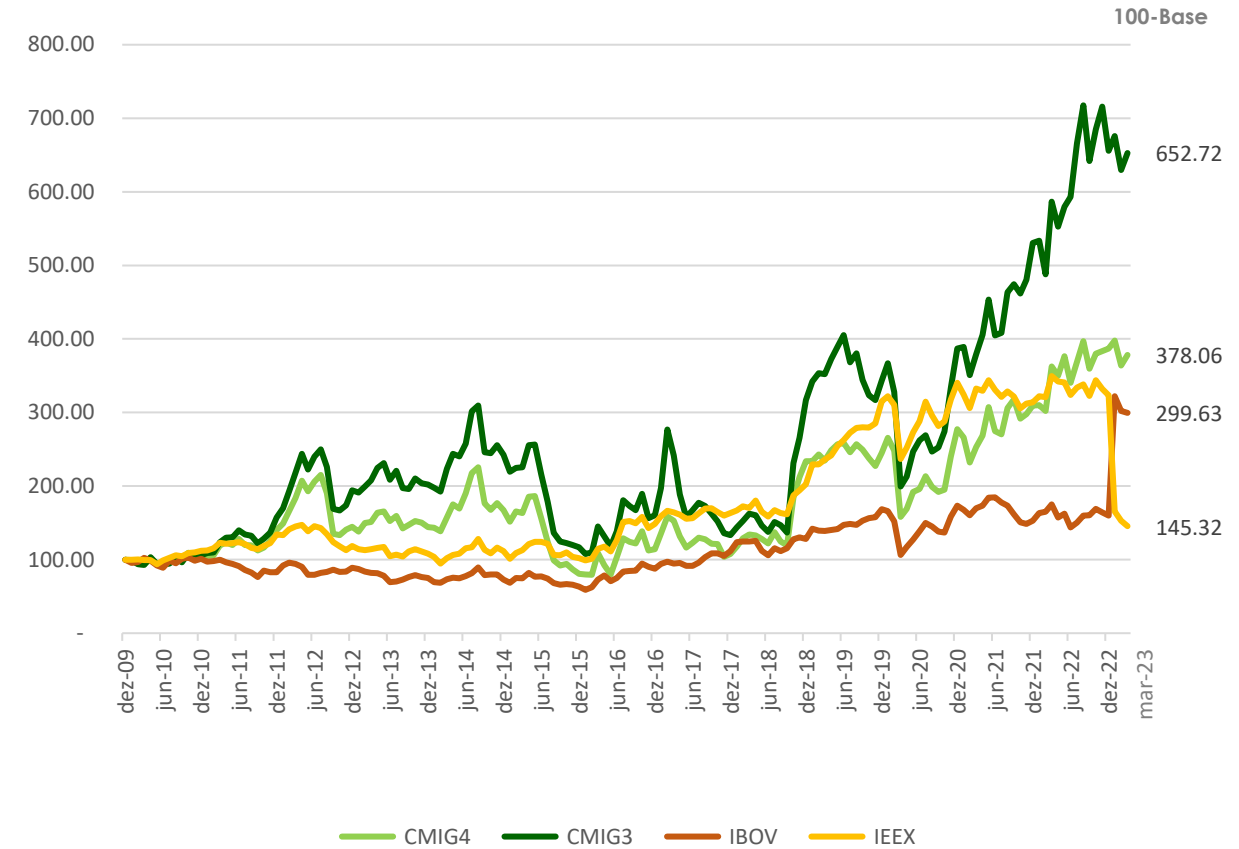
# Cemig - Recovery of representativeness in the sector

## Market Cap

Electric sector (R\$ bn)

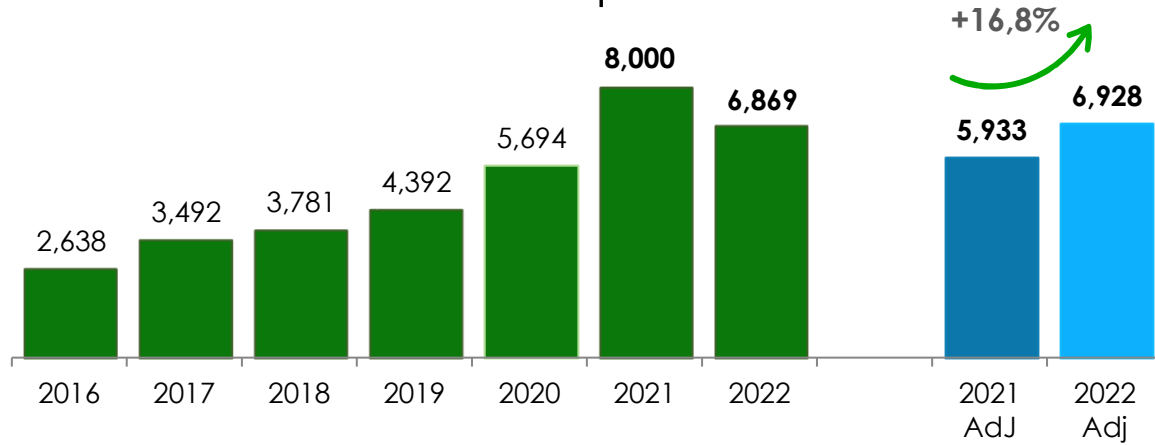


## Stock Evolution

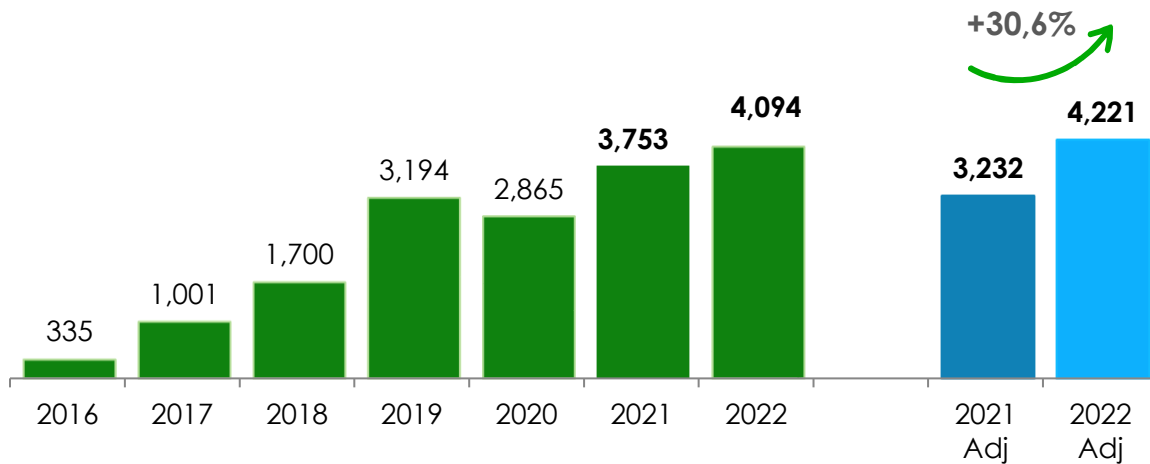


Cemig position in the ranking

### Ebitda – R\$MN



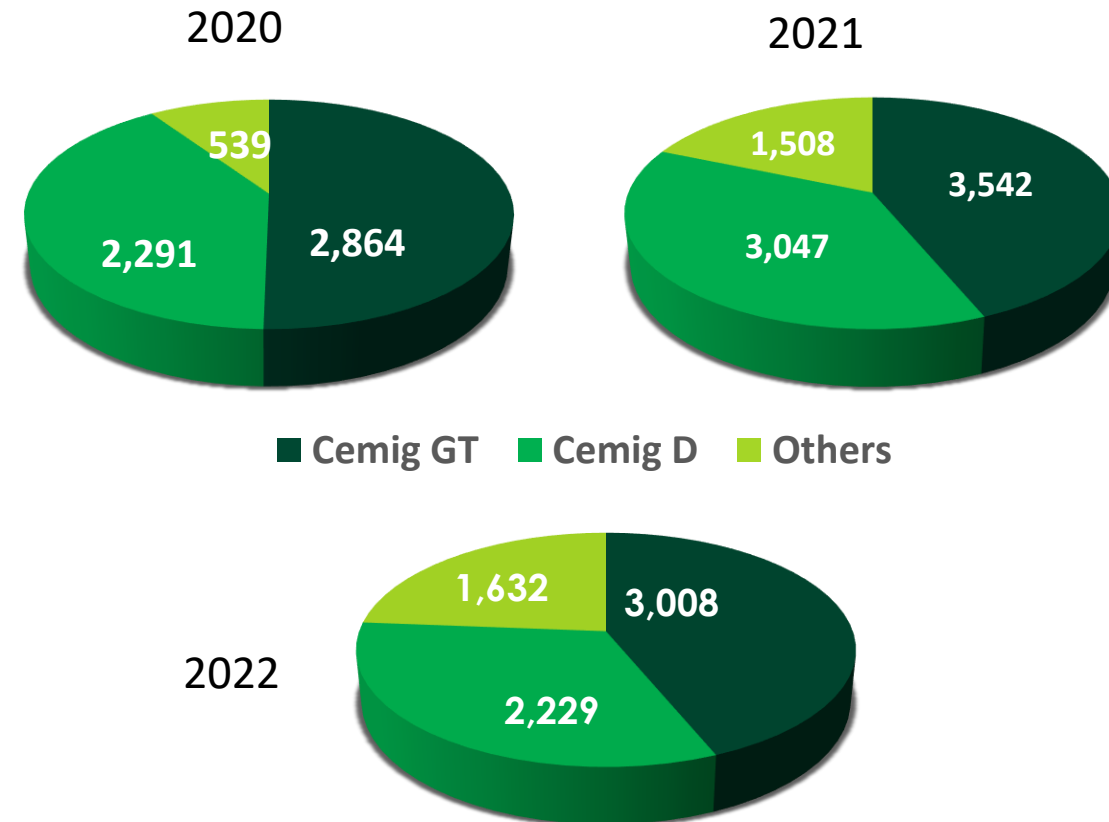
### Net Income – R\$MN



### Diversified

Low Risk Business Portfolio  
Most of the revenues are inflation protected

### Breakdown of Ebitda (IFRS)



**Shareholder** remuneration is **among the highest** in the industry.

Our dividend policy, **payout de 50%**, provides adequate remuneration to our shareholders and allows us to execute our **Investment Plan**



The Board of Directors resolved to submit to the Annual General Meeting ("AGO") to be held in April 2023, the following proposal for allocation of net income for 2022.

For more details about record date, ex-dividend date, values per share, visit the IR website [DIVIDENDS - CEMIG RI](#)

# Best ratings in Cemig's history

Upgrades of Cemig's ratings reflect

- reduction of leverage and improved operational performance

FitchRatings		Investment Grade									Speculative grade							
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+
	2009																	
	2018																	
	2022																	

STANDARD & POOR'S		Investment Grade									Speculative grade							
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC
	2009																	
	2018																	
	2022																	

MOODY'S		Investment Grade									Speculative grade							
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	Ba1	Ba2	Ba3	B1	B2	B3	Caa1
	2009																	
	2018																	
	2022																	

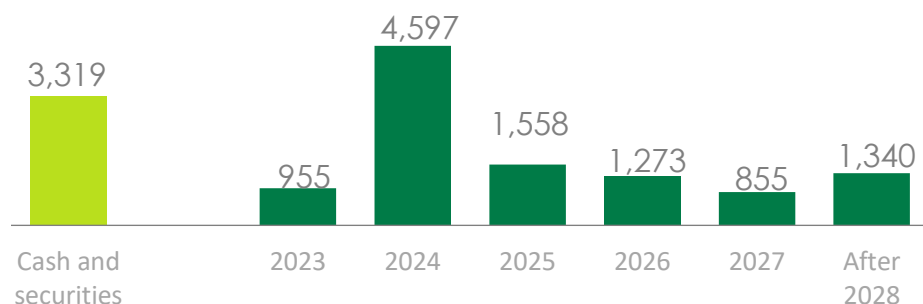
 Brazilian scale
  Global scale

# Debt profile – consolidated 2022

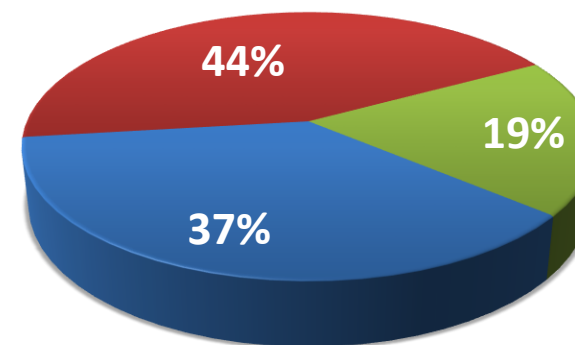
Debt and leverage continue to be low – ensuring sustainability of operations and execution of investment program

## Maturities timetable | Average tenor: 3.2 years

Net debt (Debt – Cash and securities): **R\$7.3 bn**  
 Total net debt (Net debt – Hedge): **R\$ 6.6 bn**



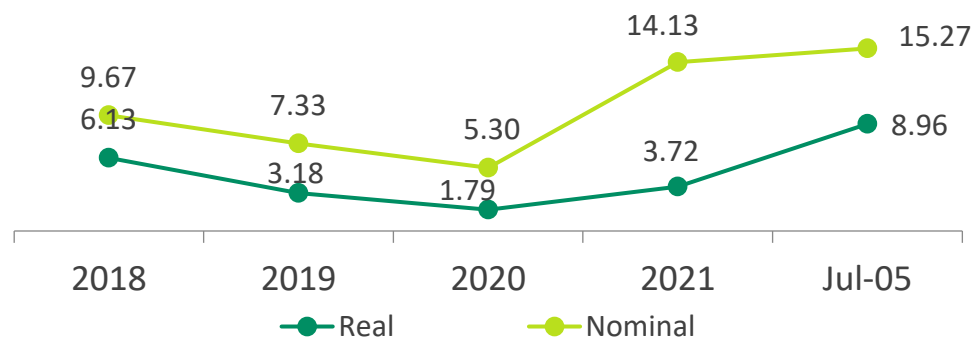
## Main interest rate indexes



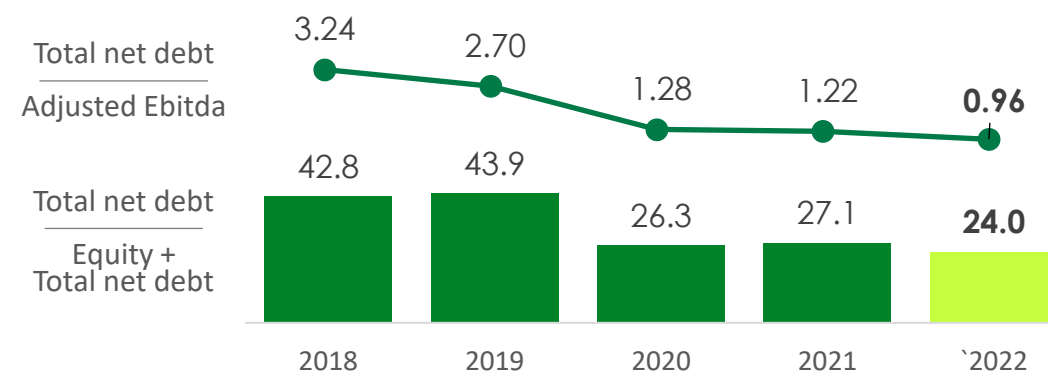
- The debt in USD is protected by a hedge instrument, within an FX variation band – converted to % of Brazilian CDI rate.

