

XXVI

CEMIG ANNUAL MEETING

with the Capital Markets

Cemig Plan for 2025: Focus and Win!

The CEMIG logo consists of the word "CEMIG" in a bold, white, sans-serif font. The letters are slightly stylized, with the 'C' and 'E' having a unique shape. The logo is positioned in the bottom right corner of the slide.

CEMIG

NOSSA ENERGIA, SUA FORÇA

- **Revision of Strategic Plan**
 - Summary of diagnostics and evaluation of strategic options
 - Overview of Cemig 2025 Strategic Plan
 - The Focus and Win Plan – details

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Planning review was coordinate by Bain & Company

We analyzed the external context (market) and the internal context (Cemig)

1 Analysis of the market

We investigated the main **transformation trends** in the power sector and the competitive dynamics in Brazil.

2 Internal diagnosis

We evaluated the **historical development** and **future outlook** of the Company's businesses.

- Portfolio
- Generation
- Transmission
- Distribution
- Trading
- Distributed generation
- Gasmig
- Innovation
- Information technology
- Regulatory
- Operational model

We defined the strategic ambition for the Company

3 Ambition

We identified the possible **strategic options** and detailed their implications for Cemig.

We determined the general drivers for **strategy**.

We defined: the **ambition, pillars** and **enablers** of the strategy for each business within the scenarios set out.

We detailed governance and the Plan of Initiatives for transformation

4 Results delivery office

We designed the structure for the **Results Delivery Office (RDO)** to ensure implementation and capture of estimated gains from the project.

5 Plan of Initiatives

To monitor **implementation**, we built plans of initiatives for each business, including:

- Main **activities**, with a long-term calendar.
- **Gains** / savings
- **Investments** / costs

1. Interviews



35 interviews

- Board of Directors
- Executive Board
- General Managers
- Managers

2. External workshops



External scenario workshops

- Electricity sector trends (PSR)
- Macroeconomics (LCA)
- Liberalization, digitalization (Bain)
- Competitive dynamics (Bain)
- Regulatory trends (Aneel)
- Presence and participation of all Cemig senior management.

3. Internal workshops



Internal workshops

- CEMIG D diagnosis
- CEMIG GT (Generation and Transmission) diagnosis
- Holdings and portfolio diagnosis
- Participation and contribution of each relevant business

4. Analyses



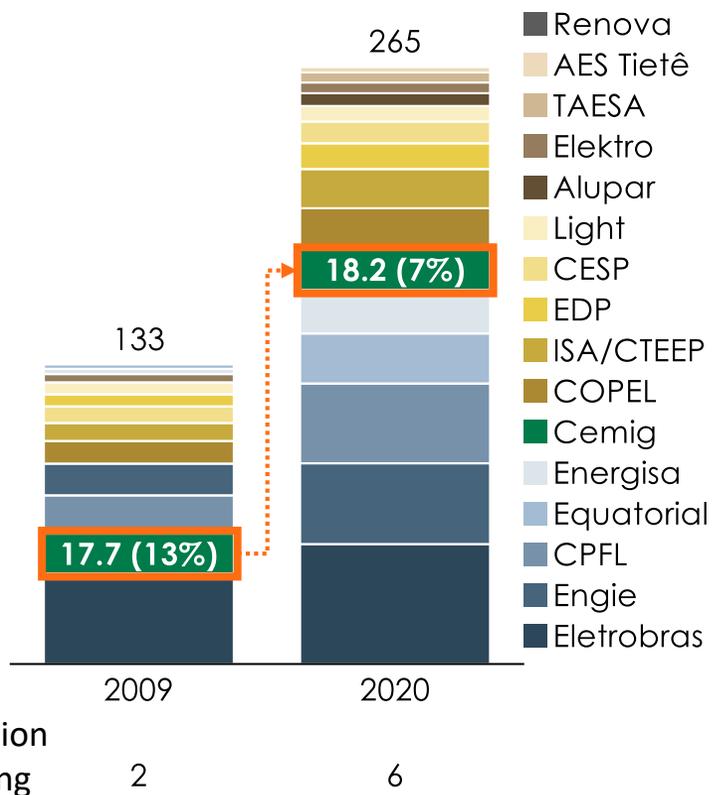
In-depth analyses

- Performance analyses (historical development and comparison with other companies in the sector)

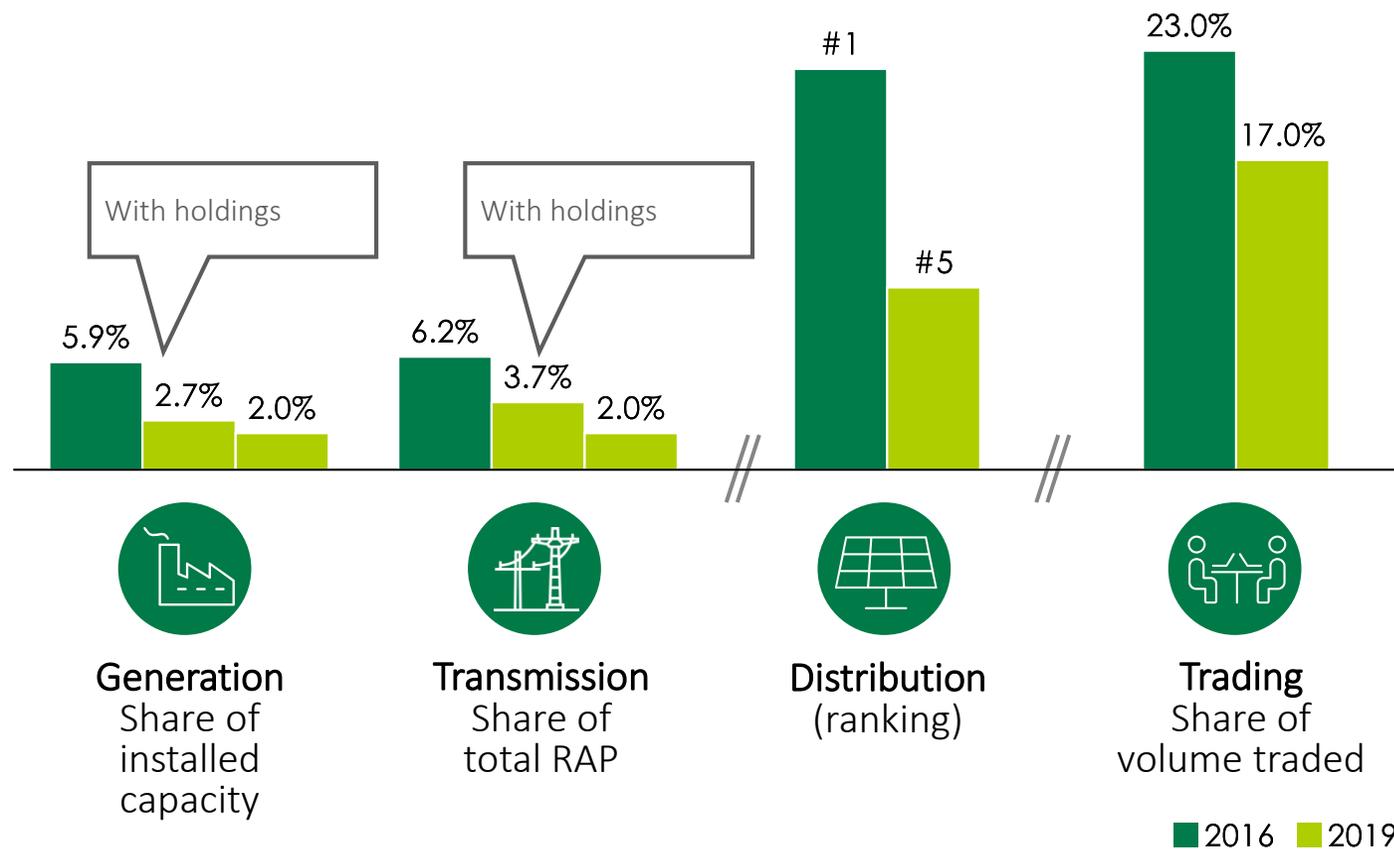
Cemig lost participation in the electricity sector

In market value ¹...

Market – electricity sector, Brazil (current R\$ bn)



... In participation.



(1) Values at November 9, 2020.

Sources: Bloomberg current market, CCEE, Cemig internal data, Management reports, Project team analysis.

Benchmarking shows the difficulty of excelling in all the roles at once



Active investor

Takes decisions in portfolio and financing



Strategy architect

Validates strategies of business unit and shares best practices.



Strategic control partner

Fosters synergies with ample use of shared services



Operator

General manager of execution in all functions

Central role (where adds value):

Central management role in each business.



Challenges created in the prior model

Different **levels of depth in decision-making**

Holding company's difficulty in **giving attention to the various businesses**

Loss of opportunities for **scale gains** and **sharing of synergies**

Difficulties in **operating shared centers**

Difficult to **monitor of results of the businesses effectively**

Concession contracts, and its capacity to leverage captive consumers enabled structural value

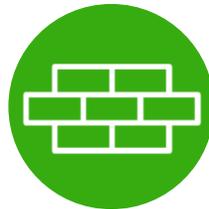
COMPETENCIES

Assets



Concession contracts

Value creation in **Cemig GT, T, D and Gasmig**, through long-term concession contracts.



Tangible assets – PP&E



Brand



Captive consumers

~8.6mn captive customers

Management competencies



Politics, government relations

5 major trends are transforming the sector and will create a need to focus on the client, increase competitiveness and demand greater efficiency

EXTERNAL SCENARIO

The electricity system is undergoing transformations ...

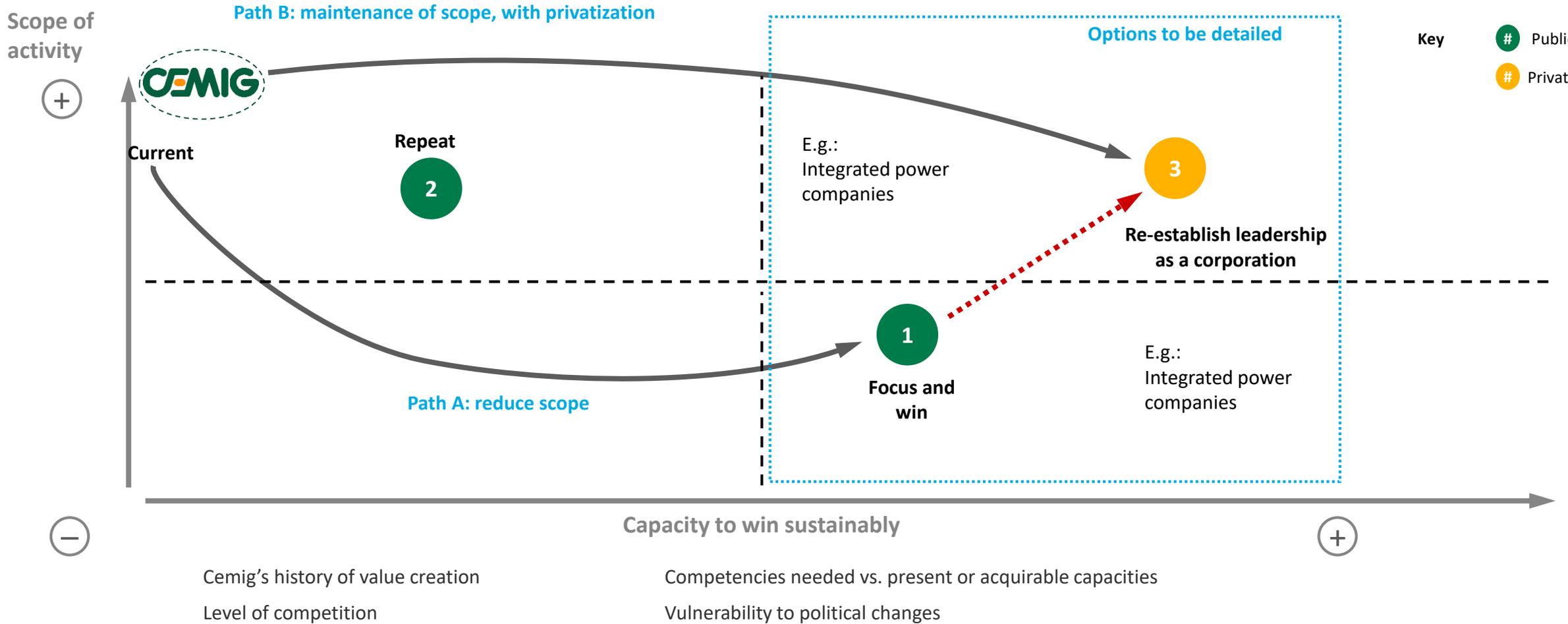
-  1 The energy transition
-  2 Technological revolution – after the meter
-  3 New entrants, new business models
-  4 Reinvention of the traditional ‘utility’
-  5 Evolution of regulation



... with multiple direct results – for Brazil and for Cemig.

- Expansion of energy sources – wind, solar
- Storage
- Digitalization
- Empower the client
- New role for distributors
- Exponential growth in solar distributed generation
- Liberalization
- Electrification (e.g. electric vehicles)
- Time of day pricing

Cemig's ambition is different for scenarios with or without privatization, always based in private sector management principles, up-to-date and sustainable



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100% DIGITAL

Digitalize and transform processes in interactions with clients.



