



2021

**A year of great
achievements**



IBRX100 B3 IEE B3 ISE B3 ICO2 B3

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 events or results will occur 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, market conditions in the electricity sector, and expected 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: Cemig's 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. Due to these and other factors, our results may differ significantly from those indicated in or implied by such statements.

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In this material, financial amounts are in **R\$ million** (R\$ mn) unless otherwise stated.

Financial data reflect the adoption of **IFRS**.

Management focused on results

SOME OF OUR ACHIEVEMENTS

✓ OPEX and EBITDA within regulatory parameters

- OPEX **14.2%** below regulatory parameters and EBITDA **18.3%** above regulatory parameters

✓ Losses within regulatory parameters (11.23 p.p. against a target of 11.28 p.p.)

- The integrated actions implemented during the year were important for us to achieve this result

✓ Best DEC index in 69 years of history

- The strong investment plan contributed to the DEC of 9.46 hours

✓ Historic cash generation in 2021

- EBITDA of **R\$8.0 billion** (+40.5% y/y)

✓ Strategic decisions drive the Company's results

- Net income of **R\$3.8 billion** (+31.0% y/y)

Management focused on results



**SOME OF OUR
ACHIEVEMENTS**

✓ Strong liquidity, with leverage close to 1x EBITDA

- Recurring reduction in net debt
- The rating agencies increasingly upgraded our ratings

✓ Best rating in the Company's history

✓ Liability management

- ✓ Structural solution for post-employment liabilities
 - Adjustment to post-employment benefits - Life Insurance **R\$415 mn**
- ✓ Bond Buyback Transaction - Cemig GT - **US\$500 mn**

✓ GSF Renegotiation

- Extension of concession agreement, highlighting Emborcação and Nova Ponte plants, which gained 2 additional years

✓ Began participating in transmission auctions again

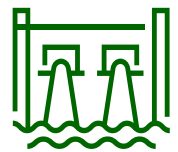


- ✓ **Concluded the sale of stake in Light**
 - R\$1,372 mn referring to a 22.6% stake
- ✓ **Sale of our stake in Renova is almost completed**
- ✓ **We began to transfer commercialization contracts to the Holding company**
 - Greater visibility for the commercialization business
 - Greater value creation for Group Cemig
- ✓ ***A private company mindset is essential to achieve our goals***
 - Renewal of leadership roles – 40% may come from the market
 - Change in mindset was essential to achieve our goals

Execution of the investment program

Investments of **R\$2,123 mn** in 2021

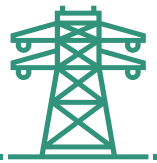
- ✓ A 29.5% growth over 2020
- ✓ Investments of R\$714 million in 4Q21 indicates a supply chain recovery for the energy sector