■ Dollar ■ IPCA ■ CDI ■ Others

## Cost of debt | %



## Leverage | %



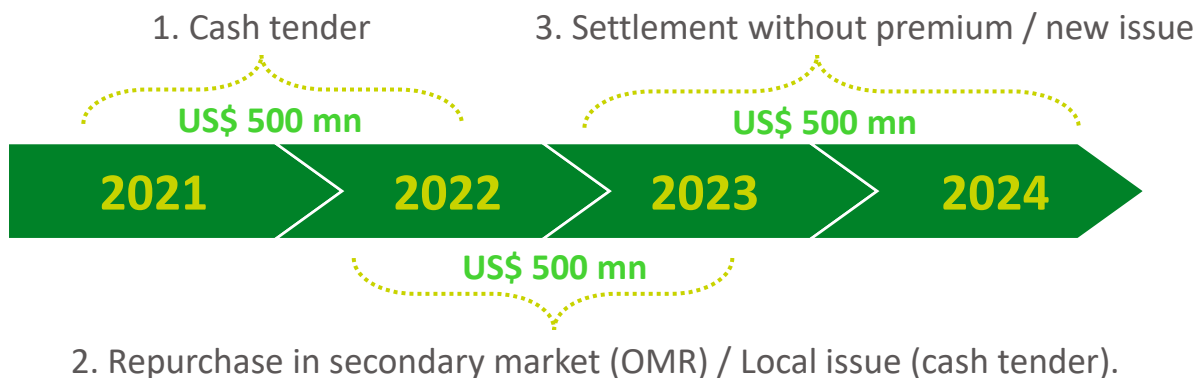
# Bonds CEMIG - Liability Management

## Characteristics:

Volume	Coupon	Issue	Call	Matures
US\$ 1.5 bn	9.25% p.a.	Dec. 2017	Dec. 2023	Dec. 2024
Hedge Structure		Cost	Call – floor	Call – ceiling
Call Spread Principal / Interest Swap		142% CDI	R\$3.45	R\$5.00
Income tax – no hedge	185% CDI* Cost considering effect of income tax			
Secondary market		Premium	Date	Premium
		3,18% a.a.	15,13%	20/04/2021



## Maturity / Execution Strategy



## Eurobonds 2018-2022 (R\$ mn)

Date of payment	Sep. 2018	Sep. 2019	Sep. 2020	Sep. 2021	Sep. 2022
Bonds: Gross debt	5.949	6.196	8.418	5.605	5.577
Hedge	273	1.870	3.284	1.069	721
<b>Bonds: Net debt</b>	<b>5.676</b>	<b>4.326</b>	<b>5.134</b>	<b>4.536</b>	<b>4.856</b>

Fonte: ITRs Cemig GT



## Repurchase of **US\$ Debt** and issue in **R\$** (December 2022)

- Successful of Tender Offer - **US\$ 243.9 mm**
- Cemig GT issues **GREEN BONDS**  
The 2nd Series of the 9th Issue of Simple Debentures is characterized as **green debentures**

Consolidation of a progressive organizational culture, creating a secure, meritocratic, diverse and inclusive environment, enabling sustainable enterprise results

## CULTURE THAT VALUES THE CLIENT

Client satisfaction as principal factor directing the organization's culture



## CULTURE OF EXCELLENCE

Inspirational leadership, high-performance teams, meritocracy and excellent results





CLEAN200™



**TOP-RANKED  
BRAZILIAN COMPANY  
IN  
CARBON CLEAN200™**



Annual Global ranking of the **200 listed companies** that **led initiatives** for transition solutions – for a **CLEAN ENERGY FUTURE**



Planting of more than **1 million saplings** In the next 5 years



Maintenance of **1200 hectares** (equivalent to 1,200 soccer fields)



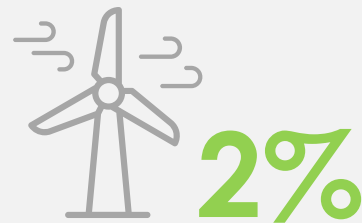
Investment of More than **R\$ 107 mn** in **2022**



In line with the **Global Biodiversity Framework** and **SDG15**

THE **ENERGIA LEGAL** ('LEGAL ENERGY')  
PROGRAM TO REGULARIZE ELECTRICITY SUPPLY  
TO **240,000 FAMILIES**  
IN LOW INCOME COMMUNITIES  
BY 2027, WITH FOCUS ON  
**CITIZENSHIP AND SOCIAL RESPONSIBILITY**

- ✓ Prevention of accidents
- ✓ Improvement of quality in supply of energy
- ✓ Less overload on lines, less burnout of equipment
- ✓ Mitigation of impacts on the environment
- ✓ Less waste in energy consumption
- ✓ Less losses for the distributor, society and Minas Gerais state



# Presence in Major Sustainability Indexes



Cemig has been on the index for **23 consecutive years**, and is **the only company in the Americas in the electric sector**



**Rating AA, Best rating** of the Brazilian electric sector



Member of the FTSE4Good Global Index (UK), with a score of 3.5, higher than the electricity sector average of 2.7



Present in B3's Corporate Sustainability Index since its creation, being one of the 39 Brazilian companies



One of the leading companies in water management practices in Latin America, included in the "A list" for the third consecutive year



Considered as "medium risk" by Sustainalytics



Cemig is part of B3's ICO2 Carbon Efficient Index portfolio



2021: "PRIME" rating, with **maximum score in Eco-Efficiency**



Bronze classification in Standard & Poor's sustainability ranking. 15th position, with 220 companies in the electrical sector evaluated



Cemig ranks 24th - and **2nd best among Brazilian companies in the Top 100 Green Utilities Ranking** based on carbon emissions and renewable energy

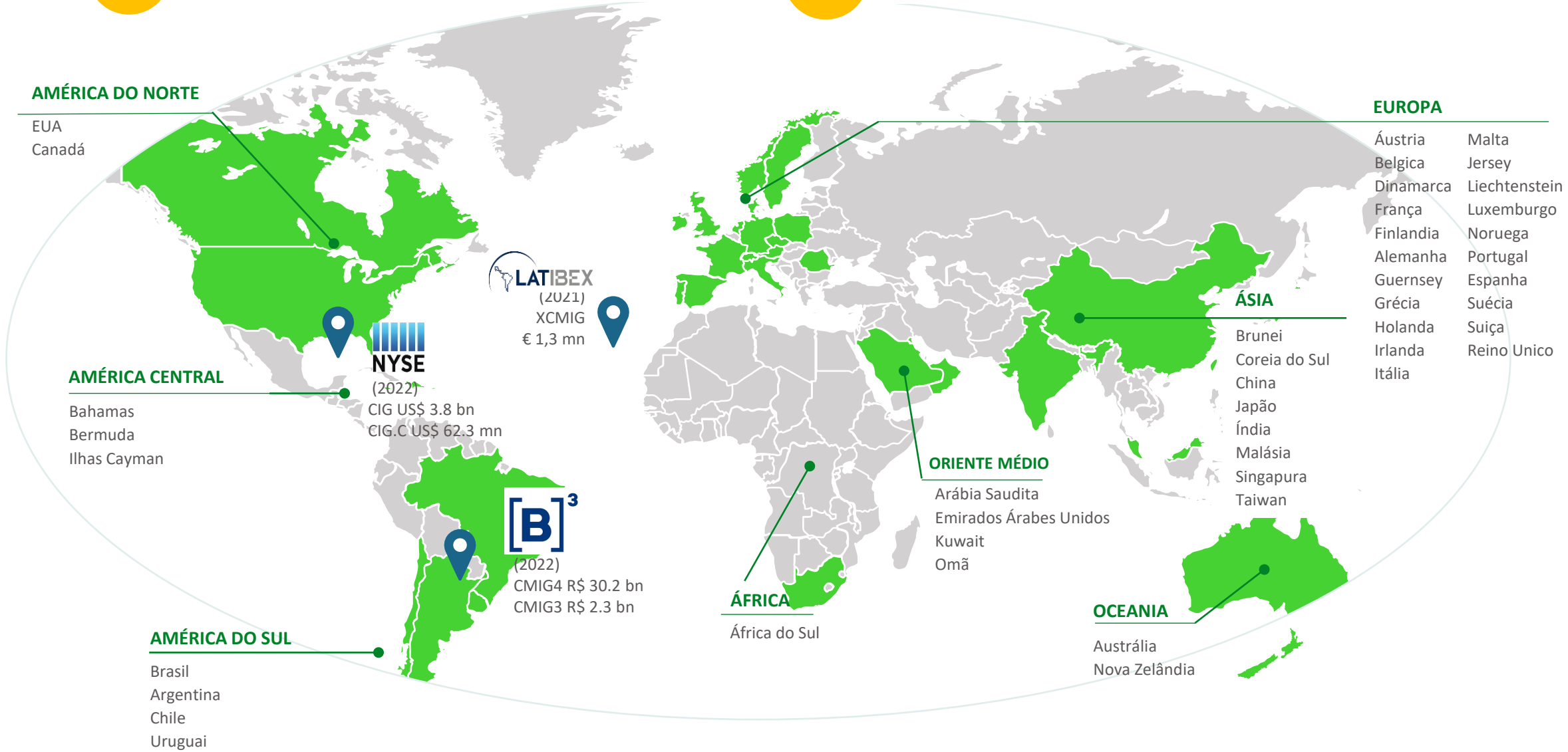
# Strong shareholders base assures liquidity



Average daily trading volume in 2022  
R\$130,0 mn in B3 and US\$15.2 mn (R\$79.5 mm) in NYSE



Listed on New York, São Paulo and Madrid  
More than 220,000 shareholders in 40 countries





**STRATEGY 2025**  
**Focus and Win Plan**



## Distribution

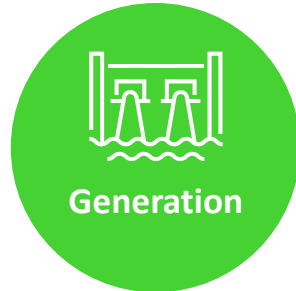
Focus on the client (top 3 in NPS).

Excellence in capex, investing R\$ 12.5 billion in five years.

Management of revenue.

Operational efficiency

Proactiveness with the regulator.



## Generation

Add ~1GW of capacity (~0.5 GW average)<sup>1</sup>, investing ~R\$ 4.5 billion, preferably renewable.

Optimize generation costs by 10–15%.

Review of the portfolio of equity interests

Proactiveness with the regulator.



## Transmission

Investments at R\$ 1.1 bn in Updating and Enhancement.

Optimize Transmission costs to >5% below regulatory level.

Expand Transmission assets (~500km).

Proactiveness with the regulator.



## Commercialization

Strengthen positioning in the most profitable segments.

Active management of contracts.

Excellence in risk management.

Agile operational model.

Expand offer of attractive products.



## Distributed-generation

Develop projects of new solar farms with capex of ~R\$ 1 billion.

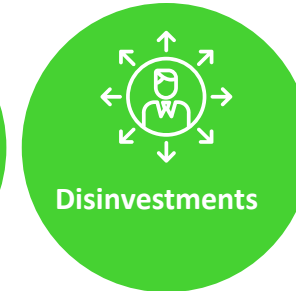
Trading model and digitalized client service.

Sustainability of the GD Model



## Gasmig

Potentialize the business and improve governance, investing R\$ 1 billion in five years.



## Disinvestments

Disinvest other businesses (including minority holdings and jointly-controlled entities).



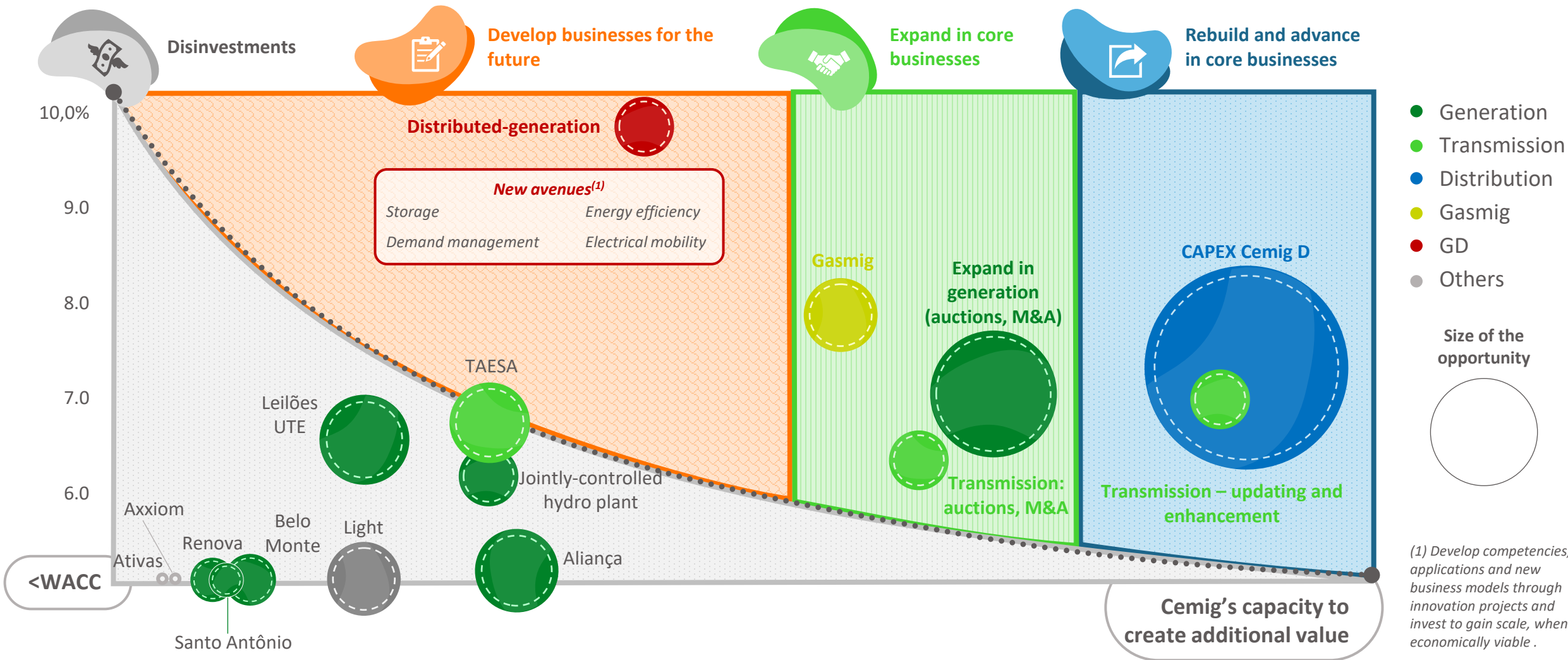
## Innovation/Technology

Invest R\$ 0.5 billion in new growth avenues and opportunities to increase efficiency of present businesses.