3



MAXIMIZE EFFICIENCY

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

4



CREATE VALUE

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

5



AGILE MANAGEMENT, WITH SECURITY

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

ENCHANT THE CLIENT

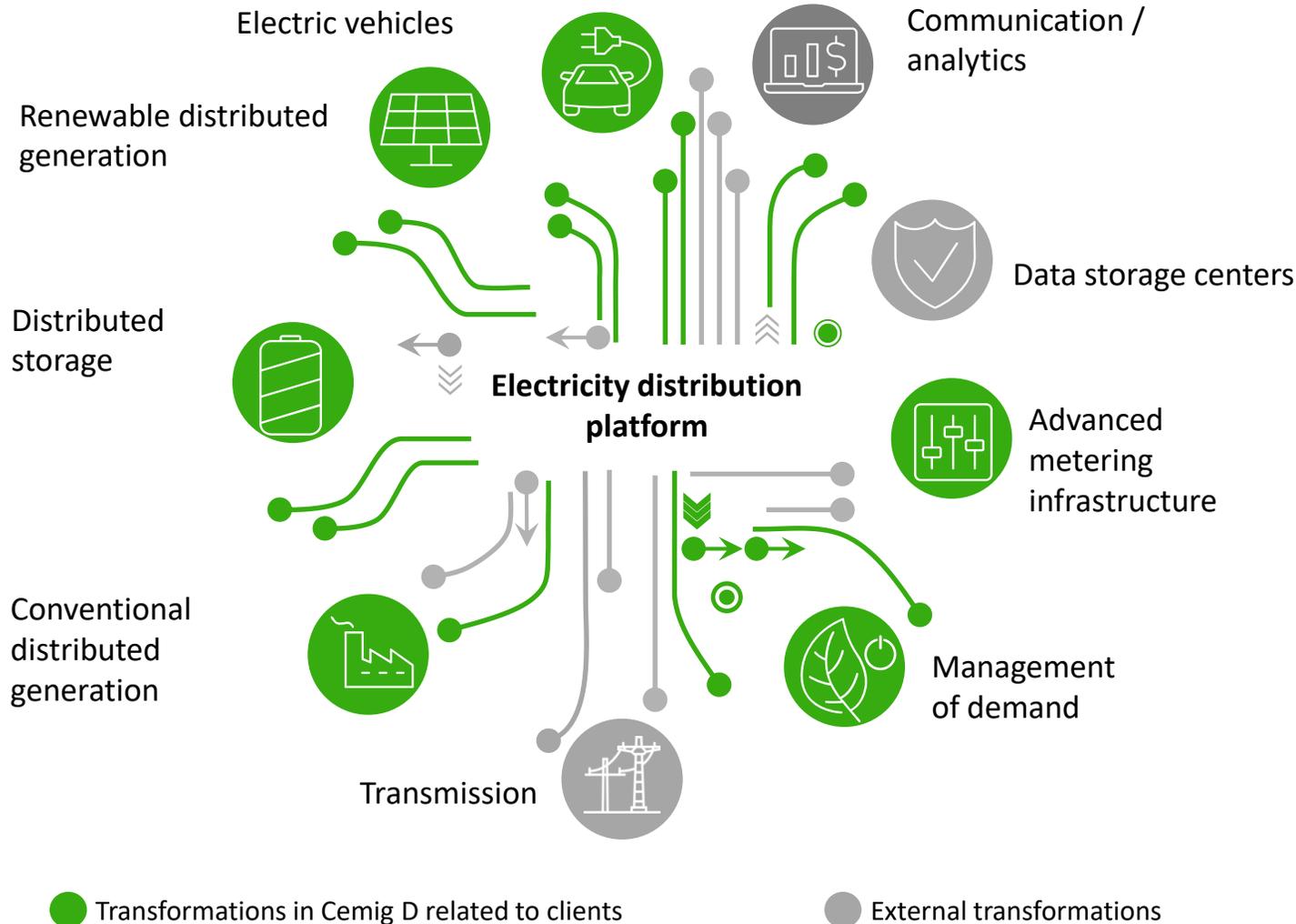


Transform the client's experience to achieve top position in client satisfaction (NPS: top 3; IASC: score 80)



The client management strategy will be key to maximize value creation considering the transformations in progress in the sector

1. ENCHANTING THE CLIENT



4 Levers for client strategy

- 1 SERVE BETTER** to guarantee client satisfaction – to maximize profitability and avoid churn.
- 2 KEEP CLIENTS INSIDE THE GROUP** current clients
- 3 EXPAND ACTIVITY**, offering new products and services or expanding client base
- 4 REDUCE THE COST OF SERVING**, through more efficient client service, less errors, less complaints

Digital Transformation Plan with investment of R\$ 150 mn/year: focused on client service, quality of data and operational efficiency gains

2. 100% DIGITAL



Focus on **service to the client** generating greater **satisfaction and engagement**



Efficient, resilient and modern operation, addressing current obsolescences.



Clients

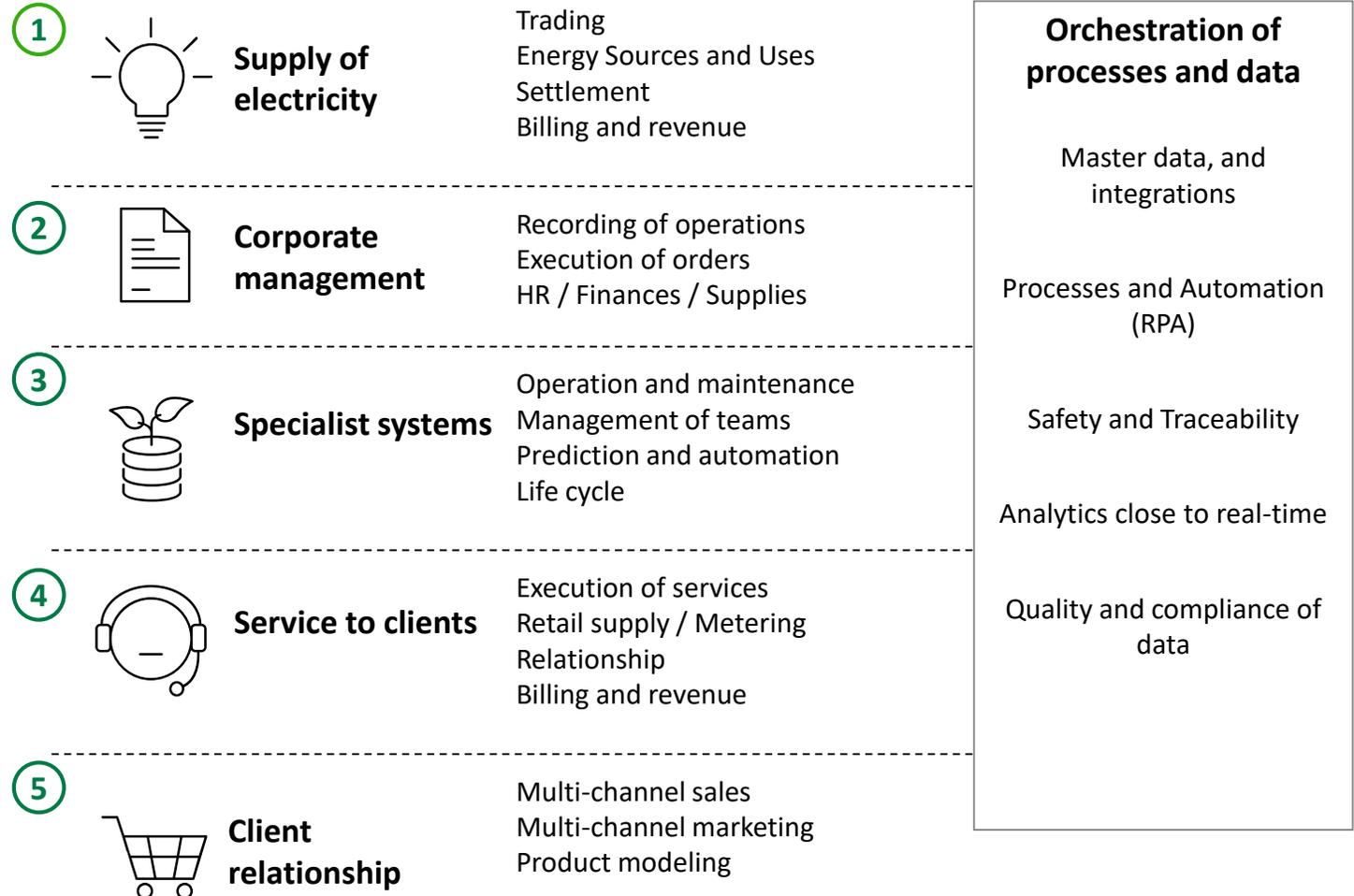


Better market timing boosted by redesign of Cemig operational model



Lower cost of service, with increased productivity supported by leverage of data and digital solutions.

Architecture will have 5 integrated platforms supported by orchestration of processes and data.



Add ~R\$ 600 mn to Ebitda through action for operational efficiency (full effect as from 2025)

3. MAXIMUM EFFICIENCY

Distribution R\$ 540 mn

Keep DEC and FEC levels within regulatory limits.
Reduce operational costs by ~R\$ 200 mn/year, to below regulatory level.
Recover ~R\$ 340 mn through better management of revenue (default, and power losses).

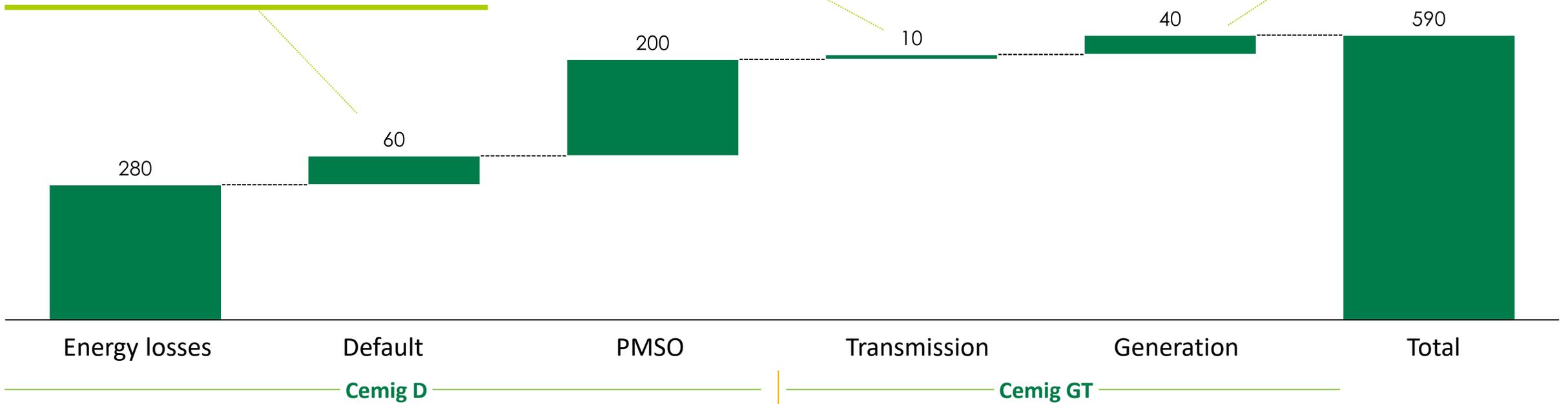
Gains in transverse areas proportional to end-activities served.

Transmission R\$ 10 mn

Modernization of systems, with new technologies that increase productivity and/or availability.
Seek to adapt costs structure, to 25% below regulatory level.

Generation R\$ 40 mn

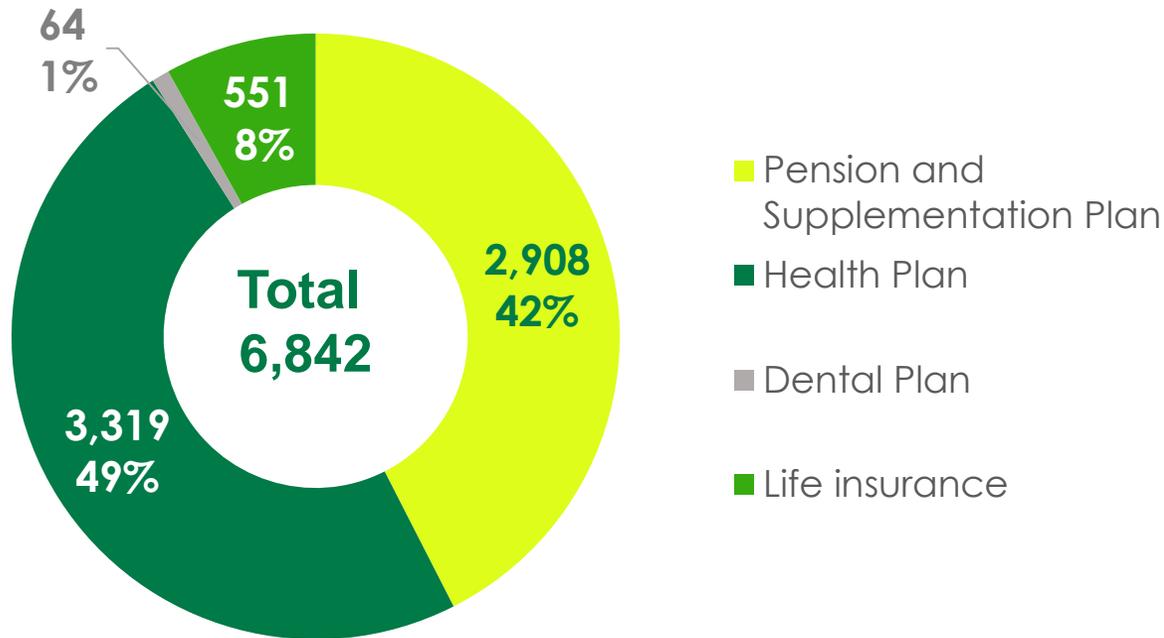
Modernize plants with focus on technologies that increase productivity.
Reduce operational cost per MW by 10–15%.



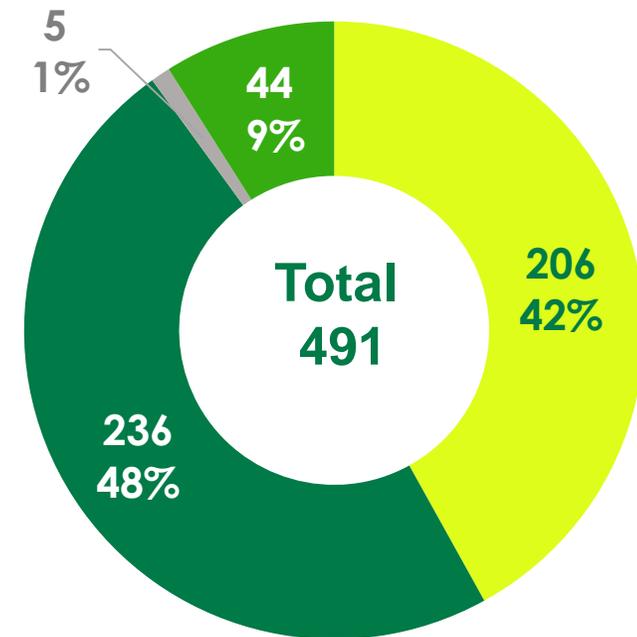
Note: The data does not include Post-retirement initiatives

3. MAXIMUM EFFICIENCY

Net liabilities in Balance sheet



Total expense in 2020 according to actuarial calculation

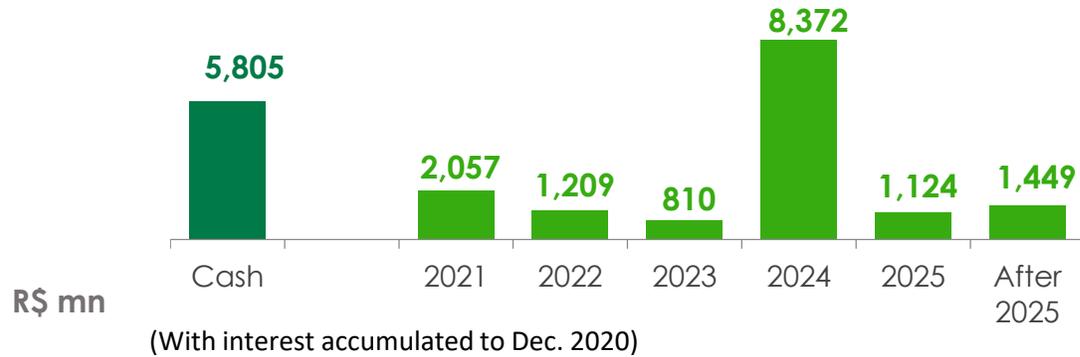


Studies for adaptation of the pension and health plans, to reduce actuarial risk and obligations.

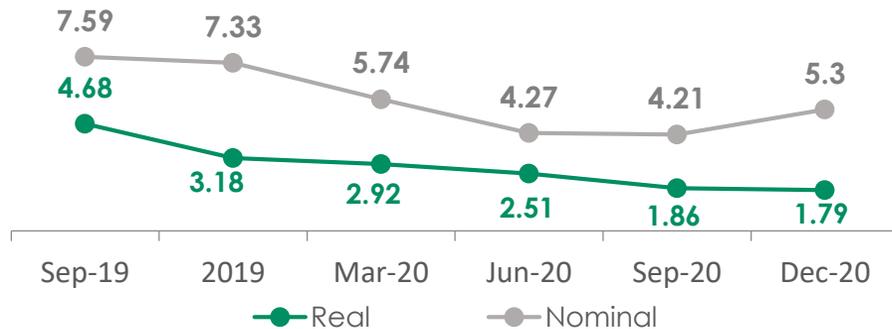
3. MAXIMUM EFFICIENCY

Maturities timetable – Average tenor: 3.4 years

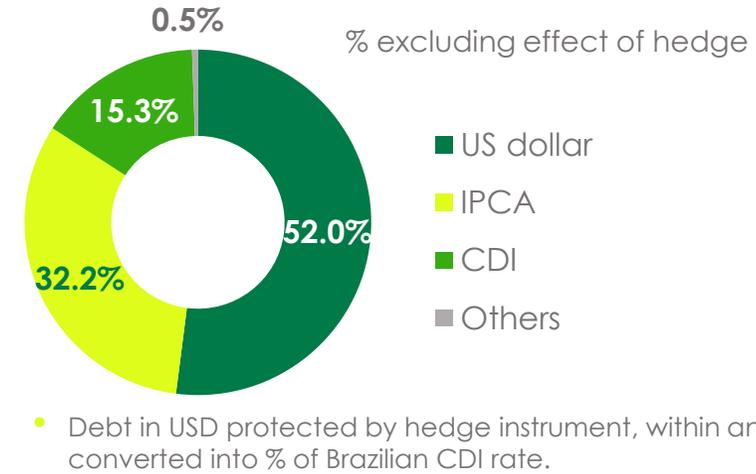
Net debt (Debt – Cash and securities): **R\$ 9.2 bn**
Total net debt (Net debt – Hedge): **R\$ 6.3 bn**



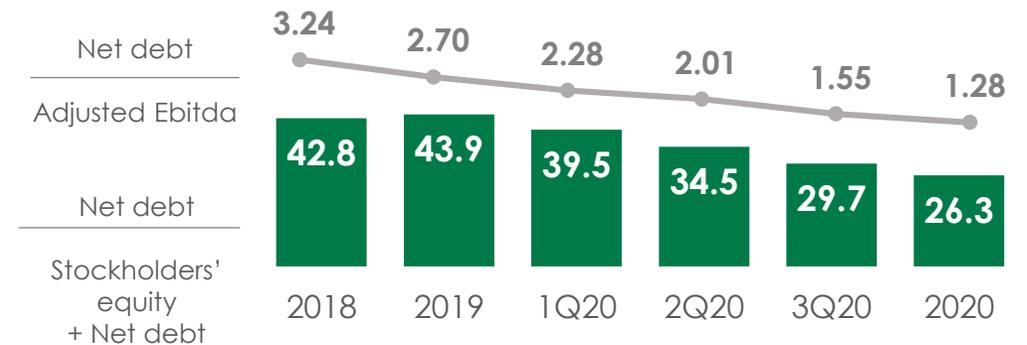
Cost of debt – %



Main indexers



Leverage – %



3. MAXIMUM EFFICIENCY

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 on principal Interest swap	142% of CDI rate	R\$ 3.45	R\$ 5.00	
Income tax – no hedge	185% of CDI*	Cost considering effect of income tax		
Secondary market	Yield	Premium	Date	
	3.18% p.a.	15.13%	April 20, 2021	

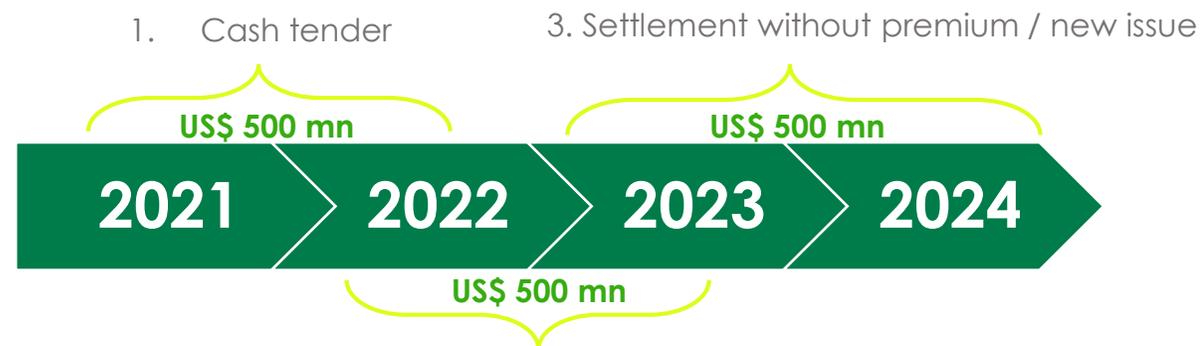
Eurobonds, 2018 – 2020 (R\$ mn)

Date of payment	Sep. 2018	Sep. 2019	Sep. 2020
Bonds: Gross debt	5,949	6,196	8,418
Hedge	273	1,870	3,284
Bonds: Net debt	5,676	4,326	5,134

Source: ITR (Quarterly Information) Cemig GT

Note: Although the dollar rose 41% from Sep. 2018 to Sep. 2020, net debt was reduced by 9.5% over the same period.

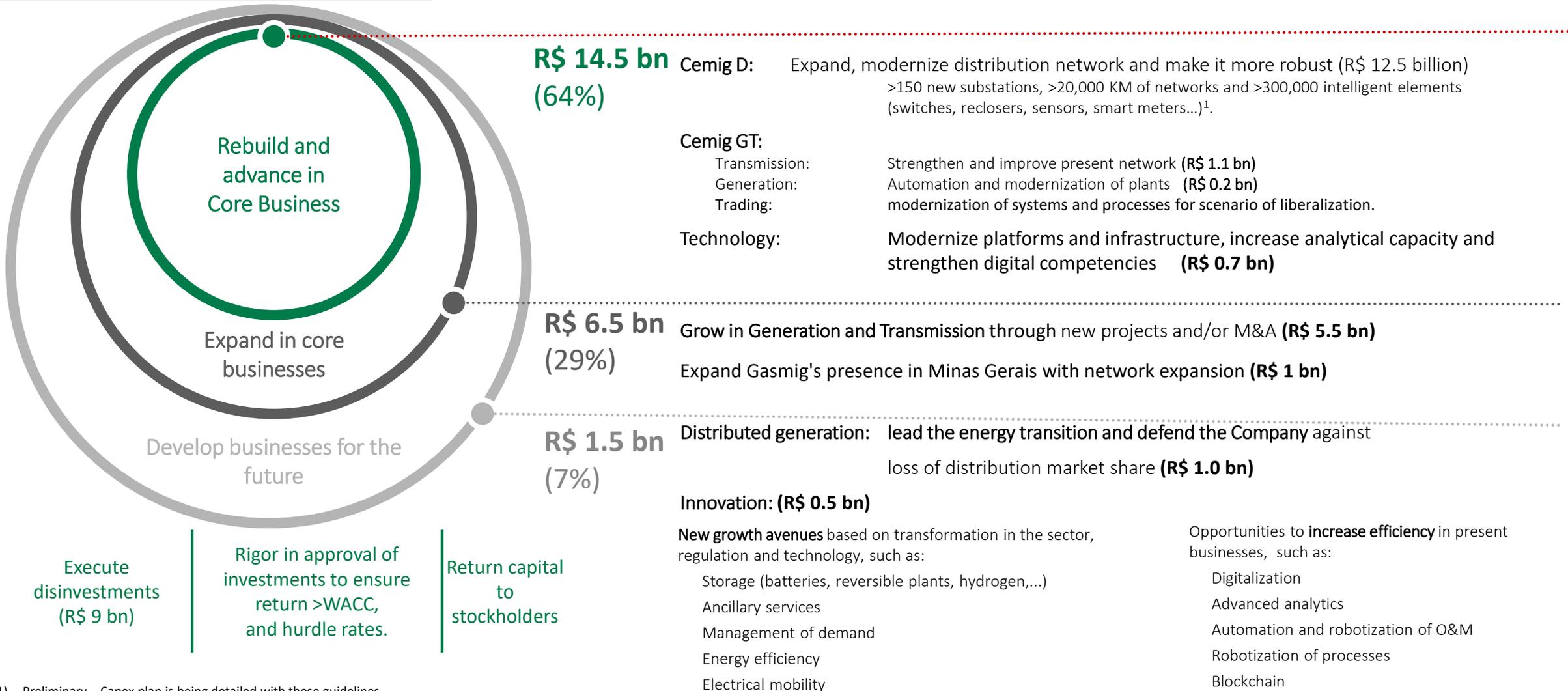
Maturity / Execution strategy



2. Repurchase in secondary market (OMR) / Local issue (cash tender).

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

4. VALUE CREATION



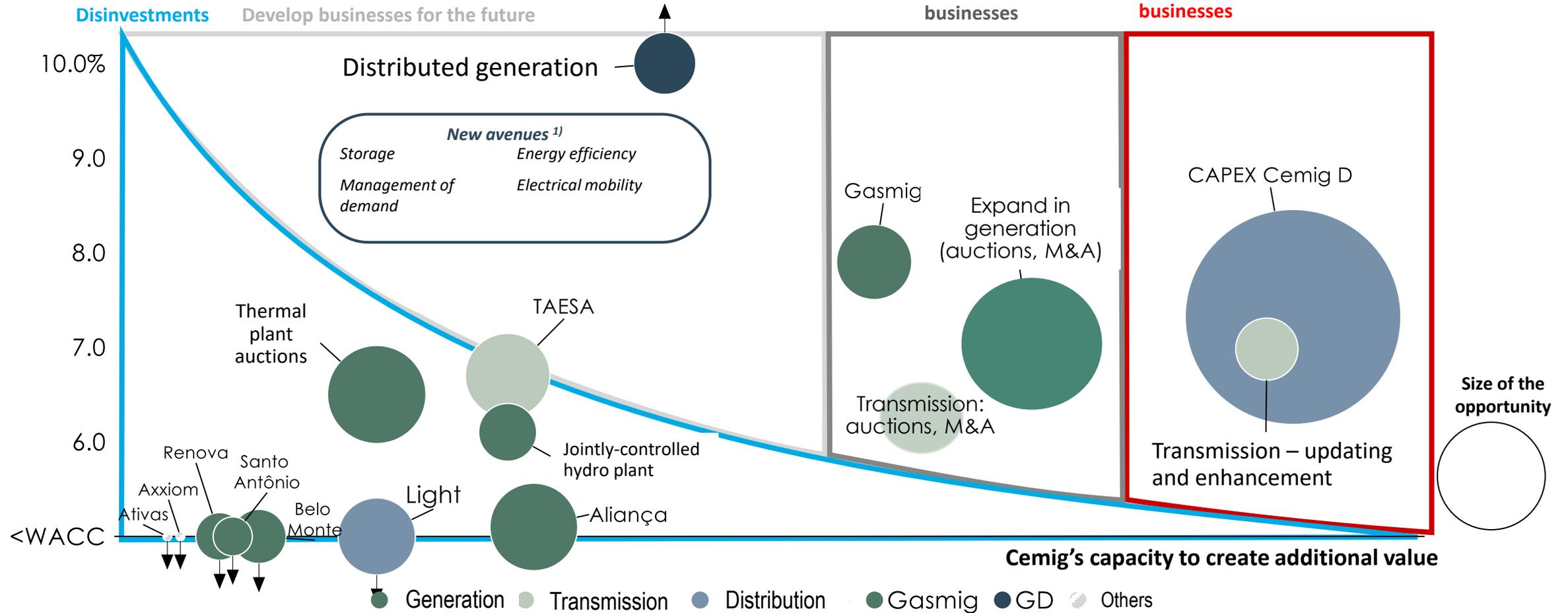
(1) Preliminary – Capex plan is being detailed with these guidelines.