Modernize platforms and infrastructure, with capex of R\$ 0.7 billion

# Focus and Win strategy - Capital allocation

Market attractiveness | Expected ROIC or IRR



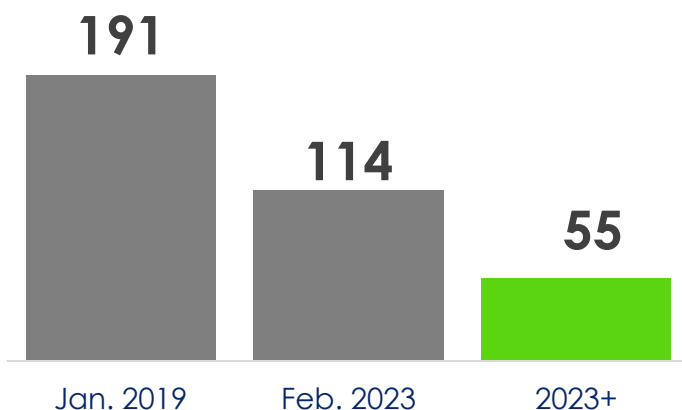
# Execution of the divestment program

**R\$2.1 bn** cash inflow from disinvestments since 2019

**R\$1.9 bn** of cash injections avoided (in the investees divested)

**R\$1.1 bn** in tax credits

**Stockholding interests – after disposals**  
(number of investee companies)



**Advantages gained**  
(obligations reduced)

- Guarantees reduced
- PPA released
- Cash preserved (no cash injections)

**Disposals completed:** Light, Renova, Santo Antônio, Ativas, Axxiom



# Accelerating Cemig's transformation

25

Focus on Cemig D and GT: lead in customer satisfaction and safety; achieve regulatory efficiency levels, through management with a modern, sustainable and private logic, TSR of 20%, making investments of around R\$22.5 billion with a focus on Minas Gerais

## 100% DIGITAL

Digitalize and transform processes in interactions with clients.

2



1

### ENCHANT THE CLIENT

Transform the client's experience to achieve top position in client satisfaction (NPS: top 3; IASC: score 80)



3

### MAXIMIZE EFFICIENCY

Increase profit of current businesses, with Ebitda impact of R\$ 600mn and risks reduction.



## CREATE VALUE

Invest to modernize core businesses, expand activity and develop businesses for the future, creating higher value (TSR: 20%)

4



5

### AGILE MANAGEMENT, WITH SECURITY

Implement modern, private-sector, sustainable management principles, and culture of results.

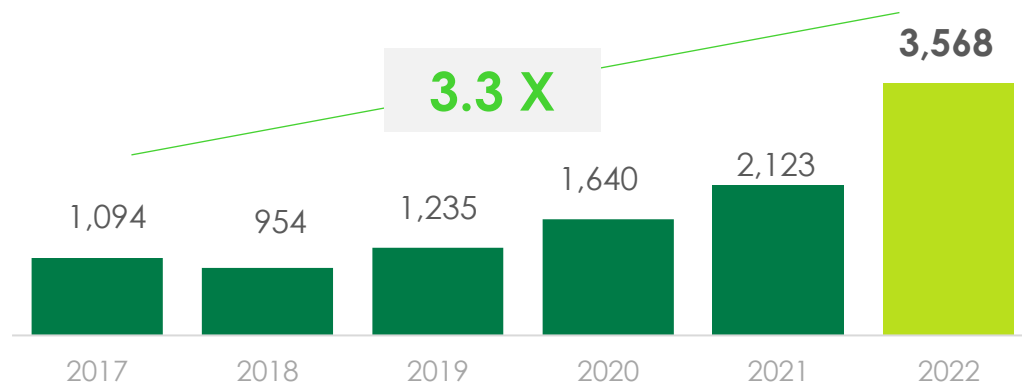


# Success in execution of investment program

## EXECUTION OF LARGEST INVESTMENT PROGRAM IN CEMIG'S HISTORY

ENSURES

## MODERNIZATION AND RELIABILITY OF CEMIG'S ELECTRICITY SYSTEM



### DISTRIBUTION

R\$ 2,923 mn

Investments in maintenance and modernization of the electricity system



### GENERATION

R\$ 137 mn

Expansion and modernization of generation



### TRANSMISSION

R\$ 339 mn

Strengthening and upgrading – with increase in RAP



R\$ 82mn

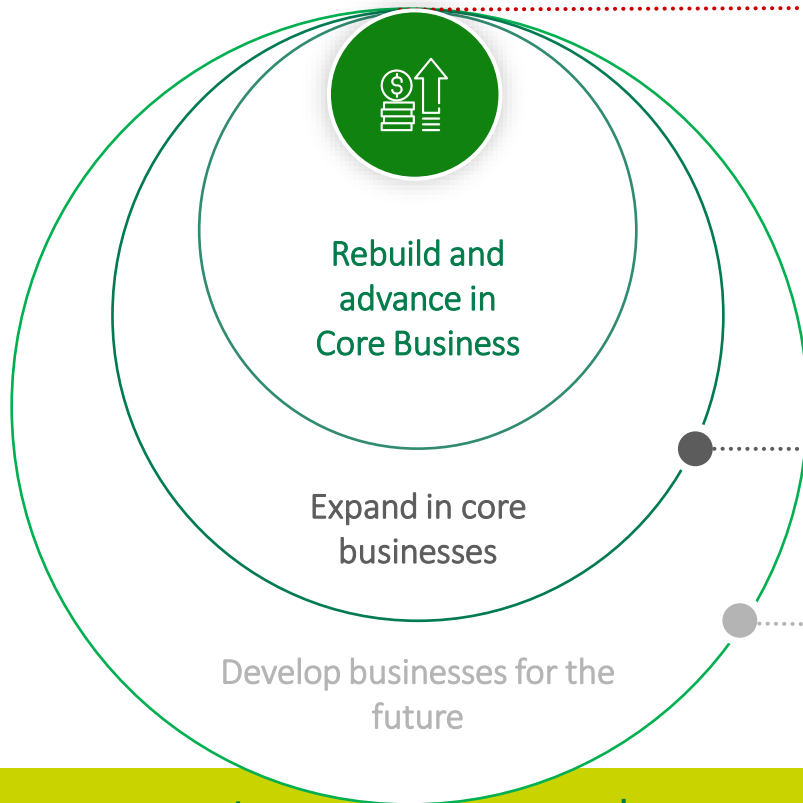
Infrastructure



R\$ 53 mn

Infrastructure

Cemig will invest ~R\$ 22.5 bn in next 5 years to strengthen and expand present businesses and explore new opportunities



**R\$14.5 bn**  
(64%)

**Cemig D:** Expand, modernize distribution network and make it more robust (R\$ 12.5 bn)  
>150 new substations, >20,000 KM of networks and >300,000 intelligent elements (switches, reclosers, sensors, smart meters...)¹.

**Cemig GT:**

Transmission: Organic growth - Strengthen and improve present network (R\$ 1.1 bn)  
Generation: Automation and modernization of plants (R\$ 0.2 bn)  
Trading: modernization of systems and processes for scenario of liberalization.

**Technology:**

Modernize platforms and infrastructure, increase analytical capacity and strengthen digital competencies (R\$ 0.7 bn)

**R\$6.5 bn**  
(29%)

**Grow in Generation and Transmission through new projects and/or M&A (R\$ 5.5 bn)**

Expand Gasmig's presence in Minas Gerais with network expansion (R\$ 1 bn)

**R\$1.5 bn**  
(7%)

**Distributed generation: lead the energy transition and defend the Company against loss of distribution market share (R\$ 1.0 bn)**

**Innovation: (R\$ 0.5 bn)**

**New growth avenues** based on transformation in the sector, regulation and technology, such as:

- Storage (batteries, reversible plants, hydrogen,...)
- Ancillary services
- Management of demand
- Energy efficiency
- Electrical mobility

Opportunities to **increase efficiency** in present businesses, such as:

- Digitalization
- Advanced analytics
- Automation and robotization of O&M
- Robotization of processes
- Blockchain

Execute disinvestments (R\$ 9 bn)

Rigor in approval of investments to ensure return >WACC, and hurdle rates.

Return capital to stockholders

(1) Preliminary – Capex plan is being detailed with these guidelines.

Structural **investments**, with strong focus on **modernization and digitization** of assets, resulting in improved electricity supply **quality**, and **efficiency** of operational processes



## Cemig Strategic Plan, 2021-2025

R\$ **22.5** Billion

## Capex contracted

R\$ **18.2** Billion (81%)

## Amount executed, 2021-2022

R\$ **5.7** Billion (25%)

ACCELERATING  
**CEMIG'S**  
TRANSFORMATION

Largest investment plan in Cemig’s history – underlines the strategy: **“FOCUS AND WIN!”**

## Focus on Minas Gerais

– in power generation, transmission and distribution, providing **excellent service to the client**, with **safety and maximum efficiency**, through **sustainable management based on results**, while making the largest **investments** in the company’s history.



**Investments of R\$ 42.1 bn in 2023–2027**

## Regulated sectors – networks with monopoly

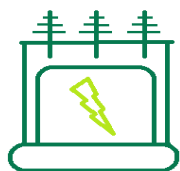
- R\$ 18.4 bn **in Distribution**
- R\$ 3.5 bn **in Transmission**
- R\$ 2.3 bn **in natural gas**

## Free markets – competitive environments

- R\$ 13.4 bn **in generation**
- R\$ 1.4 bn **in innovation and IT**
- R\$ 3.2 bn **in distributed generation**

# Mais Energia Program - (“more energy”)

The **Mais Energia program** will amplify Cemig's transformation capacity, providing more quality, safety and reliability in the system to meet clients' needs.



## 200 new substations

bringing the total to **615 in operation** until 2027

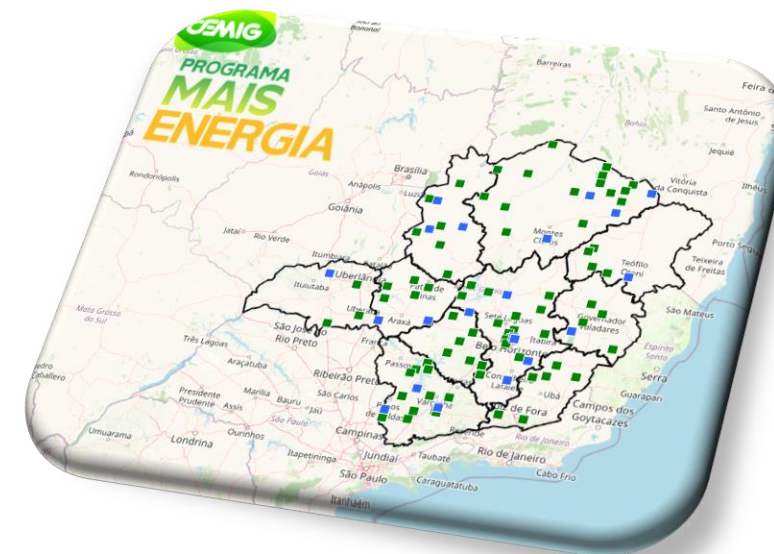
- 45 substations in 2022



Total investment of **R\$ 5 bn** by 2027



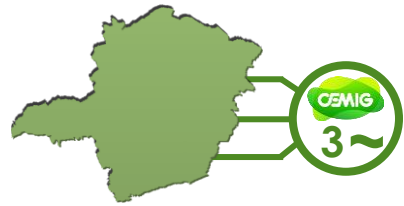
**9 million** clients benefited



Click here to see map of Cemig's substations.