Capital allocation has been defined based on activity of each business, and Cemig's competitiveness

4. VALUE CREATION

COMPETITIVENESS

Market attractiveness (Expected ROIC or IRR)



(1) Develop competencies, applications and new business models through innovation projects and invest to gain scale, when economically viable .

5. AGILE MANAGEMENT WITH SECURITY

OPERATIONAL MODEL

Medium-term:

Convert role of holding company into “Strategic controlling stockholder”

Immediately:

Monthly meetings to assess results by business

Adaptation of management information

Define focal points in transverse areas and review of SLA.

Optimization of quality, costs and deadlines for shared services and corporate support.

RESULTS-FOCUSED CULTURE

Identify and promote a new culture that achieves organizational results.

Focus on developing priority behaviors in leaders and teams.

Strengthen management by performance and meritocracy, linked to the strategy.

STRENGTHEN ESG PRACTICES

Environmental

Make integrated work on the environment a priority, working to articulate communication with public authorities and civil society.

Commitment to explicit environmental targets in Company Policies.

Focus on clean energy sources.

Social

Serve the interests of the people of Minas Gerais, articulating communication with them and authorities (including municipalities).

Ensure high level of safety (own and others’) in all businesses.

Combat occupation of land under transmission lines

Governance

Define criteria for evaluation of leaders over long term.

Promote diversity.

Strengthen cybersecurity and data protection practices.

5. AGILE MANAGEMENT WITH SECURITY

Cemig promote initiatives lined up to the best ESG practices guaranteed sustainability in its business. Historically it's a reference in the global market of sustainable investors being one of the leader companies in the most relevant sustainability ratings in Brazil and the World



Renewable power generation with 42 MW installed in photovoltaic plants dedicated to the Distributed Generation



Renewable Energy Certificate - REC, allowing customers to prove the renewable origin of energy, possibility to produce additional value in commercialization.



Over 4,000 acres of preserved areas and planted 57 acres in 2020



Energy efficiency program with a R\$138 million in the last 2 years



Biggest support In MG culture, investing R\$52.2 million through the incentive law for the past 2 years



Several social projects and volunteer, impacting over 27,000 people per year



Public calls to select social projects in sport areas, elderly and energy efficiency, for application of R\$43,5 million in 2021



App. Proximity with real-time information and alert issues in areas at risk of flood



Robust practices of compliance and governance, with a highlight to the independence of the Board of Directors

5. AGILE MANAGEMENT WITH SECURITY

Cemig is contributing to the great effort of vaccination of the MG population against the Covid-19 with actions in the 774 county of our concession, performing the following activities:

- Preventive inspection in electrical networks that feed health stations
- 200 cylinders donation
- Cemig' s buildings are being available as potential vaccination points and storage of materials
- Cemig' s vehicles and professionals are getting voluntarily in local logistics both with transportation of materials and people as in the organization of lines and support at vaccination stations
- United for the Vaccine movement: the company is adopting several municipalities distributed in several regions of the state with greatest needs, including the region of Belo Horizonte city (MG capital).



Employees

Growth and value creation

- Greater **professional development**
- **New career opportunities**
- Results-based **incentives** (profit sharing, bonuses ...)

Corporate **engagement culture**

- More **up-to-date management practices**
- Focus on **sustainability**
- **Culture of results**
- **Meritocracy**

Cemig's long-term **sustainability**

SOCIAL AND ECONOMIC DEVELOPMENT

Accelerate **investments in expansion of the network.**

- **Eliminate bottlenecks** and the wait for new connections.
- **Greater capacity** to meet growth of demand.

Improvement in **energy quality.**

- Reduce outages by modernization of network.
- Lower **reconnection times.**
- Reduce **quality problems** – impact on industry.

Expansion and **modernization of the network.**

Reduction of number and duration of **outages.**

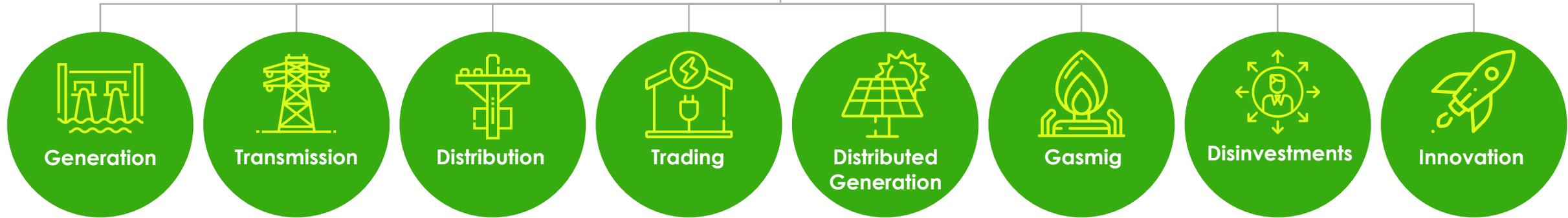
Modernization of **service channels**, with focus on the client.

New technologies

- Distributed generation
- Smart meters
- Storage
- Management of demand
- Electrical mobility

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CEMIG – ‘FOCUS AND WIN!’



Information technology

Regulatory / Institutional

Agile management with security

Corporate enabling factors

Summary of the 'Focus and Win' strategy

AMBITION

Focus on Cemig D and GT: lead in client satisfaction; safety; achieve regulatory efficiency levels, through **management with a modern, sustainable, private-sector logic**, reaching **Ebitda of R\$ 7.7 billion** and TSR of 20% – making investments of the order of **R\$ 22.5 billion** (with focus in Minas Gerais), and concluding disinvestments.

STRATEGIC GUIDELINES

Reconfigure **capital allocation** with focus on creation of value, aiming for **TSR > 20%**.

Transform **clients' experience**, becoming **top 3 in NPS, IASC score >= 80**.

Digitalize and transform corporate **technology**, investing **~R\$ 150 million/year**.

Increase **operational efficiency**, to **add Ebitda of ~R\$ 600 million/year**.

Implement management with modern, sustainable **private-sector logic**, and culture of results.

Cemig pillars

CEMIG G	CEMIG T	Cemig D	TRADING	Distributed generation	Gasmig	Innovation
<p>Add ~1GW of capacity (~0.5 GW_{average})¹, investing ~R\$ 4.5 billion, preferably renewable.</p> <p>Optimize generation costs by 10–15%.</p> <p>Review of the portfolio of equity interests</p> <p>Proactiveness with the regulator.</p>	<p>Investments at R\$ 1.1 bn in Updating and Enhancement.</p> <p>Optimize Transmission costs to >5% below regulatory level.</p> <p>Expand Transmission assets (~500km).</p> <p>Proactiveness with the regulator.</p>	<p>Focus on the client (top 3 in NPS).</p> <p>Excellence in capex, investing R\$ 12.5 billion in five years.</p> <p>Management of revenue.</p> <p>Operational efficiency</p> <p>Proactiveness with the regulator.</p>	<p>Strengthen positioning in the most profitable segments.</p> <p>Active management of contracts.</p> <p>Excellence in risk management.</p> <p>Agile operational model.</p> <p>Expand offer of attractive products.</p>	<p>Develop projects of new solar farms with capex of ~R\$ 1 billion.</p> <p>Trading model and digitalized client service.</p> <p>Sustainability of the GD Model</p>	<p>Potentialize the business and improve governance.</p> <p>Disinvestments</p> <p>Disinvest other businesses (including minority holdings and jointly-controlled entities).</p>	<p>Invest R\$ 0.5 billion in new growth avenues and opportunities to increase efficiency of present businesses.</p> <p>TECHNOLOGY</p> <p>Modernize platforms and infrastructure, with capex of R\$ 0.7 Bi</p>

Note: (1)

Considers an average capacity factor of 47%; if plants have different factors, focus on achieving the target guarantee and adjust capacity proportionally.

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

Photovoltaic projects (More mature projects)

a) Boa Esperança:

- 85 MW and capex approximately R\$ 300 mn
- DRO (grant) issued
- Energizing planned end-2022.

b) Três Marias 1 (Floating):

- 60 MW and capex approximately R\$ 250 mn
- DRO and environmental license issued
- Energizing planned for 1H 2023

c) Três Marias Downstream

- 70 MW estimated and capex approximately R\$ 250 mn
- DRO issued
- Energizing planned for 1H 2023

d) Cerrados 1, 2 and 3:

- 260 MW estimated and capex approximately R\$ 920 mn
- Initial stage of studies
- Energizing planned for 2023

Wind projects

- Business opportunities of **1,257 MW** that originated from a Public call for projects (Sep. 2020) are **under evaluation**.
- These are **4** more mature **projects**, planned for conclusion of assessment, recertification and contracting in 2H21, with energizing planned for 2023 and 2024.
- Estimated Capex **~R\$6 billion**



Praias de Parajuru wind farm



Volta do Rio wind farm



Thermoelectric projects (Natural Gas)

- Prospect for thermal plant projects using natural gas for sale of energy in the Regulated Market.
- Combined cycle thermal plant – 550 MW and estimated capex R\$ 1.7 bn, DRO issued.



Prospecting in innovation

- Develop trackers, floating photovoltaic plants and hybridization.
- Studies for use of new photovoltaic panel technologies.
- Produce green hydrogen in hydrolyzers from renewable sources.



Hydroelectric projects

- Expand capacity of present Small Hydro Plants by 50MW (Regulated Market).
- *Poço Fundo* Small Hydro Plant being implemented (increase of capacity **9.2 para 30 MW**)



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.

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 (and adjacent areas) by **~500km** through project auctions and M&A, to protect market share.

Be proactive with the regulator, speeding the Generation agenda.

AMBITION



Consolidate leadership in final clients, maintaining volume of 3.7GW average, with gross margin above 9%, adopting the best risk management practices in the sector, with highlight for client service (top 3 in NPS), increasing **Ebitda by R\$ 184mn** by 2025 (to R\$ 525mn).

STRATEGIC GUIDELINES



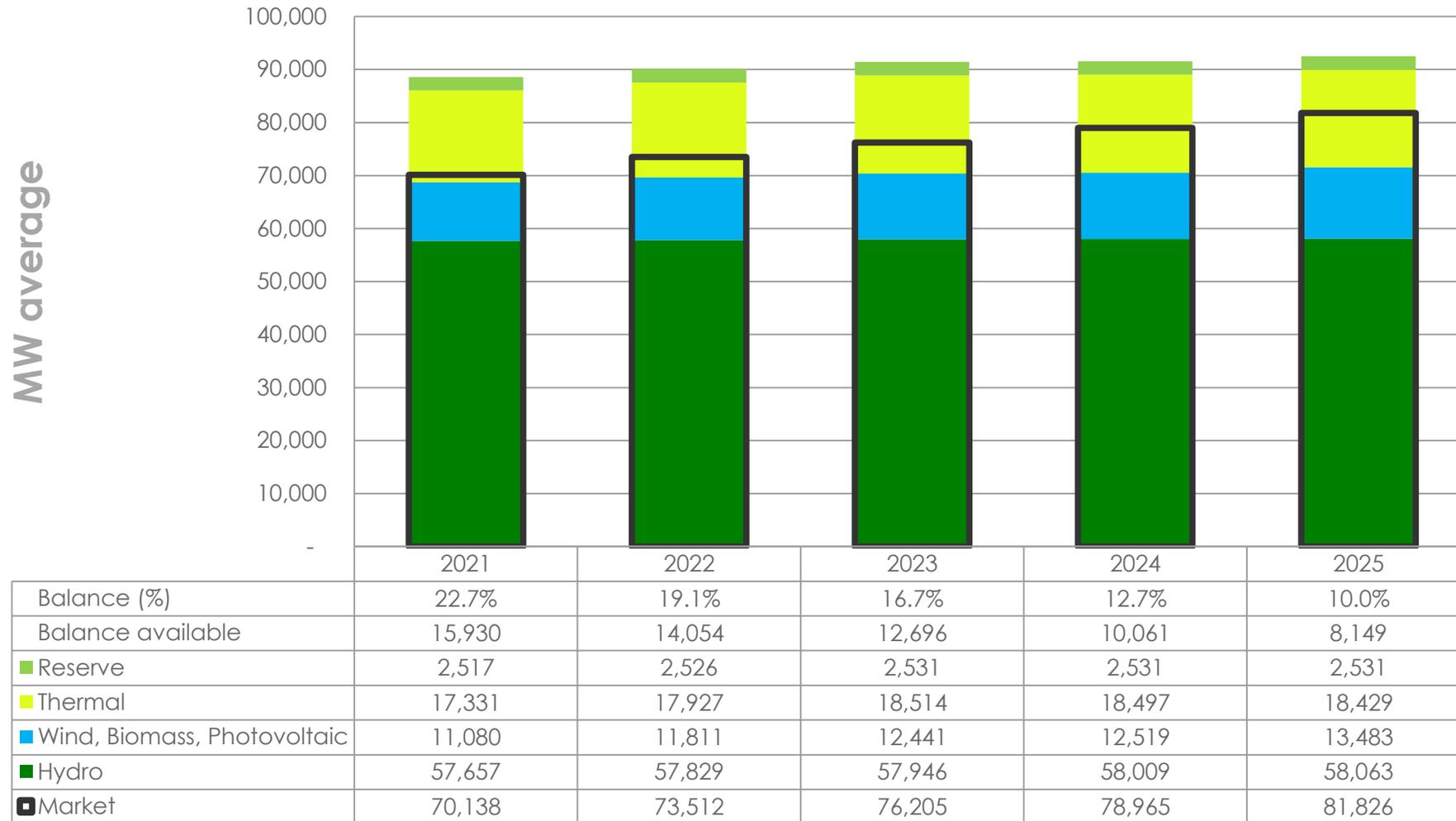
Seek growth in **profitable clients**, offering **experience superior to competitors**'.