<https://geo.cemig.com.br/programa-mais-energia/>

Better **Reliability** and **Quality** in service to clients in the countryside



Conversion of these networks from **single-phase** to **three-phase**  
Interconnections for operational flexibilities and automation of protection systems



Transforming subsistence **agriculture** into **agribusiness**

- Making more energy available for development of the countryside areas of Minas Gerais



Total investment planned from 2021 through 2027: **R\$ 1.8 bn**

# Post-retirement

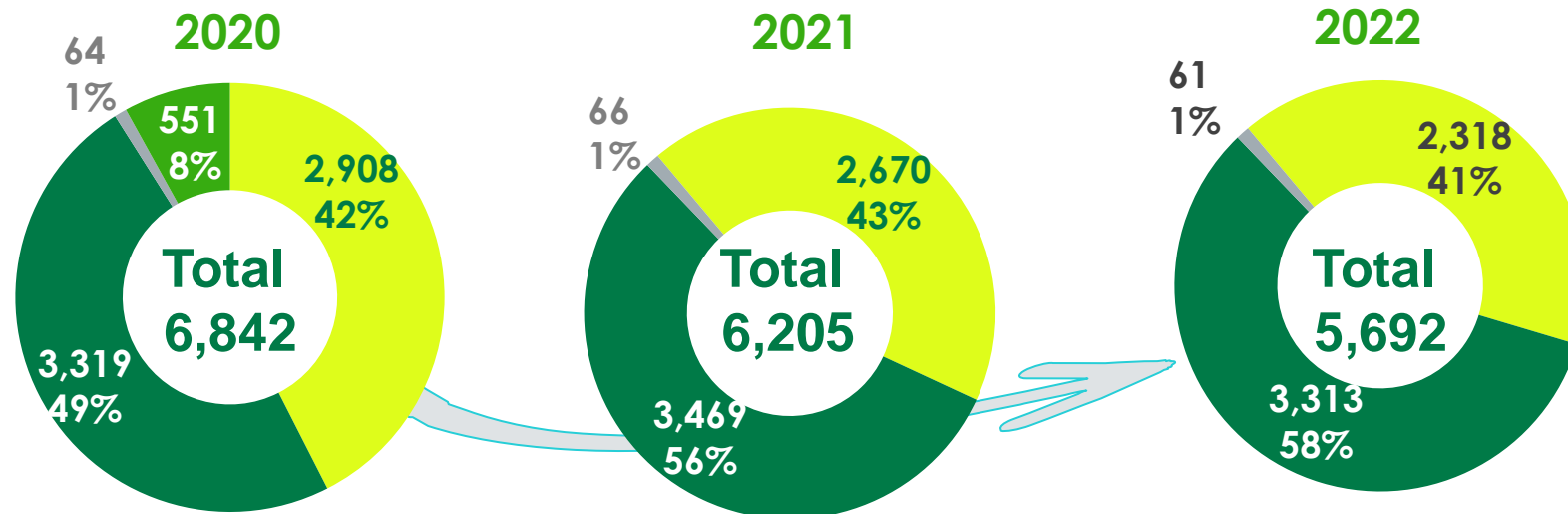
Reduction in post-employment expenses in line with our strategic planning

R\$ mn



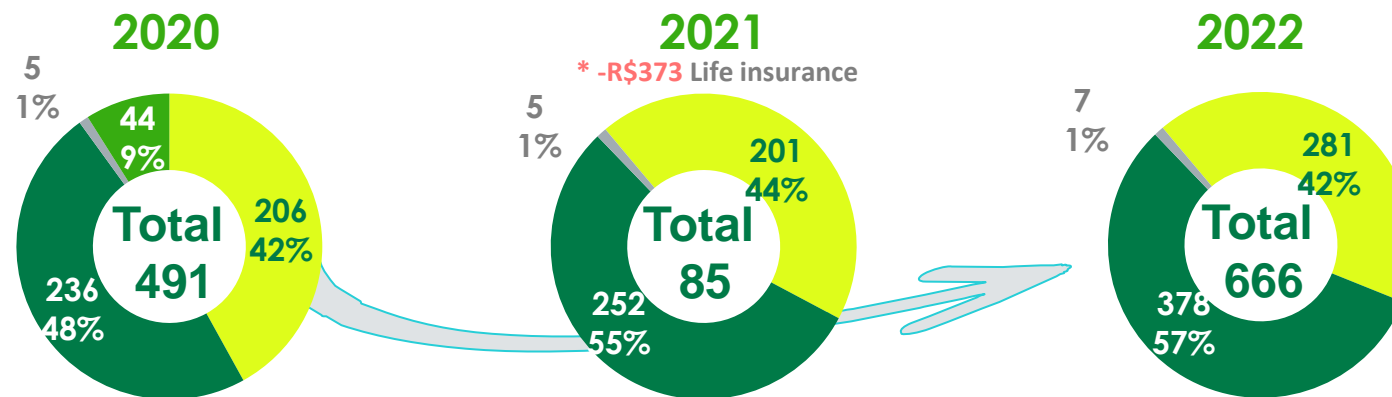
## insurance benefits

Extinction of post-employment life insurance benefits for retirees



## Results

Estimated total expense in 2022 as per actuarial report



■ Pension and Supplementation Plan ■ Health Plan ■ Dental Plan ■ Life insurance

Studies for adaptation of the pension and health plans, to reduce actuarial risk and obligations.





**DISTRIBUTION  
BUSINESS**



## AMBITION

**Transform Cemig D into a benchmark for the distribution sector and an inducer of development of the state of Minas Gerais:** Leader in client experience (top 3 in NPS) and safety – **with performance at least at regulatory levels (increase Ebitda by R\$ 1bn, DEC at 95% of regulatory limit, FEC at 70% of regulatory limit)** – prepared for the future through investments in smart grids, smart networks, digitalization and analytical capacity. **Capex R\$12.5 bn (2021-2025)**



## STRATEGIC GUIDELINES



**Center on the client:** transform their experience, investing in digitalization.



**Increase operational efficiency,** applying innovative and technological solutions **to keep costs below regulatory levels.**



**Be an inducer of market expansion, through the increase in investments,** to create a virtuous cycle of expanded regulatory remuneration and improvement of performance.

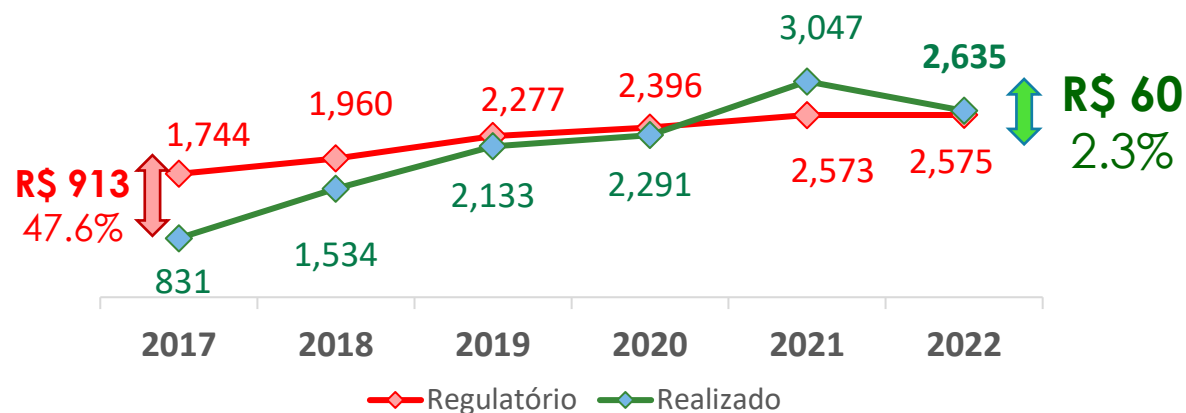


**Optimize management of revenue making maximum use of analytical and data** capacity to reach regulatory levels of power losses and default.

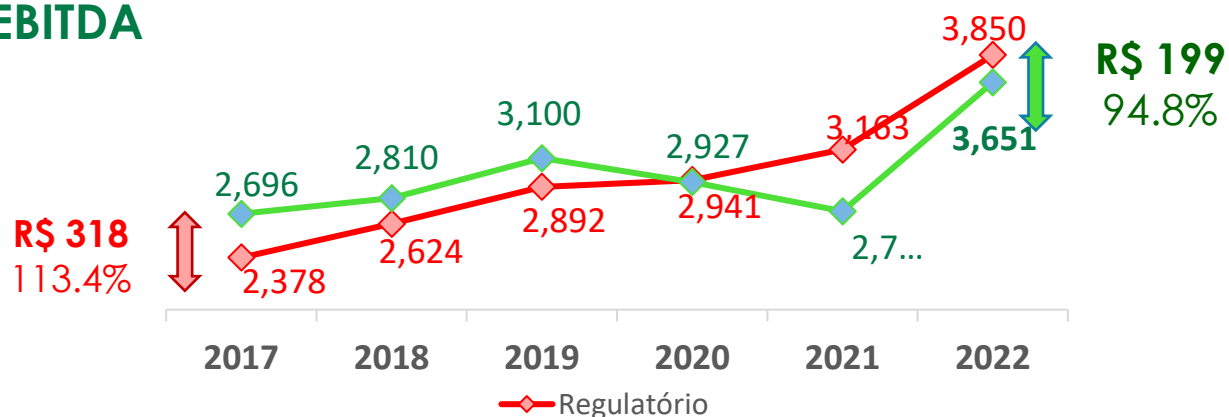
# Cemig D - Opex and Ebitda x regulatory level

Commitment to operational efficiency

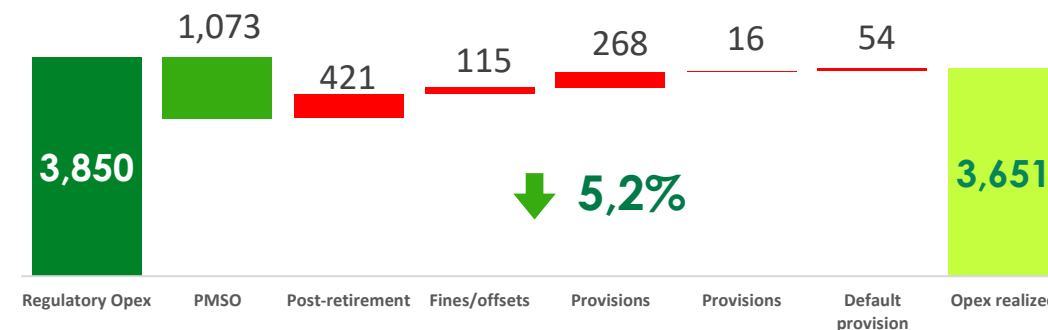
## OPEX



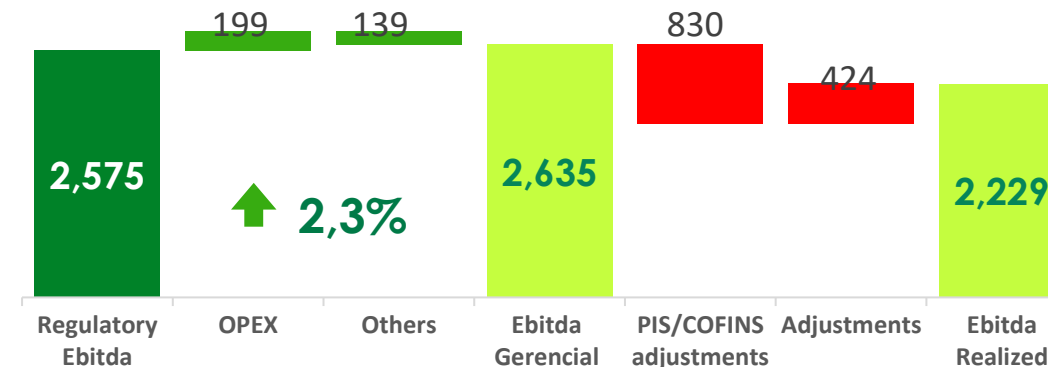
## EBITDA



## OPEX – 2022

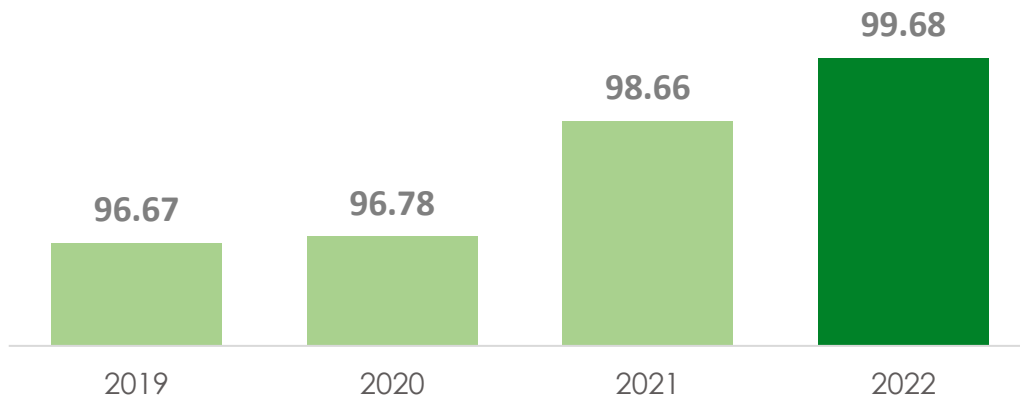


## Ebitda – 2022



“ Regulatory Opex and Ebitda within regulatory parameters – annual basis ”

COLLECTION/BILLING INDEX | ARFA (%)

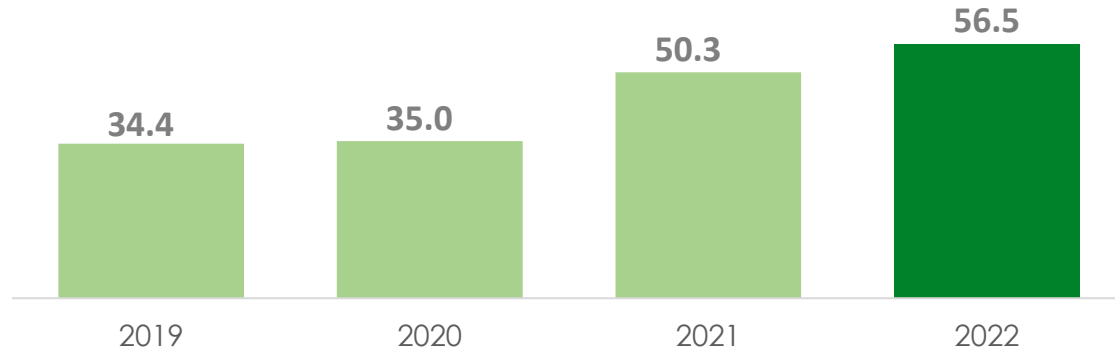


New annual record of **99.68%** in our **Collection/Billing ('ARFA') index**

– strengthened by clients migrating to **online payment methods**

## COLLECTION VIA PAYMENT ONLINE (%)

PIX, credit card, apps, automatic direct debit, terminals, other media



Opex benefit: **Change in client payment habits**, boosted by our campaigns and availability of new channels, has improved the collection mix, benefiting Opex:

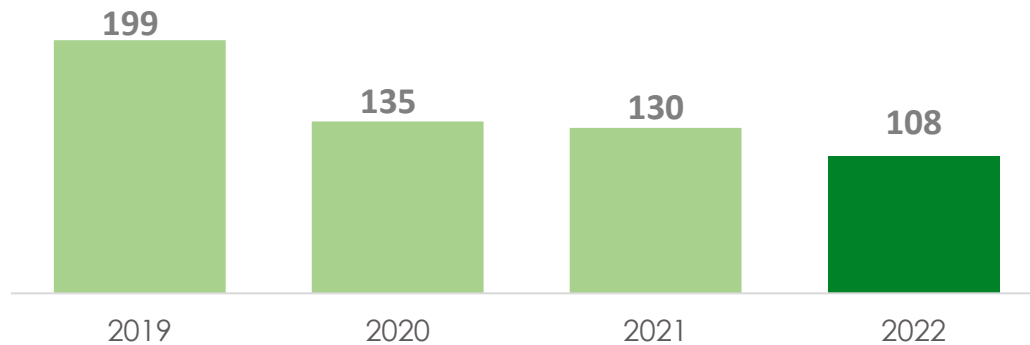
– Collection costs: **10.5%** lower in 2022 – saving of **R\$ 9.0 million**.

In Feb. 2023, clients already used **PIX** instant payment system for **12.8%** of all collections

(**PIX** was first made available to clients in May 2021)

## Default provisions (R\$ mm)

Supply of energy and use of network



Default provision reduced – main reasons:

Collection activities strengthened: 20% increase from 2021

Accounting rules improved (good market practices; collection criteria evolved via Machine Learning);



Revenue of R\$ **104.4mm** from billing of irregular consumption in prior periods (up **29%** from **2021**).

## 2022 - Principais iniciativas

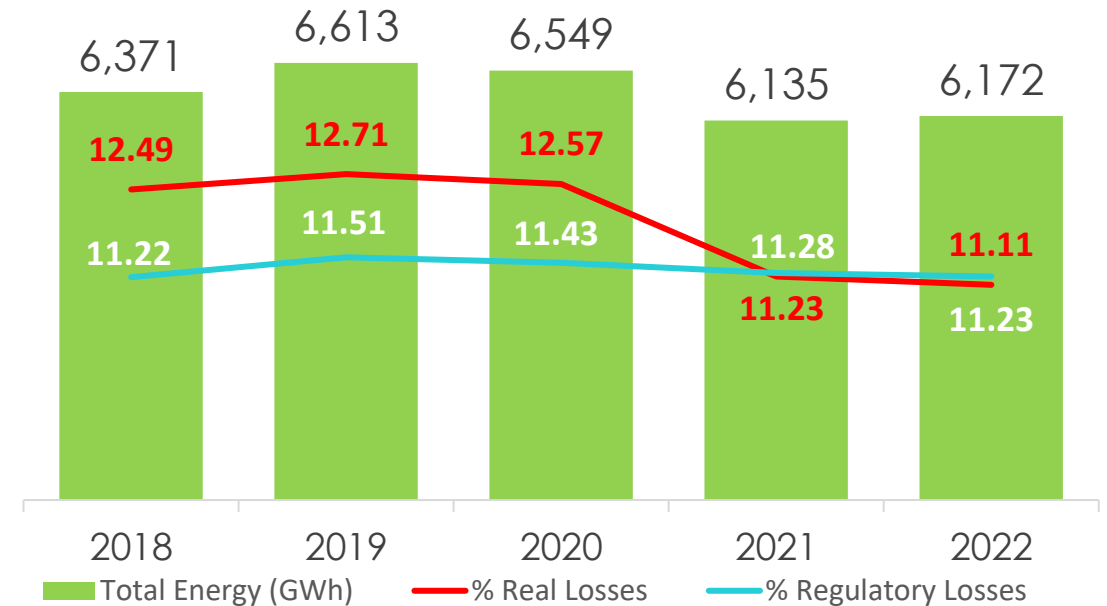
### 2022 – Main initiatives

- ✓ 401,000 client inspections
- ✓ 612,000 obsolete meters replaced
- ✓ 235,000 conventional meters replaced by smart meters
- ✓ 4,300 clandestine connections regularized

## 2023 – Initiatives planned

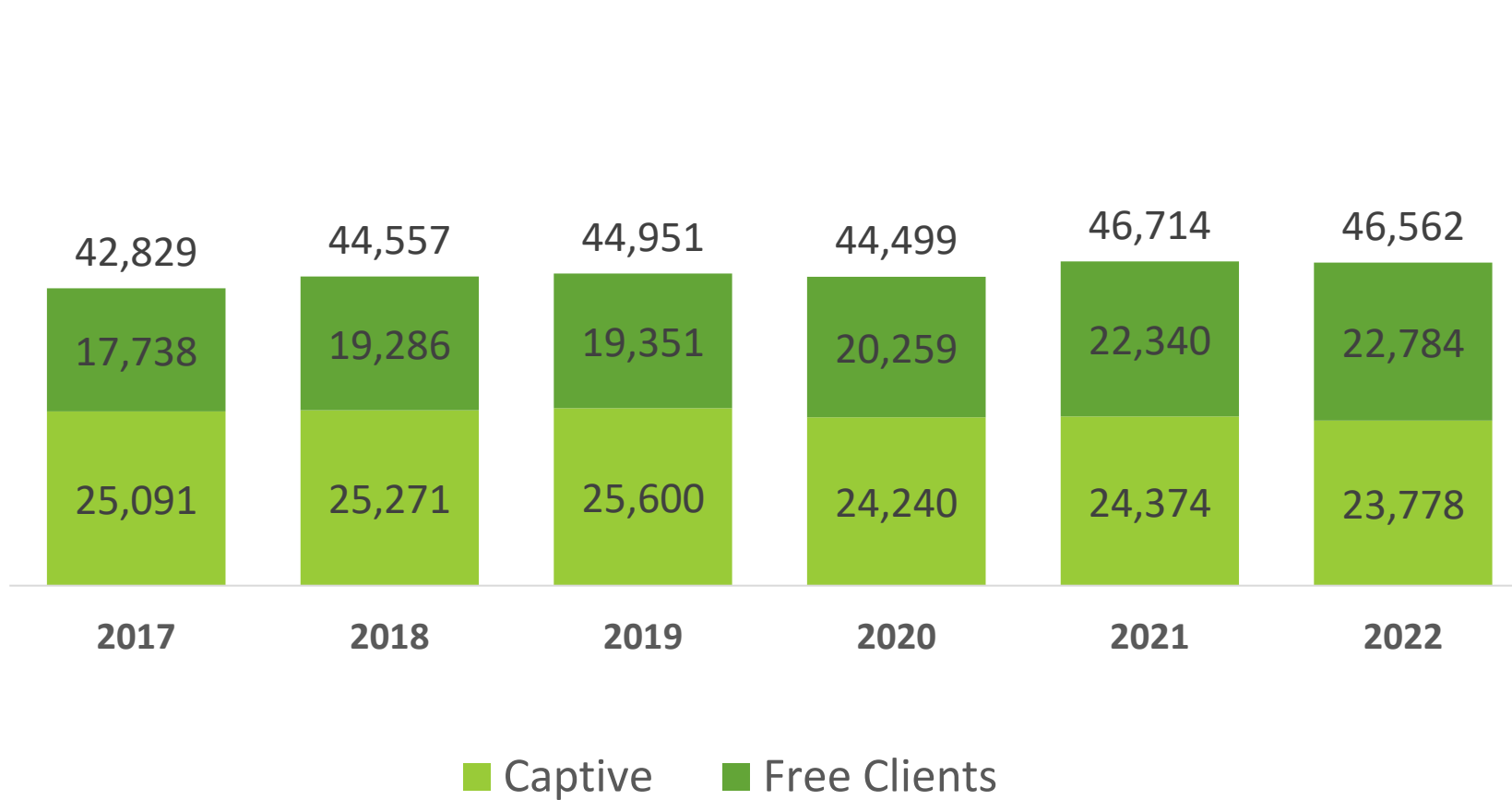
- ✓ Control of technical losses – more capacitor banks
- ✓ 380,000 field inspections where irregular consumption suspected
- ✓ Replace more than 600,000 obsolete meters
- ✓ Install telemetering in Distributed Generation clients, and irrigation users
- ✓ Inspection of all Public Lighting situations

### Total Losses

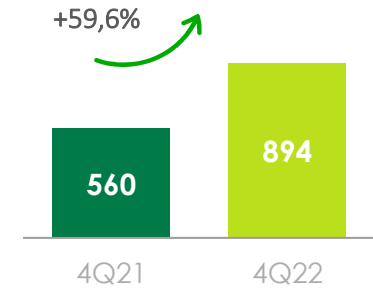


Commitment to **keep** energy **losses** within **regulatory** limits

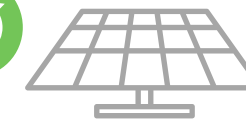
# Cemig D market evolution



## Injected energy DG – GWh



Losses of revenue from DG equated with Law 14,300



**6.4%**  
Energy injected

Represented the Distributed Generation of the total energy consumed in Cemig's concession area



Aneel approved tariff review in the Technical Note 45/2018

Regulatory asset base (RAB)	2013	2018
Remuneration Base – gross R\$	15,724	20,490
Remuneration Base – net R\$	5,849	8,906
Average depreciation rate	3.84 %	3.84%
WACC	7.51%	8.09%
Remuneration of the special obligations	-	149
CAIMI R\$	147	333
QRR R\$ - Depreciation (Gross RAB x Dep rate)	590	787
Remuneration of capital R\$ (Net RAB x WACC)	587	1,236

Readjustments: residential consumers have had zero increase in tariffs in 2020 and 2021

“ The *tariff reviews occur every 5 years, and the next one will take place in May 2023* ”



**GENERATION,  
TRANSMISSION AND  
COMMERCIALIZATION  
BUSINESSES**



## AMBITION



**Add ~1GW of installed capacity (~450 MW) by 2025, with investment of R\$4.5 billion** focused on renewable sources and increasing efficiency of the portfolio



## STRATEGIC GUIDELINES



**Add ~1GW of capacity (~450 MW average of physical guarantee)** to Cemig's portfolio, through projects in hydroelectric, wind and solar sources with appropriate financial returns.



**Increase operational efficiency,** achieving market levels of PMSO.



**Disinvest in assets that destroy value** and have no opportunity for turnaround.



Be proactive with the regulator, promoting speed in the Generation agenda.

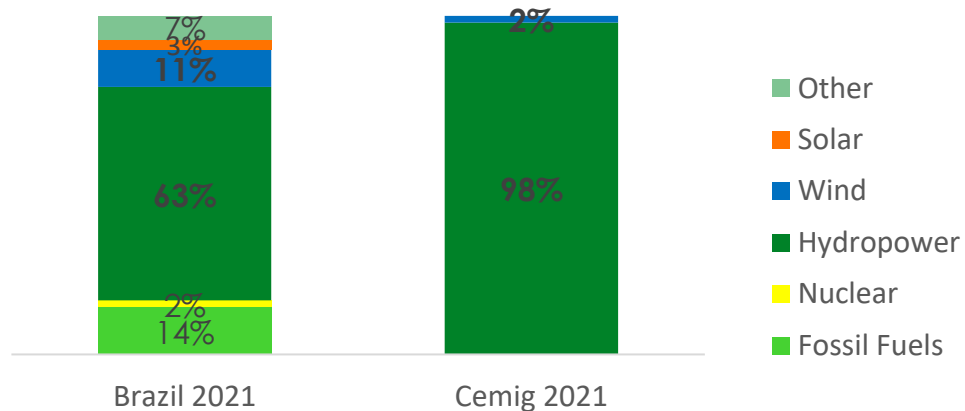
**Renewal of concessions of the expiring plants**

# Energy Matrix - 100% renewable

Source	Installed Capacity (MW)			
	2020	%	2019	%
Hydro	5,969.4	98.18	5,903.4	98
Wind	115.2	1.9	115.2	1.1
Solar	1.4	0.02	1.4	0.02
<b>TOTAL</b>	<b>6,086.0</b>	<b>100</b>	<b>6,020.0</b>	<b>100</b>

“ *100% of Cemig's installed capacity comes from renewable energy sources* ”

## Energy Matrix



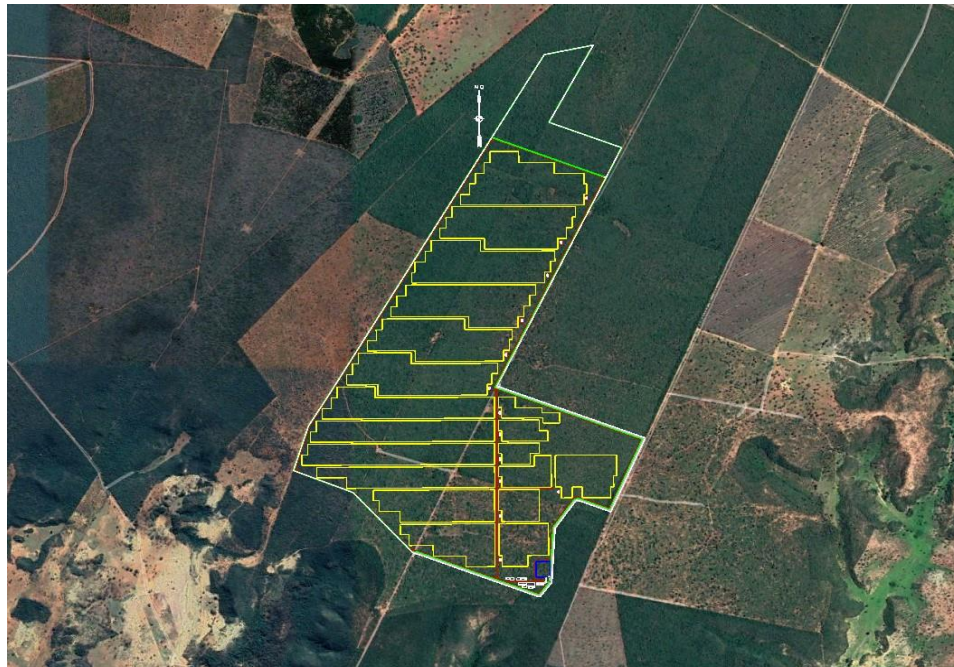
3.8%

percentage that Cemig represents in Brazil's existing installed capacity

Development of 100% renewable projects

Under construction: *Boa Esperança* and *Três Marias Jusante* photovoltaic plants

Boa Esperança photovoltaic plant: **100 MWp**



- Municipality: Montes Claros (Minas Gerais)
- Planned capex: **R\$ 500 mn**
- Planned operational start date: September 2023