Incorporate 0.5 to 1.9 GW average at competitive prices by 2030, completing positions at moments of adequate margin, leveraging the image of an integrated company.

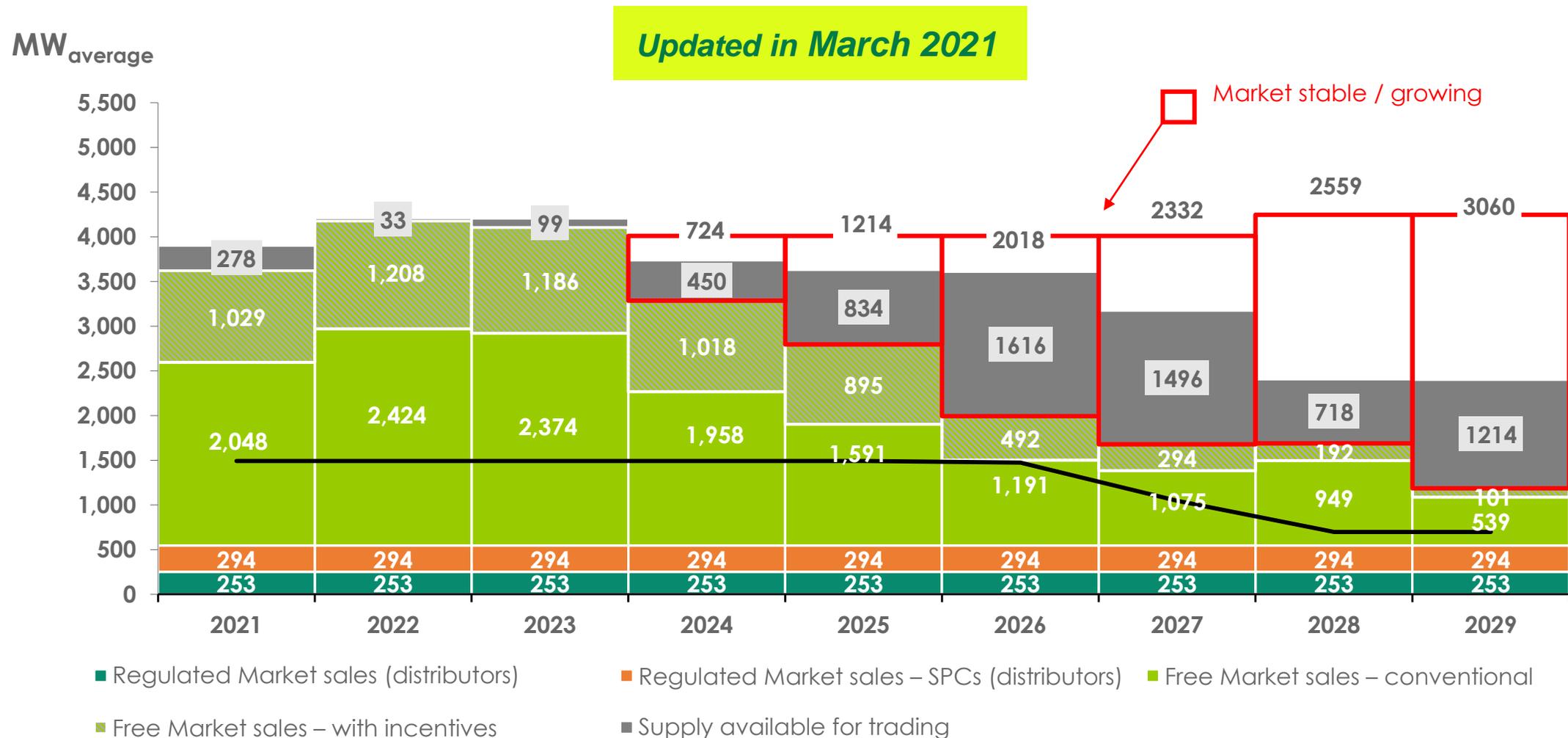
Adopt sector **best practices to monitor and manage all material risks**, giving the organization **transparency**.

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

Adapt **offer of energy products and other commodities**.

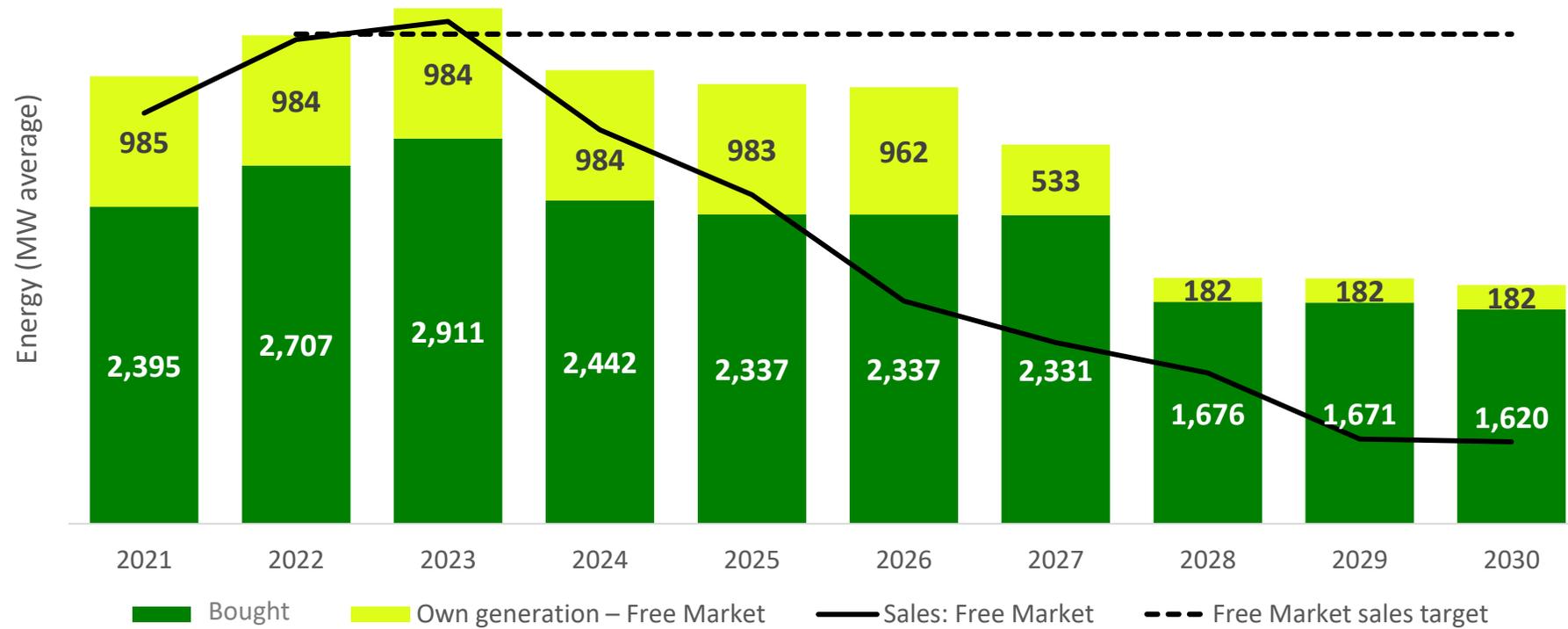


Source: April 2021 PMO (due to delay in construction, supply from Angra III not included in this period).



(*) 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.

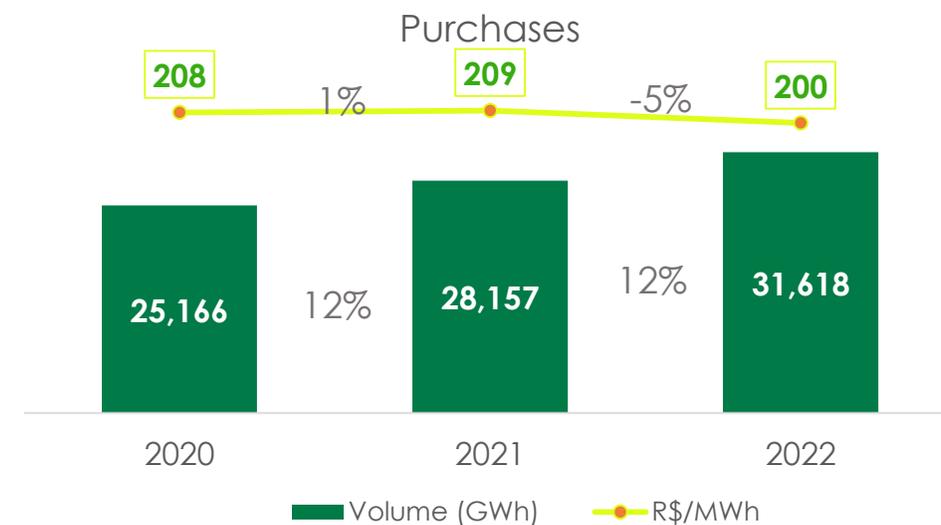
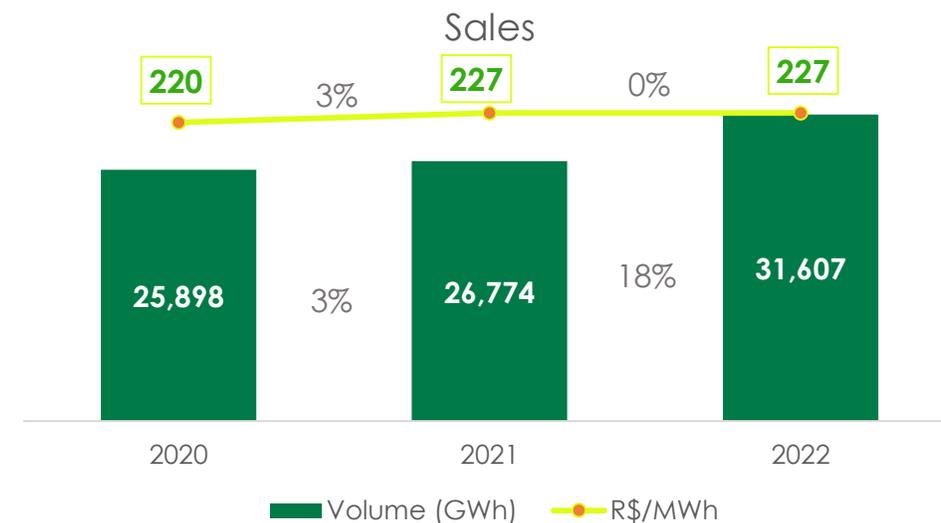
Updated in March 2021



	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Sales: Free Market	3,102	3,657	3,796	2,976	2,486	1,682	1,368	1,141	640	619
Free Market target (Strategic planning)	-	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Additional funds required	-	9	0	274	379	401	836	1,841	1,846	1,898

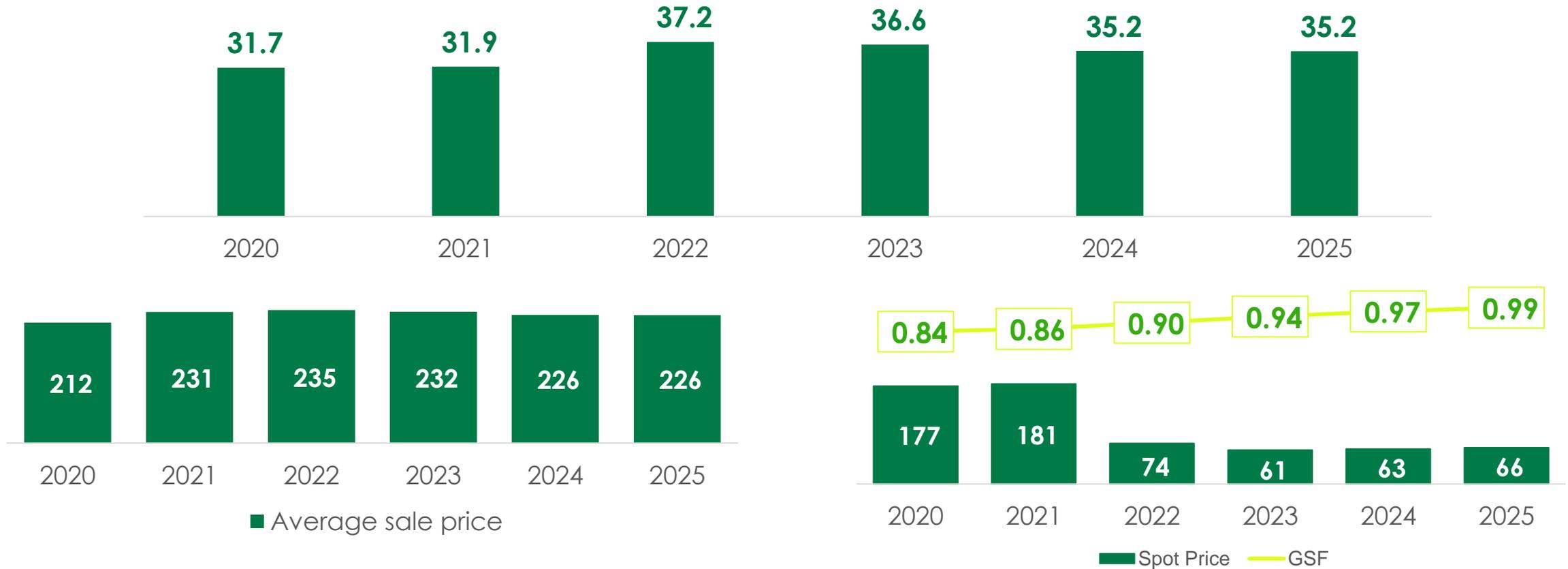
Appropriate trading strategy brings positive results: increased market and margins

	2020	2021	2022
Revenue (R\$ mn)	5,692	6,070	7,172
Volume (GWh)	25,898	26,774	31,607
R\$/MWh	220	227	227
Purchase (R\$ mn)	-5,229	-5,893	-6,313
Volume (GWh)	25,166	28,157	31,618
R\$/MWh	208	209	200
Third parties	-3,972	-4,599	-5,272
Volume (GWh)	18,829	20,721	25,315
R\$/MWh	211	222	208
Own generation (Cemig)	-1,257	-1,294	-1,041
Volume (GWh)	6,336	7,436	6,303
R\$/MWh	198	174	165
Other (R\$ mn)	-72	158	-248
Taxes (R\$ mn)	-36	-31	-56
Margin (R\$ mn)	355	305	554
Margin, %	6.2	5.0	7.7



Wind farms start operation with power contracted by Cemig GT, and concessions extended under the GSF law.