Três Marias Jusante photovoltaic plant: **70 MWp**



- Municipality: Três Marias, Minas Gerais.
- Planned capex: **R\$ 400 mn**
- Planned operational start date: September 2023

## Development of 100% renewable projects

Largest **floating photovoltaic projects** in Brazil, with concession grants issued

Três Marias Distributed Generation solar plant: **78 MWp**

Emborcação Distributed Generation solar plant: **157MWp**

Cajuru Distributed Generation solar plant: **39MWp**



- Municipality: Três Marias, Minas Gerais.
- Expected start of operation: 2026

- Municipality: Araguari, Minas Gerais
- Expected start of operation: 2026

- Municipality: Carmo do Cajuru, Minas
- Expected start of operation: 2025

## Preservation of existing generation plants:

- ✓ These assets have 53% of Cemig GT's total offtake guarantees
- ✓ Actions in progress:
  - Interactions with MME
  - Authorizations for creation of SPCs;
  - Request for statement by Attorney General's Office, and competent bodies of Minas Gerais State, to authorize privatization
- ✓ Cemig has formally advised the Energy Ministry of its interest in extension



**Emborcação**

- **Physical guarantee:** 499.7 MW<sub>avg</sub>
- **Concession expires:** May-2027



**Nova Ponte**

- **Physical guarantee :** 270 MW<sub>avg</sub>
- **Concession expires:** August-2027

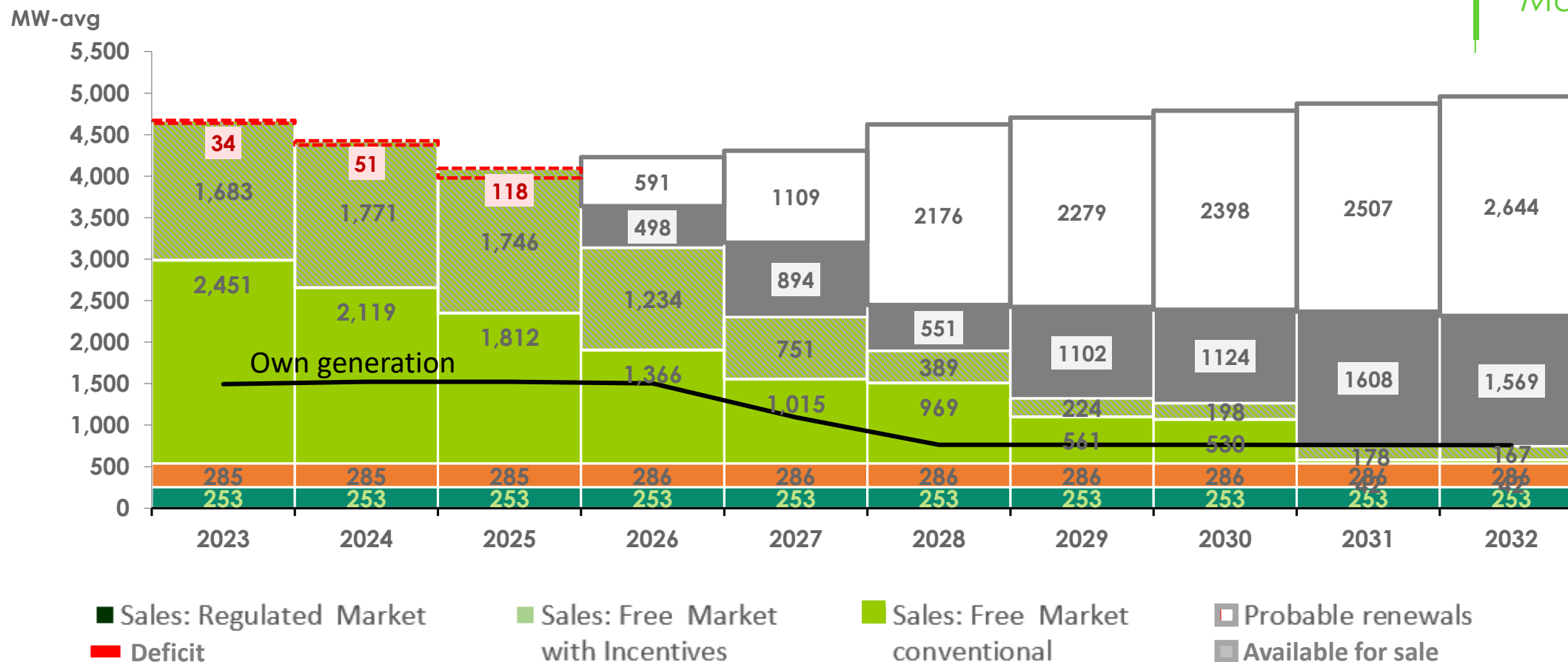


**Sá Carvalho**

- **Physical guarantee :** 56 MW<sub>avg</sub>
- **Concession expires:** August-2026

# Cemig group: Supply and demand

 **MW average**  
 Updated in  
 March 2023

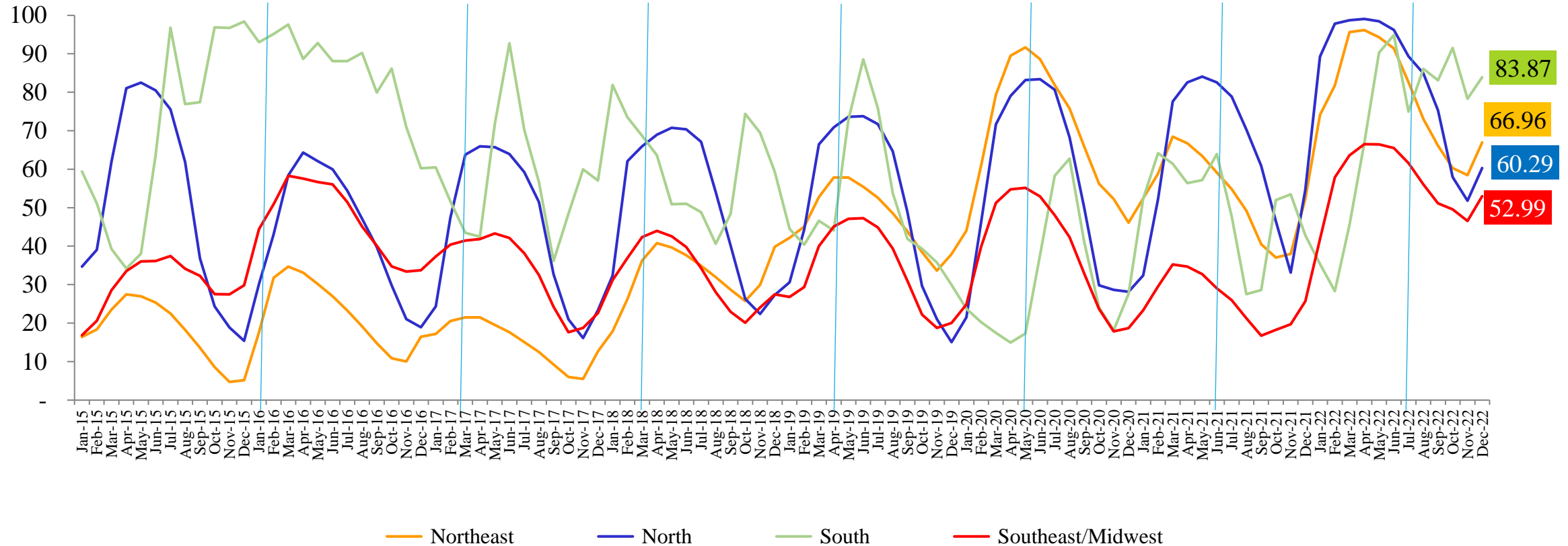


**Cemig group** - Considers the total availability of the Cemig group's generation companies (Cemig GT, Sá Carvalho, Horizontes, Cemig PCH, Rosal, Cemig Geração Três Marias, Cemig Geração Salto Grande, Cemig Geração Itutinga, Cemig Geração Camargos, Cemig Geração Leste, Cemig Geração Oeste, Cemig Geração Sul), plus purchases from outside sources.

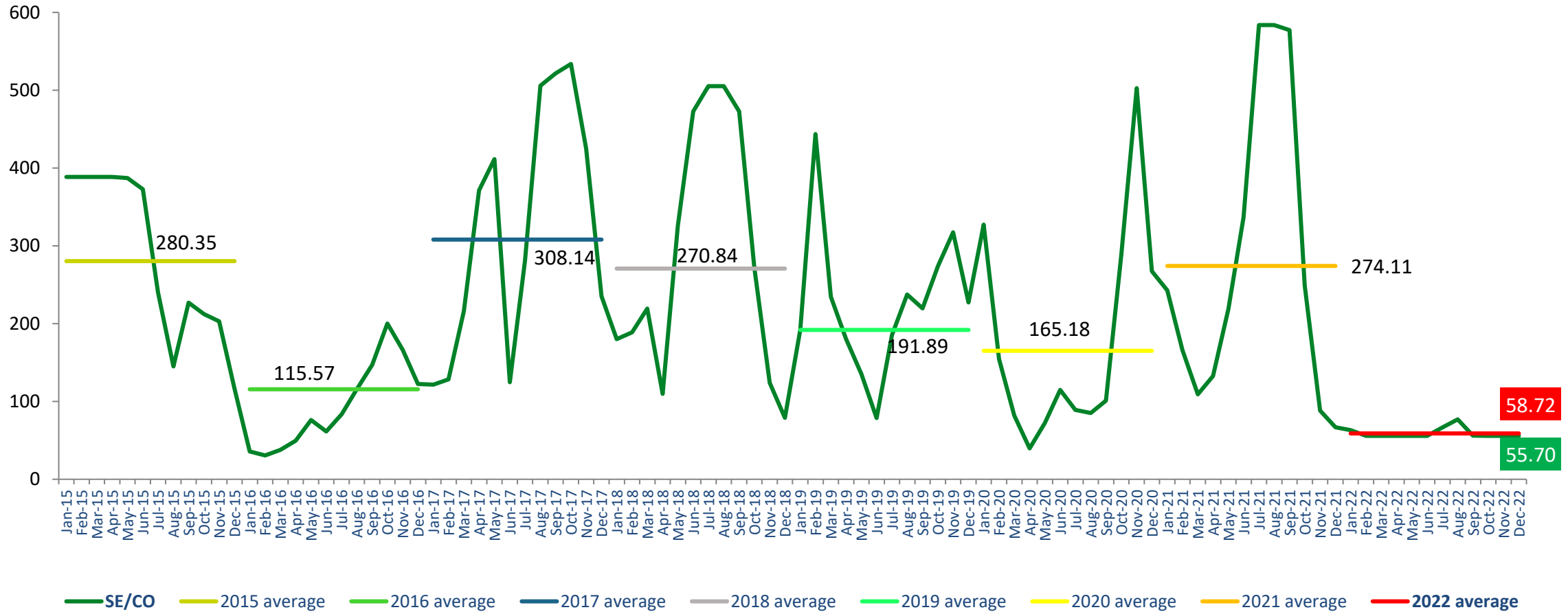


# Level of reservoirs (%)

By region (%)\*



Brazil: electricity spot price – monthly average (R\$/MWh)





## AMBITION



**Focus on investments in Updating and Enhancements (~R\$ 1.1bn), in new projects (~R\$ 1bn), and continuous improvement of efficiency, boosting share of transmission in MG. Expand portfolio of Transmission in Minas Gerais through auctions**



## STRATEGIC GUIDELINES



**Intensify plan for Updating and Enhancements** to renew depreciated base through good investments (meeting deadlines, low financing cost, and returns above regulatory WACC).



**Continue with operational efficiency**, remaining within regulatory PMSO level.



**Expand portfolio of Transmission in Minas Gerais through project auctions** and M&A, to protect market share.



**To be proactive with the regulator**, speeding up the approval/launching of new projects

## RAP – Annual Permitted Revenue

Aneel Ratifying Resolution (REH) 3067/2022 (2022–2023 cycle)				
Company	R\$ '000	% Cemig	Cemig (R\$ '000)	Expiration
Cemig	925,247	100.00%	925,247	
Cemig GT	810,629	100.00%	810,629	Dec. 2042
Cemig Itajubá	75,310	100.00%	75,310	Oct. 2030
Centroeste	30,575	100.00%	30,575	Mar. 2035
Sete Lagoas	8,734	100.00%	8,734	Jun. 2041
Taesá	3,453,500	21.68%	748,719	
<b>TOTAL RAP – CEMIG</b>			<b>1,673,966</b>	

REIMBURSEMENT FOR ASSETS – NATIONAL GRID				
R\$ '000 – per cycle	2020-2021	2021-2022	2022-2023	From 2023-2024, to 2027-2028
Economic	144,375	144,375	144,375	60,158
Financial	332,489	88,662	129,953	275,556
<b>TOTAL</b>	<b>476,864</b>	<b>233,038</b>	<b>274,328</b>	<b>335,714</b>

\* The figures for indemnity of National Grid components are included in the RAP of Cemig (first table).