Billed market – TWh



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.**

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.

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

Be proactive with the regulator, promoting an agenda of balance for the power sector.

1

Focus on the Client

- Put in place innovations for improvement of clients' experience in Cemig.

2

Excellence in Capex

- Implement 3-phase network in main rural circuits
- Implant underground networks in 42 historic cities

3

Management of revenue

- Census of public lighting and sharing of infrastructure
- Identify clandestine areas
- Implement low-voltage zero networking circuits
- Benefit 240,000 families

4

Operational efficiency

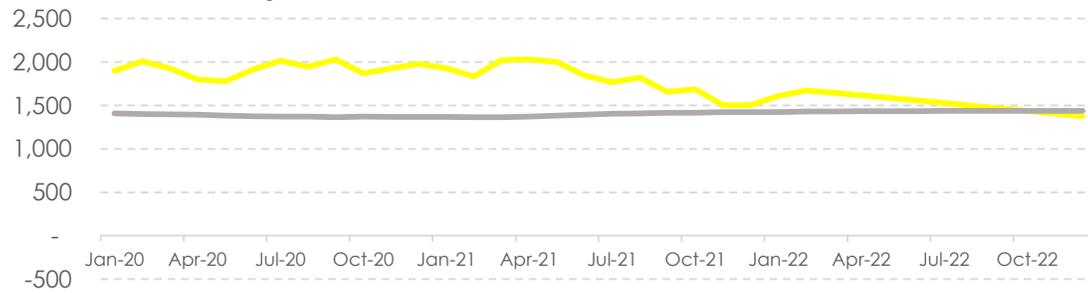
- Define strategic activities to be prioritized.
- Centralize dispatching

Cemig D target: bring power losses to within regulatory parameters by end-2022

Initiatives

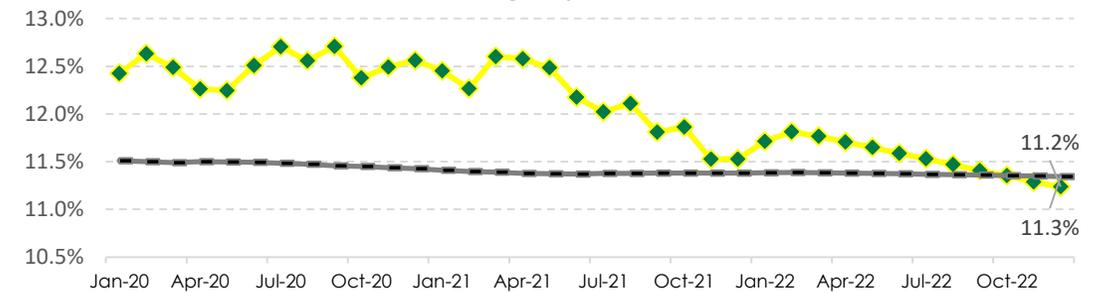
- Increase number of client inspections
- Replace obsolete meters
- Replace conventional meters with smart meters
- Regularize unauthorized connections
- Monitor and inspect Public Lighting

Projections for Commercial losses – 2020-22



— Estimated Commercial Losses (GWh) — Regulatory Commercial Losses (GWh)

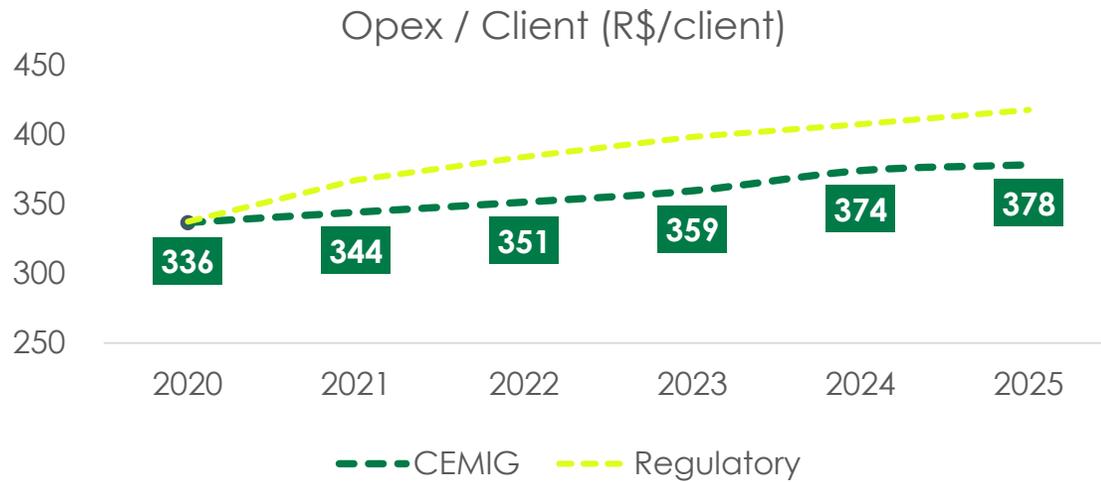
Total losses, vs, Energy injected – 2020-22



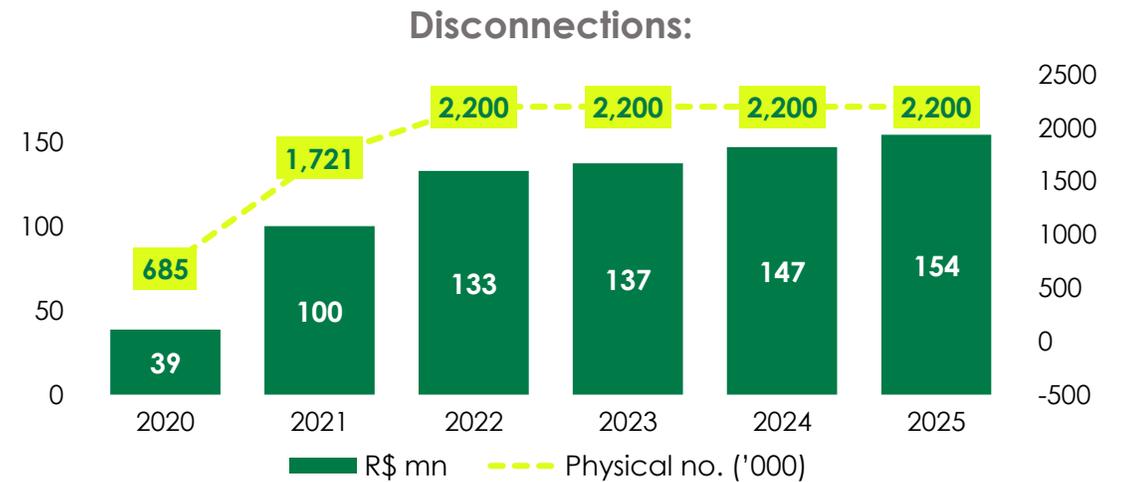
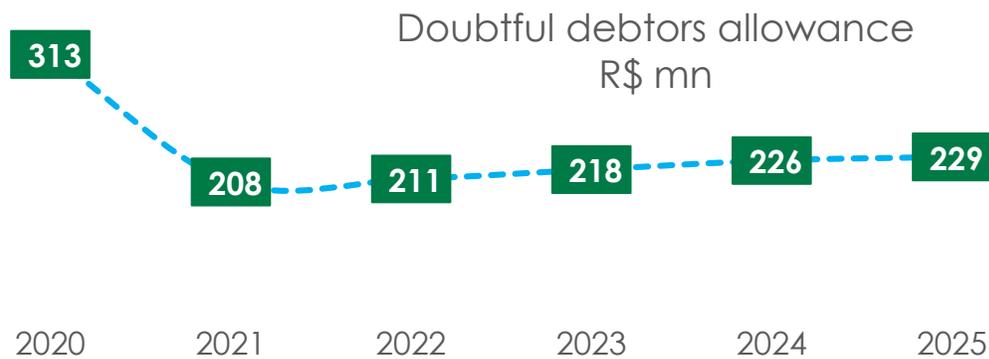
— Total Losses / Energy injected (real), % — Total Losses / Energy injected (Regulatory), %

Operational costs below regulatory limit.

Significant boost to new level (2.2 million disconnections/year) in combat of power losses / default.



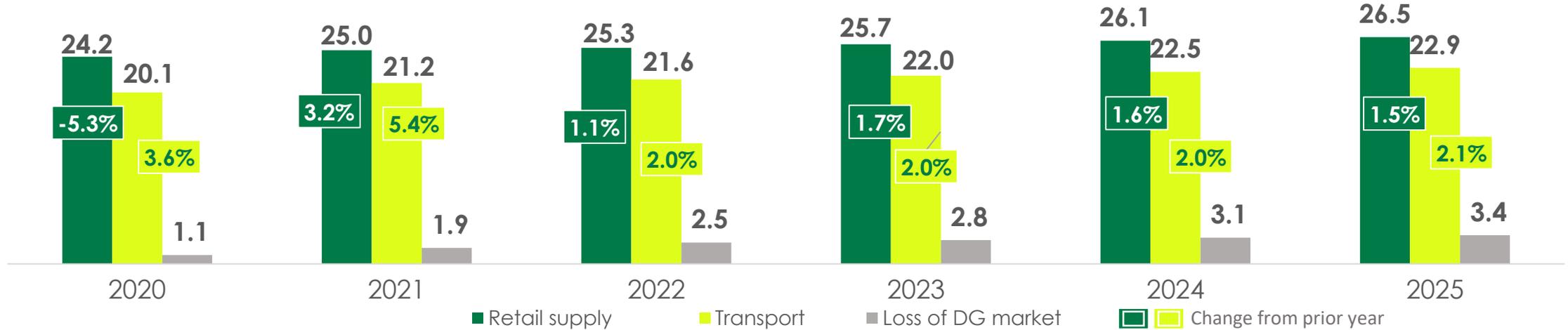
Number of clients		Change
2020	8,697,191	
2021	8,860,870	163,679
2022	9,024,409	163,539
2023	9,187,815	163,406
2024	9,351,091	163,276
2025	9,514,231	163,140



- Doubtful debtors allowance: Estimated loss on doubtful receivables.
- Disconnections: Disconnections of supply to defaulting consumer units.

Recovery of the economy and the market expected after the pandemic, especially in 2021.

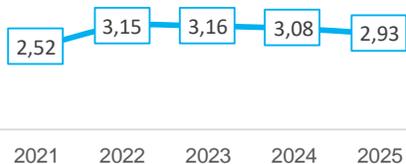
Billed market – TWh



Distributed generation: Significant potential impacts on Cemig D's market: important need for discussion on subsidies through a nationwide tariff policy

Macro assumptions

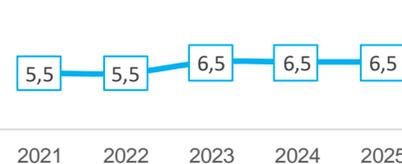
Real GDP growth (%)



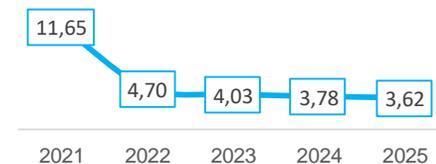
IPCA Inflation (% p.a.)



Selic rate – end of period



IGP-M Inflation (% p.a.)





AMBITION



Achieve a significant position in Distributed Generation, with focus on Minas Gerais State.

Invest R\$ 1bn by 2025, in projects for DG operation in verticalized solar farms (equivalent to 275MWp), with IRR equivalent to market average, ensuring significant **market share (~30%)** in solar farms in MG, with **annual Ebitda of R\$ 170mn.**

WHERE to PLAY?

Focus on **Minas Gerais**
Operate exclusively in Solar farms (verticalized operator)

Other products and services – less priority

Evolve competencies to **operate on a majority-stockholder structure model.**

HOW to WIN?

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

Establish a digitalized model for sales and optimized customer 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 inserted into the tariff model).

STRATEGIC GUIDELINES



AMBITION



Strengthen Gasmig's presence in Minas Gerais, with investment of R\$ 1bn by 2025, with greater management and governance transparency, operating with increased commercial efficiency and increase in investments to expand the network – **adding R\$ 318 million in Ebitda in 2025.**

STRATEGIC GUIDELINES



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

Increase saturation of the existing network to expand the urban segment client base.

Expand HDPE and steel networks, to reach selected major urban centers, investing in service to large industrial clients.

Expand Free Market through the commercialization of gas

Actively monitor **new legislation** in close contact with the regulator.

AMBITION



Develop new businesses for the future in the energy sector, and implement main innovations that bring efficiency, efficacy or other improvements to the present businesses, expecting to invest R\$ 500mn (2021-2025).

STRATEGIC GUIDELINES



WHERE to PLAY?

New growth avenues based on transformations of the sector, regulation and technology.

Increase **efficiency in the present businesses;** optimization in services and customer care.

HOW to WIN?

Maximize **use of available resources** and management of results, to potentialize impact of innovations.

Implement **innovation governance** to manage the pipeline of innovations and monitor projects.

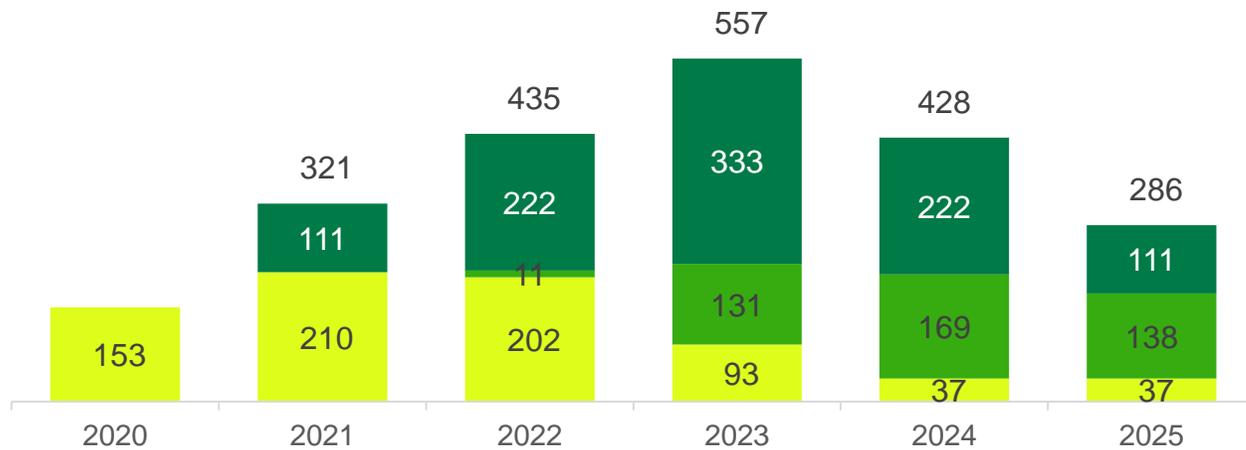
Financial Projections



Investment of R\$ 7 bn in transmission and generation in 2021–25

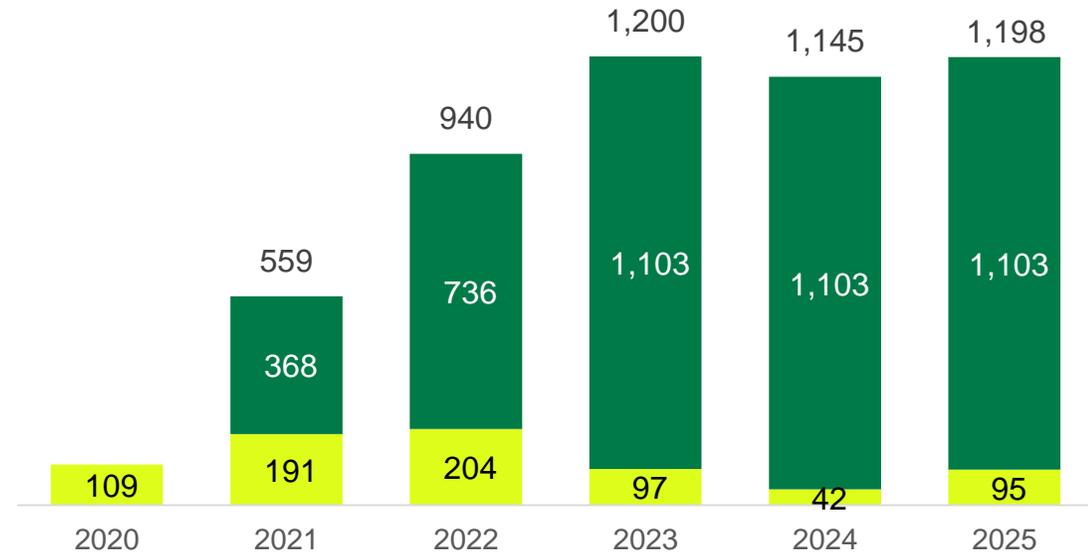
Transmission

R\$2 bn



Generation

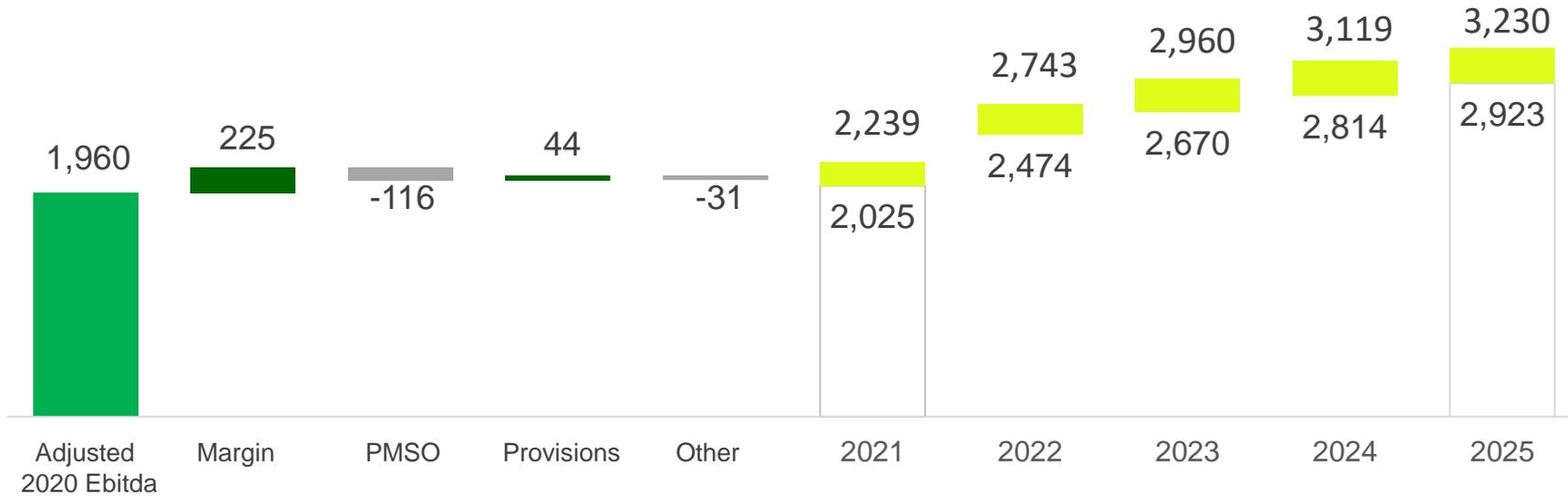
R\$5 bn



- New Projects
- Potential updating and enhancements
- Existing authorizations

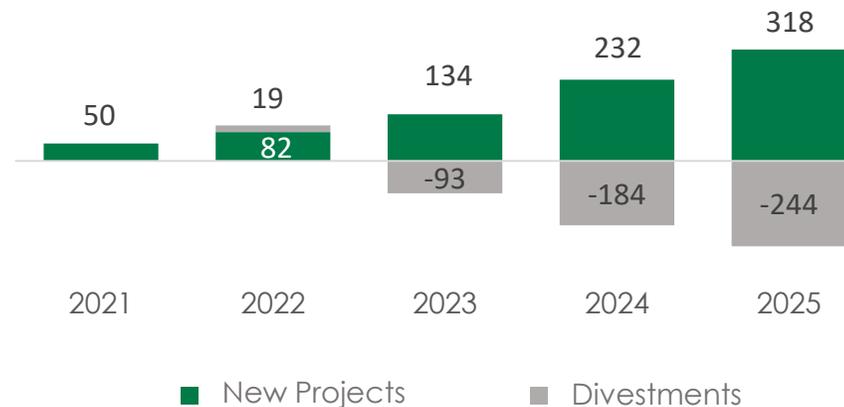
- Generation
- New projects

Improve margin in the three businesses: Generation, Transmission and Trading.

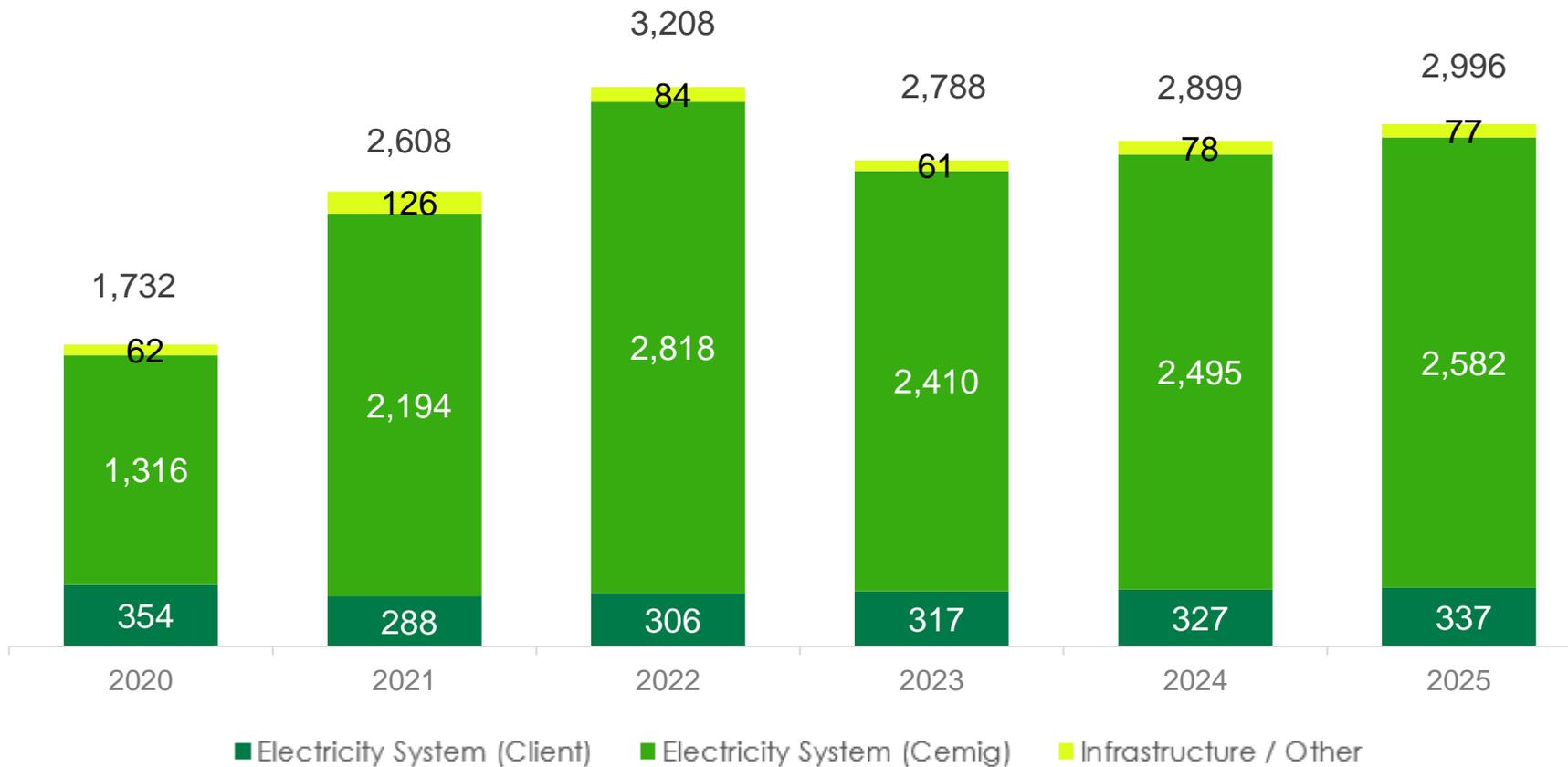


- Margin (2021): Monetary updating of the concession grant fee (Lot D); improvement of short-term results and updating of transmission assets; (2022): increase trading margin
- PMSO (2021): Studies for expansion; recuperation of wind farms; dam safety; turnaround of IT.