Expand portfolio of Transmission in Minas Gerais through auctions



**Cemig GT** was the winner of Lot-1 of ANEEL's auction 2/2022

Lot-1 has important synergies and takes advantage of Cemig GT's existing operation and maintenance structure

LOT 1 - Details	
RAP	16,9 mn
Discount	48,05%
Localization	MG/ES
Extension	165 KM, 230 KV
CAPEX	199,3 mn
Construction Period	60 months



## AMBITION



Consolidate Cemig's leadership in trading of power supply to final clients, reaching sales volume of **4.4 GW<sub>average</sub>** in the **Free Market in 2032**



## STRATEGIC GUIDELINES



Consolidate position in the Free Market and seek growth in the **retail market**



Trade energy at **competitive prices**, closing positions in the market at the appropriate moments



Perfect the **best practices for monitoring and managing material risks**, giving transparency to the organization



Develop **digital channels** and **adapt the operational model**

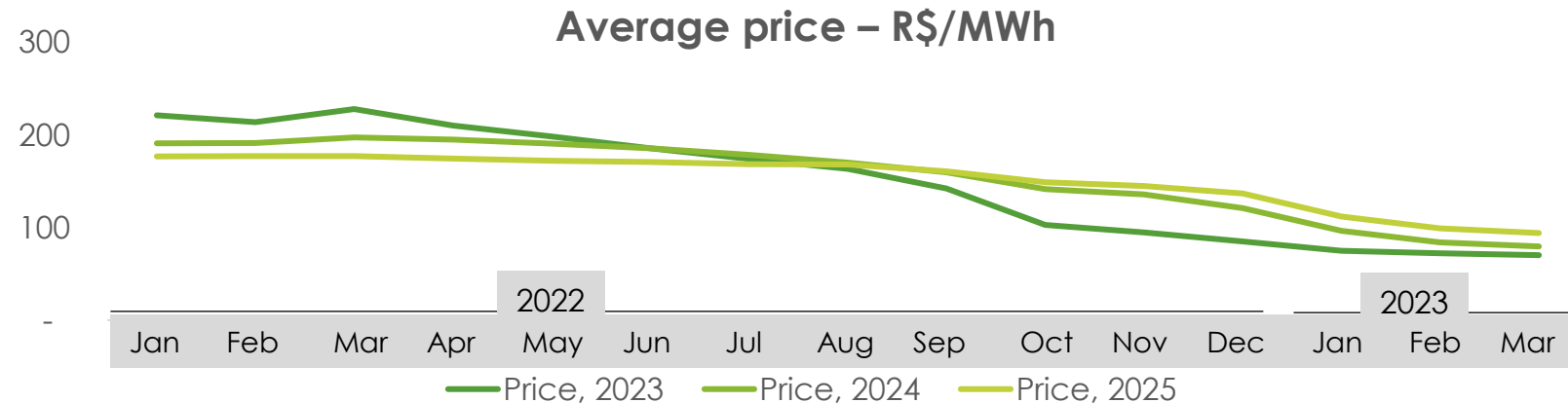
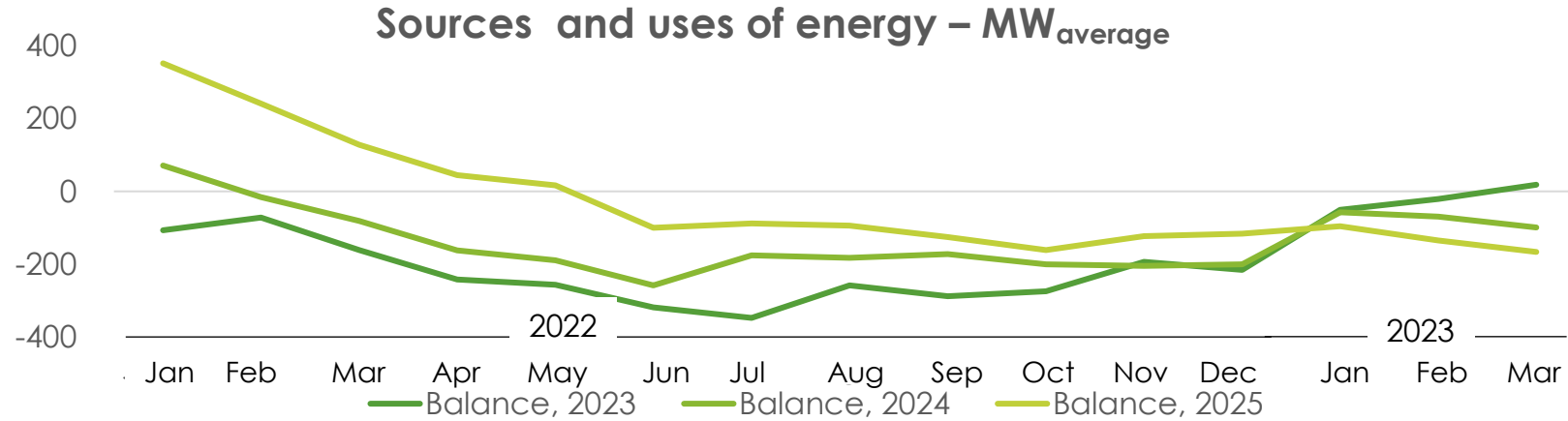


Calibrate **supply of energy products** and widen the **marketing strategy for the Free Market**

# ACCURATE DECISION-MAKING

Energy balance positions from Jan. 2022 to Mar. 2023

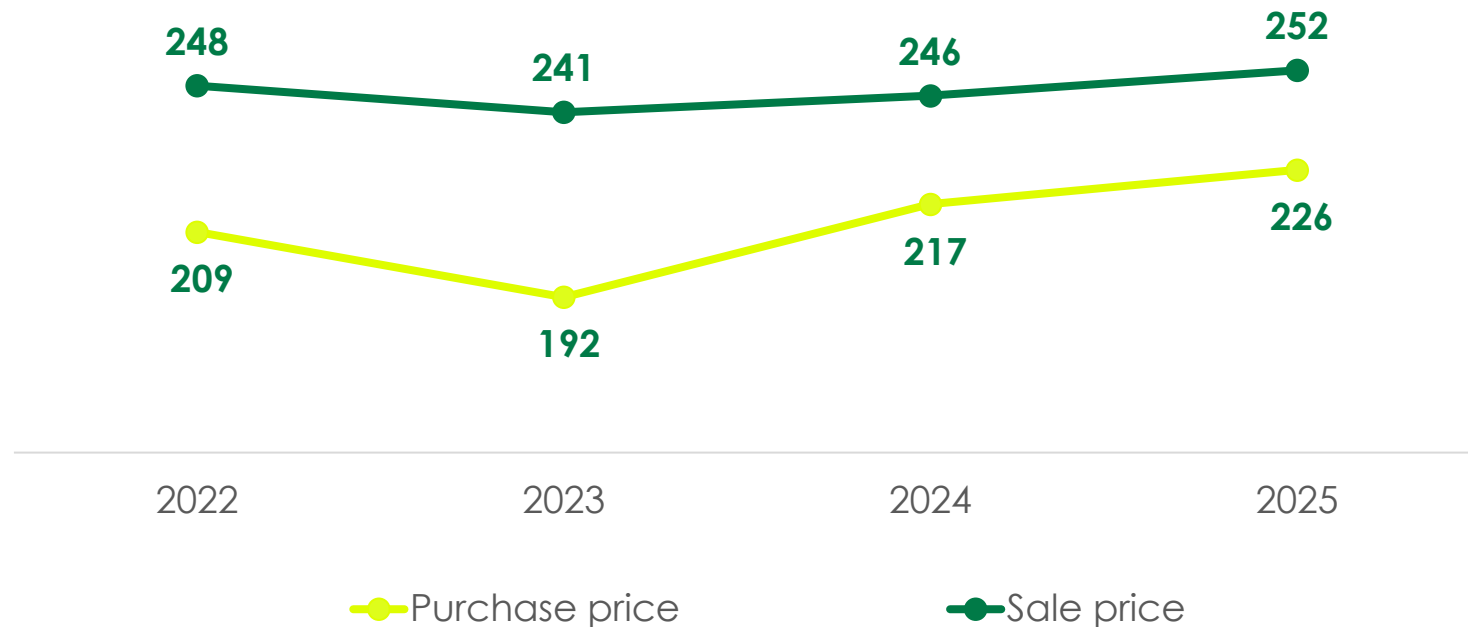
*Correct analysis* of the trend enables *taking of accurate decisions*



# TRADING STRATEGY

Carefully planned and executed **trading strategy** leads to **good results** in terms of **purchase** and **sale** prices, and **margins**

Purchase and sale prices – R\$/MWh



(\*) Sale prices shown include purchases of conventional supply and incentive-bearing supply from outside parties.



**GASMIG**





## AMBITION



**Strengthen the presence of Gasmig in Minas Gerais, with investment of R\$ 1 billion by 2025**, with greater management and governance transparency, acting to increase commercial efficiency and expansion of the network – increasing Ebitda by ~R\$ 318 million in 2025



## STRATEGIC GUIDELINES



**Prepare Gasmig for IPO**, with a view to greater efficiency, efficacy and transparency of management.



**Increase saturation of the existing network** expanding the client base of the urban segment



**Expand the HDPE and steel network**, reaching selected major urban centers, investing in service to large industrial clients

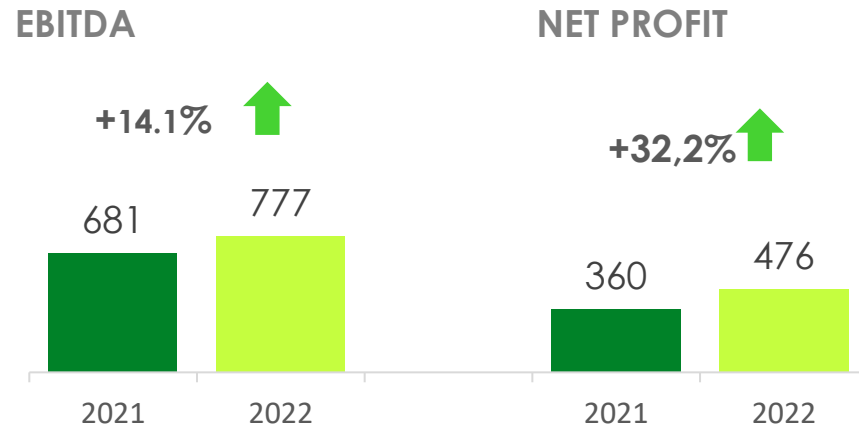


**Expansion in the Free Market** through trading in gas

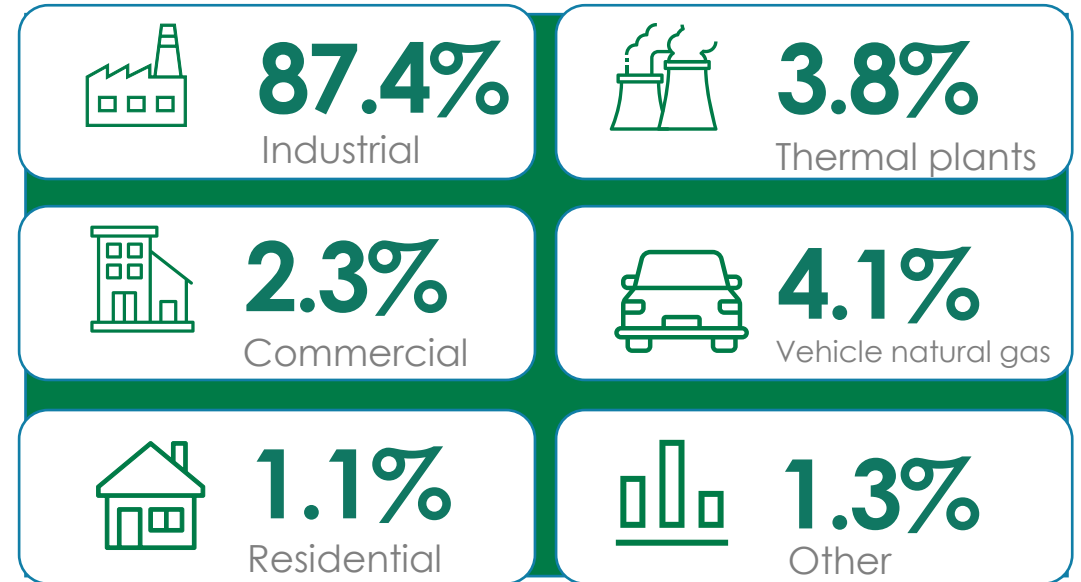


Actively monitor **new regulatory frameworks** in close cooperation with the regulator

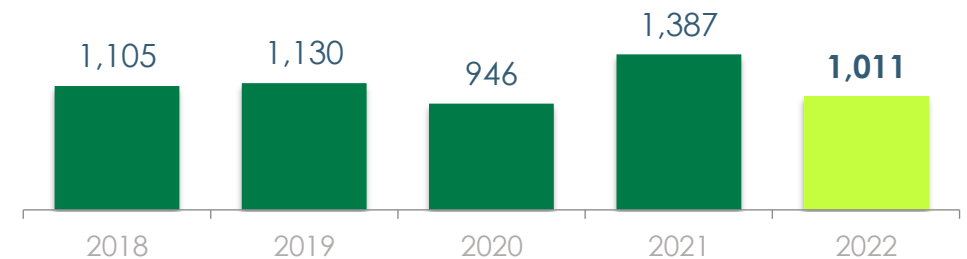
Ebitda up **14.1%** in 2022, in spite of volume sold to final consumers **27.1%** lower



SEGMENTS SERVED | % VOLUME M3



Natural gas volumes sold | million m<sup>3</sup>



Gasmig supplies an average daily volume of **2.8 million m<sup>3</sup>**



Serve **2 more meso-regions** of Minas Gerais

Expand use of the **existing gas pipelines**

Add **86,000 new clients**

Build **917 km of network**

Invest **R\$ 1.8 billion** in the gas distribution system

**Diversify suppliers of gas** through **public tenders**

Study use of **Biomethane in distribution**



**Strengthen**  
Gasmig's  
presence in  
**Minas Gerais**  
State

## CENTER-WEST PROJECT

- 300 km of network to be built
- Investment of **R\$ 780 mn**
- **24 months of works from 2023**

## EXTREMA PROJECT – POUSO ALEGRE

- Connection to transport pipeline
- 130 km of network to be built
- **Investment of R\$ 780 mn**
- Works from 2025

The results of Gasmig's **second 5-year Tariff Review**, decided by the Minas Gerais Economic Development Department (SEDE), were published in **April 2022**:

In spite of the reduction averaging **10.05%** across all the consumer categories, we highlight:

- ✓ WACC reduced from **10.02% p.a.** to **8.71% p.a.**
- ✓ Regulatory Ebitda for 2022: **R\$ 620 mn**
- ✓ Net Remuneration Base (BRL): **R\$ 3,480 mn**
- ✓ Cost of PMSO was recognized in full by the regulator.



Gasmig's concession contract is valid until the year 2053



Distributed-  
generation

CEMIG  
**SIM**



## AMBITION



To reach a strong position in Distributed Generation, with focus on Minas Gerais State: investing R\$ 1 billion by 2025, in Distributed Generation projects from verticalized solar farms (equivalent to 275 MWp), with IRR equivalent to the market average – ensuring a significant market share (~30%) in solar farms in Minas Gerais, with annual Ebitda of R\$ 170 million.