- Ebitda considers new investments in Generation and Transmission and divestments with effect from 2022
- Ebitda of new investments is not fully reflected in the period up to 2025 due to the projected maturation of the projects

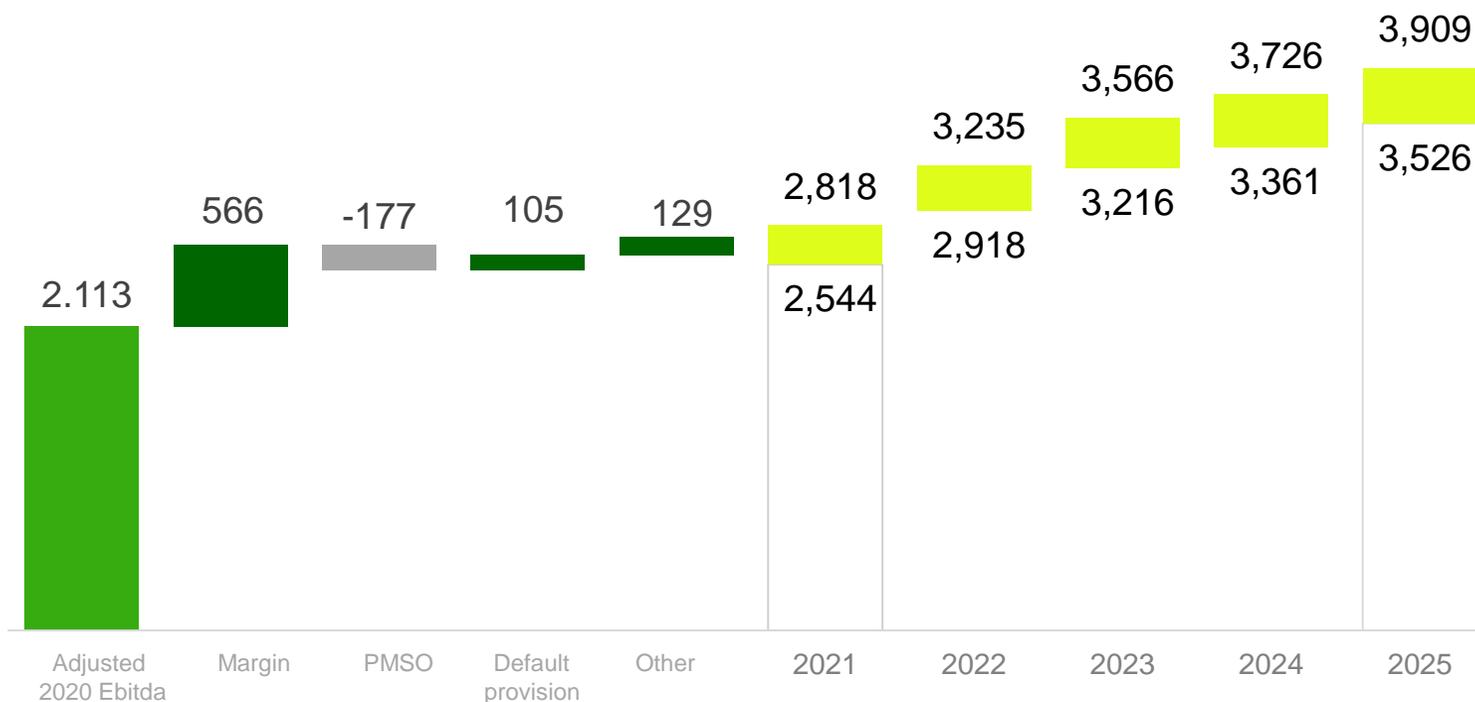


New investment program – R\$12.5 bn



- Electricity System (Clients): incorporated into *Special Obligations*.
- Electricity System (Cemig): incorporated into Regulatory Remuneration Base (BRR). Capex R\$12.5 bn
- Estimated BRR for the year 2023 is R\$ 13.6 bn

Consistent growth of Ebitda



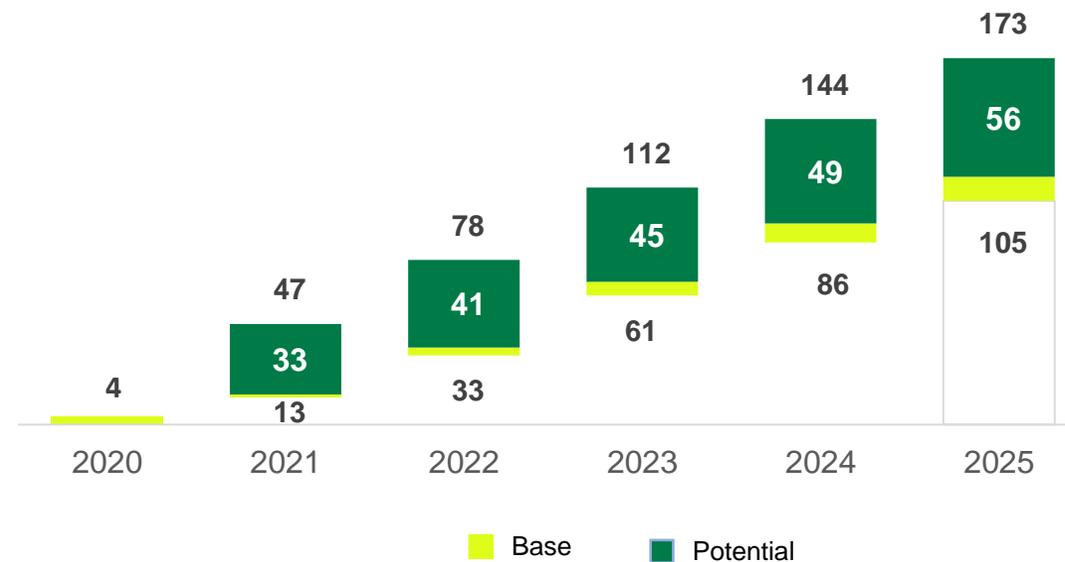
- Inflation adjustment of VPB++ by IPCA index; Xt factor; adjustment of power losses; increase in market.
- PMSO (2021): Increase number of disconnections; IT turnaround; investigate and quantify sharing of infrastructure / public lighting.
- Other (2021): Reduce provisions; reduce net loss on deactivation and/or sale of assets.

Investment of R\$1 billion in 2021–2025.

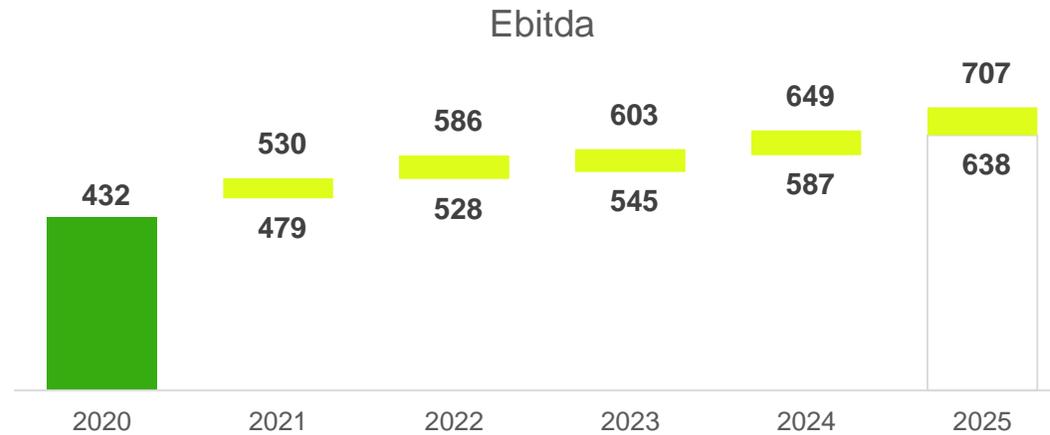
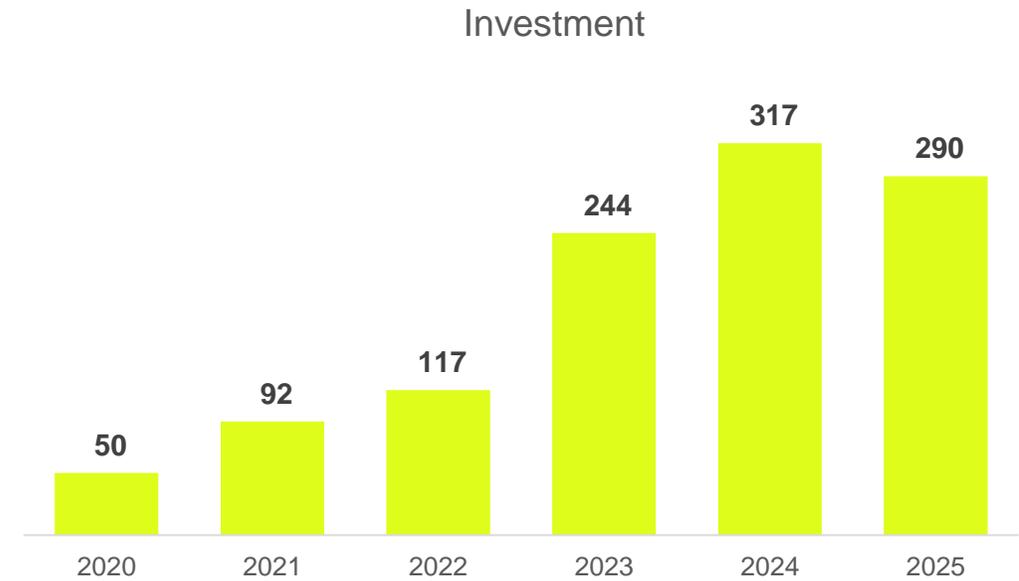
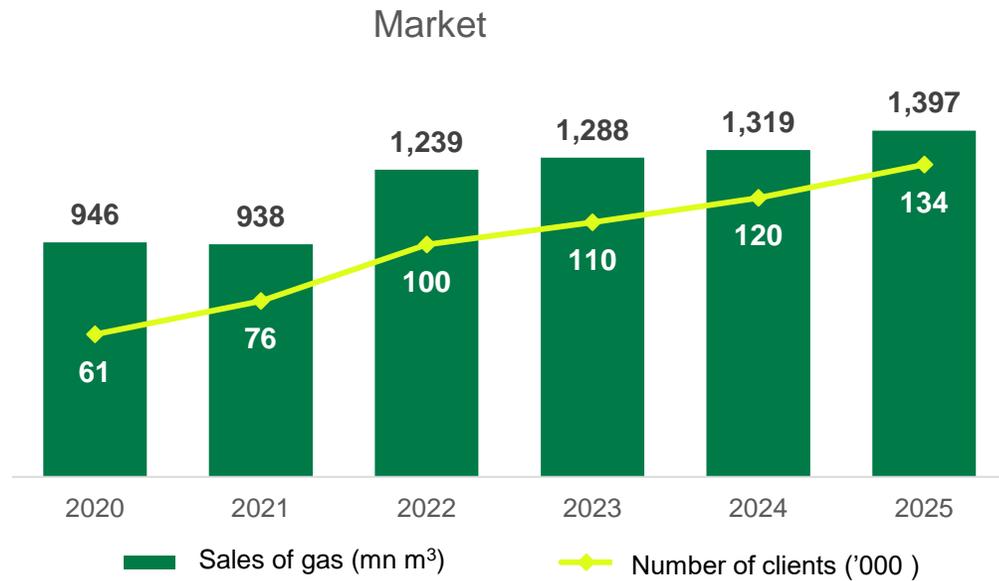
Investment



Ebitda

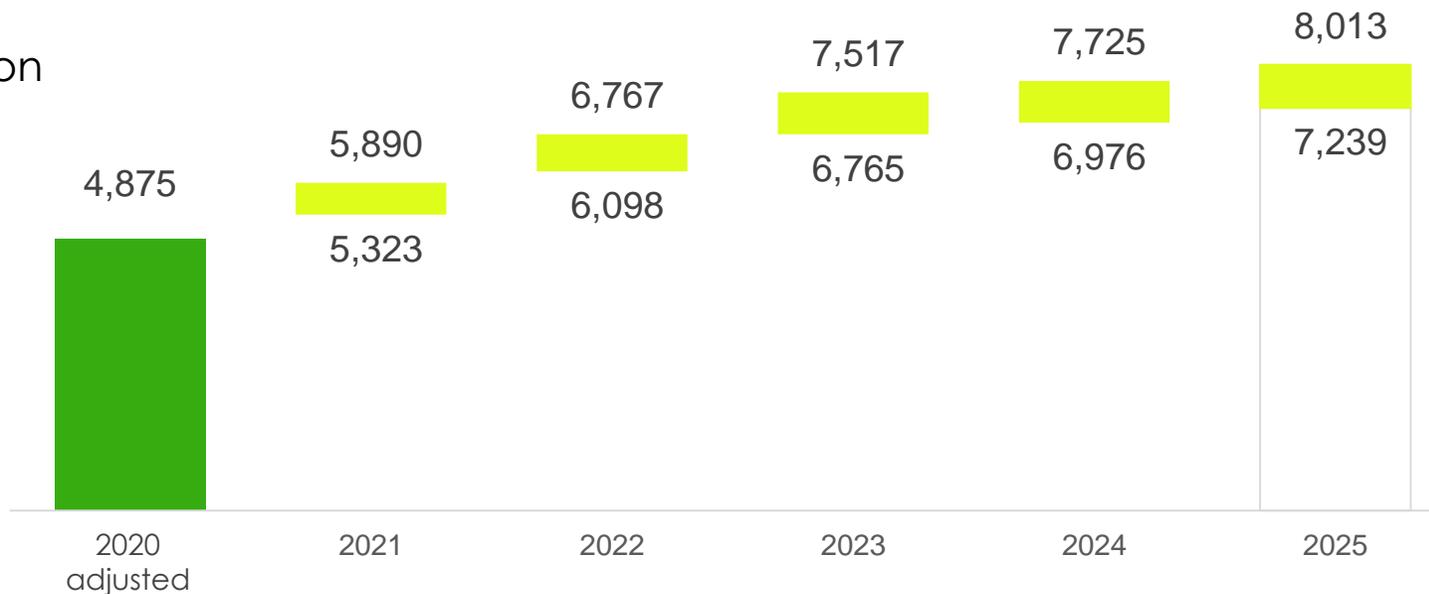


Investment of R\$1 bn in 2021-2025, with 48% growth of the market.



Continuous quest for better results, focused on core business.

100% Gasmig Consolidation



- Ebitda considers new investments in Generation and Transmission and divestments with effect from 2022
- Considers the sale of 25% of Gasmig, maintaining the consolidation in the consolidated Ebitda
- Ebitda of new investments is not fully reflected in the period up to 2025 due to the projected maturation of the projects



■ New Projects ■ Divestments



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