## STRATEGIC GUIDELINES

### WHERE TO PLAY

**Focus on Minas Gerais**  
**Operate exclusively in solar farms**  
(verticalized operator)  
Other products and services – less priority  
Evolve competencies to operate in a majority stockholder structure model

### HOW TO WIN?

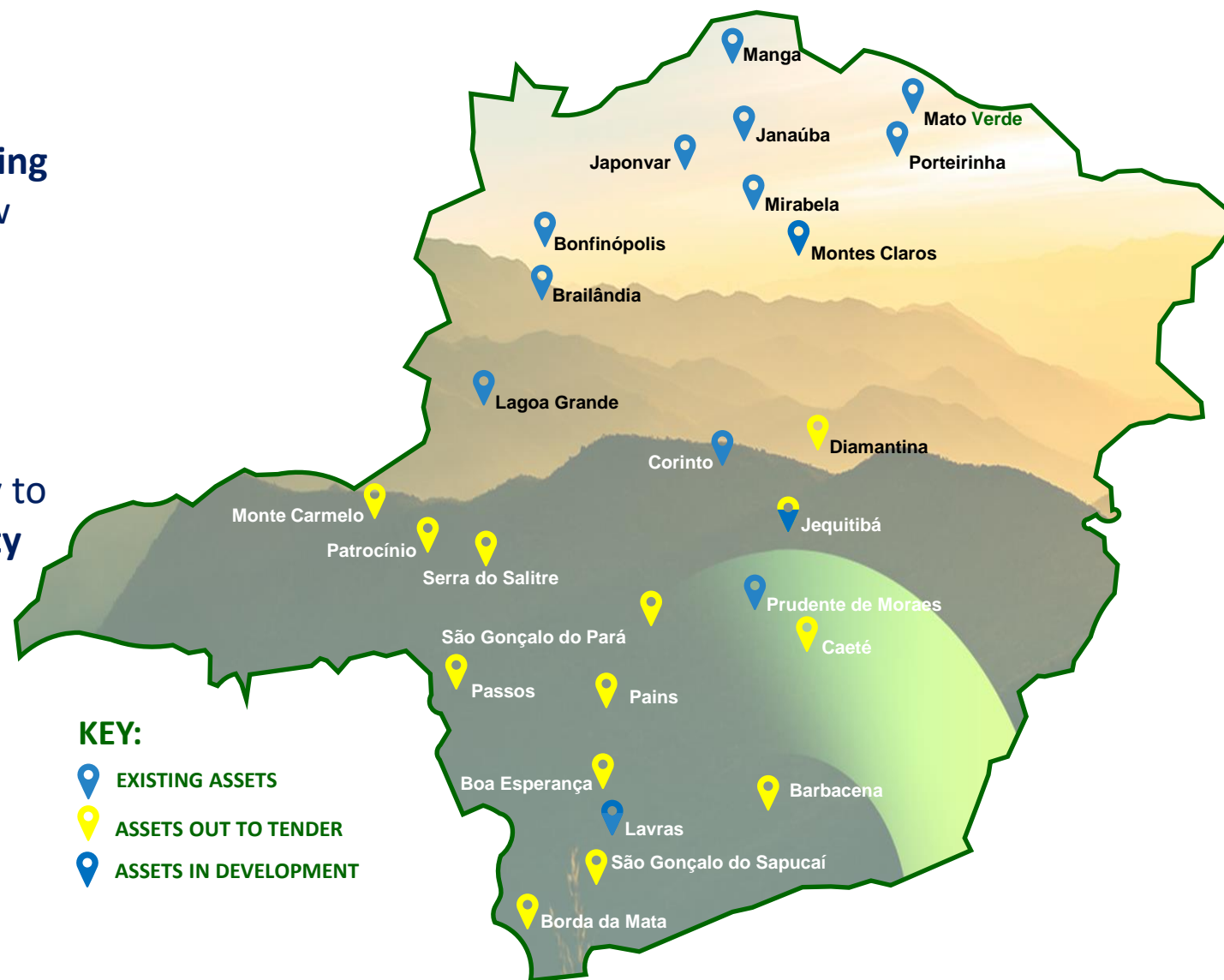
**Develop solar farm projects in DG,**  
organically or through acquisition of assets, leveraging Cemig's internal capacities

**Establish a digitalized model for trading and optimized client service,** seeking to operate with the minimum viable structure

**Intervene to make DG entry model sustainable in the long term** (i.e. with benefits appropriately included in the tariff model).

## INVESTMENTS

- From 2019 to 2022 **R\$ 175 mm** was invested in **buying assets**, and **R\$ 70 mn** in **closing transactions** for new photovoltaic plants
- **R\$ 640 mm** injected in **2023** for investments in expansion of the asset portfolio
- These new investments will **add 125 MWp** of supply to clients, **doubling the company's operational capacity**
- Target: **R\$ 3.2 bn** by 2027, adding **540MWp**
- Average **real return** between **11% and 14%**.



## Growth with a focus on Renewable Energy

### 100% Renewable source

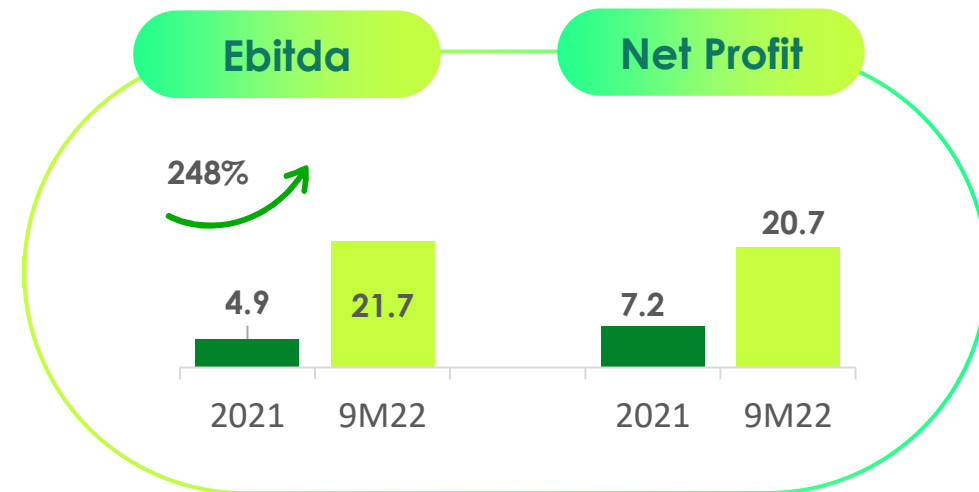
- Subscription Solar Energy
- Construction of solar power plants

### Sustainability

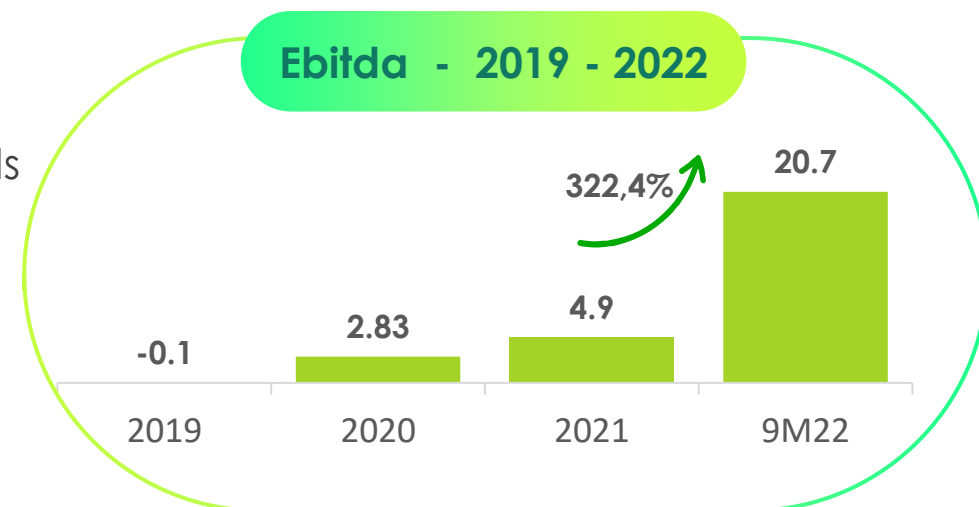
- More than 25 thousand tons of CO2 avoided since the beginning of our operations in 2019
- More than R\$ 47 million saved by our customers, in the period

### Guarantee of 100% clean and renewable energy

- REQUIREMENTS - Compliance with the demanding standards of the GHG Protocol, CDP and other standards
  - Market - Meeting the new requirements
  - Traceable - Complete traceability tool for renewable energy generation
- Certification - Declaration of commercialization of renewable energy



\* Net Profit higher than Ebitda due to deferred taxes in the period





# Cemig SIM in numbers

## Number of plants

- In operation 21
- Under development 23

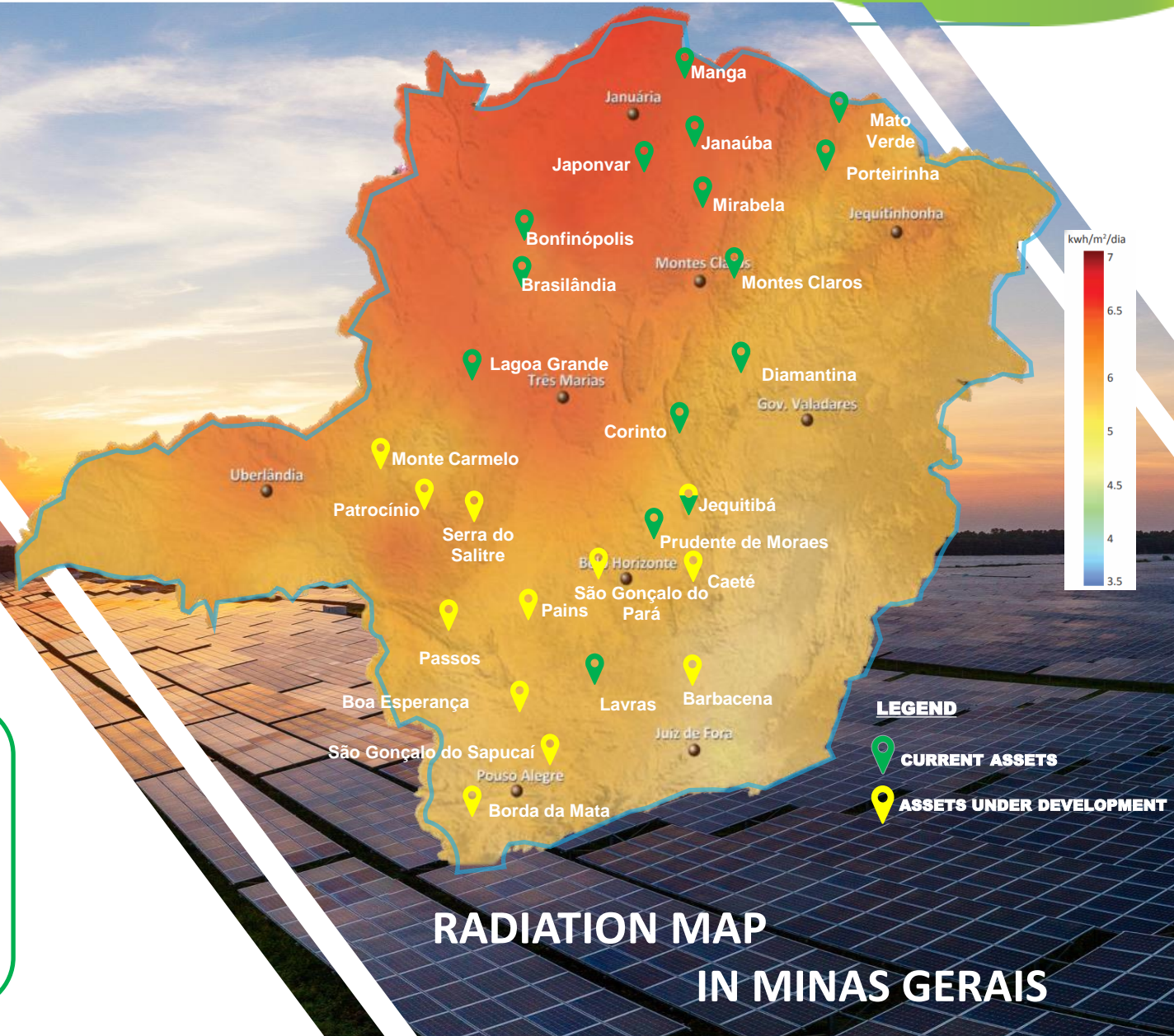
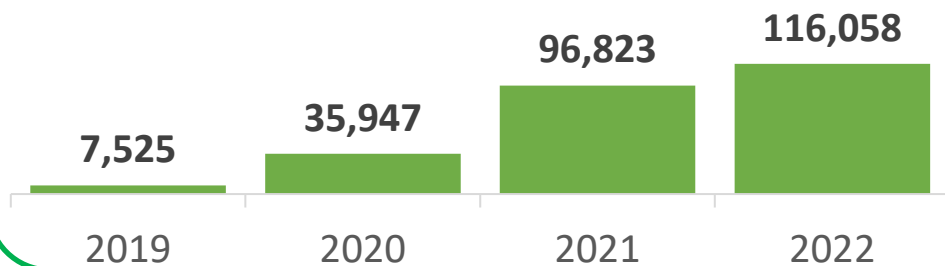
## Installed capacity

- In operation 88 MWp
- Under development 90 MWp

## Number of Clients

- Approximately 7,000

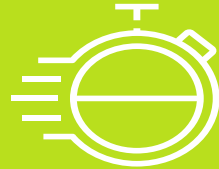
Evolution of Injected Energy (MWh/year)





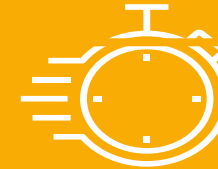
## ACHIEVED

- ✓ **Opex below** regulatory limit (annual basis)
- ✓ **Non-technical losses** – below regulatory level
- ✓ **DEC** outage indicator within regulatory limit
- ✓ **Bonds** liability management
- ✓ Strengthening of **Cemig D's Investment Program**



## IN PROGRESS

- ✓ **Divestment** of **non-strategic** assets
- ✓ **Restructuring** of post-retirement benefit plans
- ✓ **Digital transformation** and investment in technology
- ✓ Investment in **renewable generation sources** (wind, solar)



## FUTURE CHALLENGES AND OPPORTUNITIES

- ✓ **Renewals** of concessions
- ✓ Growth in **retail electricity sales**



Brazil's largest integrated power company



Turnaround already reflecting in the results



Solid expansion plan with well-defined goals



Robust governance, with clear accountability for results



Dividend policy with a minimum payout of 50%



Customer focus, competitiveness and efficiency



# Investor Relations

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