Generation

R\$165 mn

Expansion and modernization of generation



Transmission

R\$245 mn

Strengthening and upgrading – with increase in RAP



Distribution

R\$1,646 mn

Investments in maintenance and modernization of the electricity system

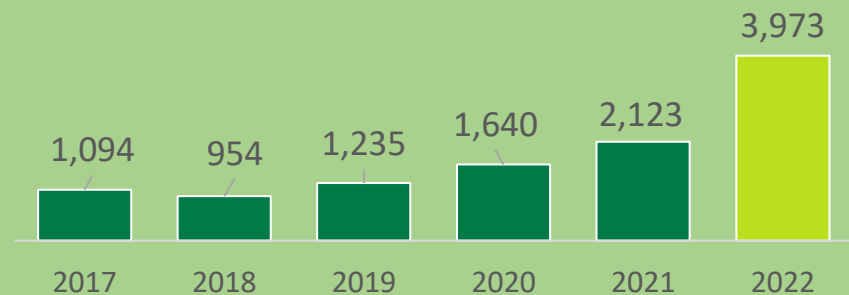
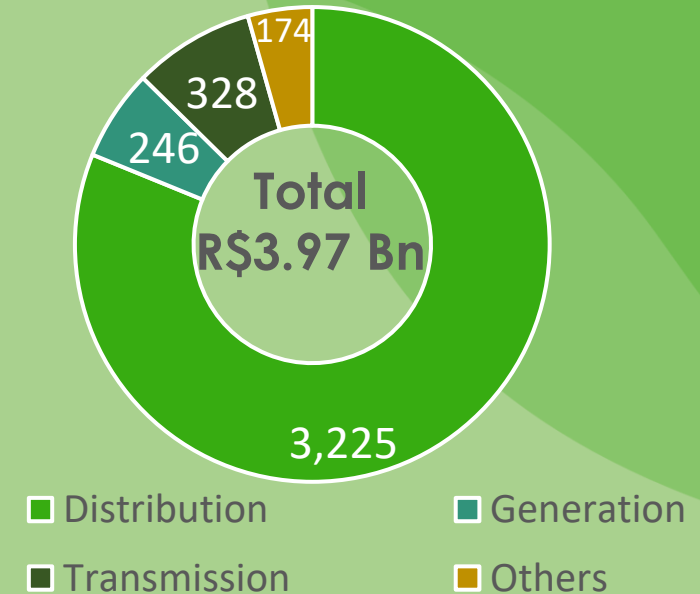


Others

R\$67 mn

R\$13 mn - Capital Injection into Cemig SIM
R\$54 mn Gasmig

Planned for 2022



✓ Completed sales:

✓ Light

- Remaining stake sold for **R\$1.372 billion** (R\$ 20.00 per share)

✓ **RENOVA**ENERGIA

- Total amount R\$60 mn (shares + receivables)
- Earn-out subject to liquidity events specified in the contract
- Transaction is subject to approval of conditions precedent



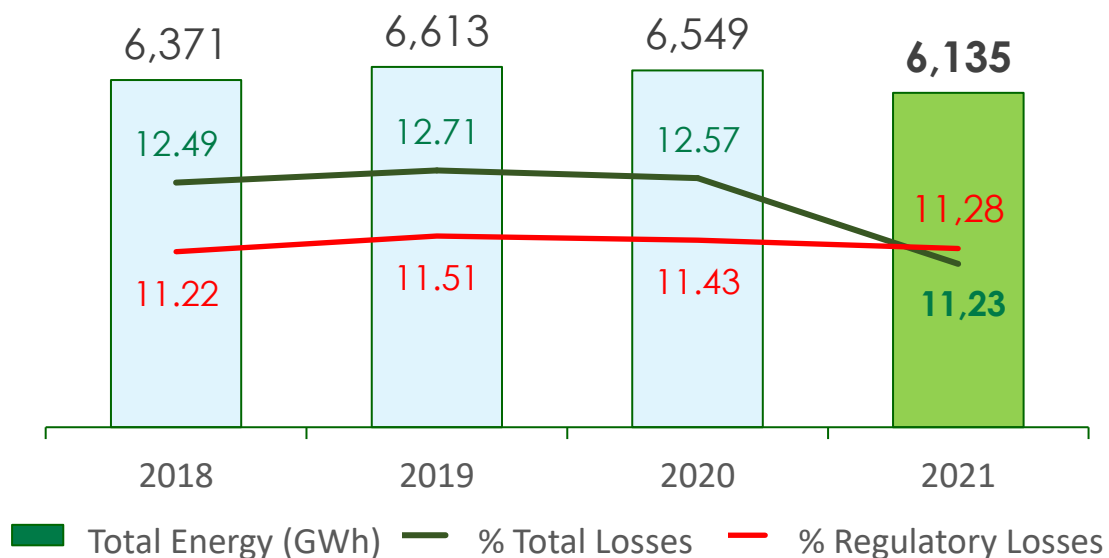
In line with its strategic planning, Cemig remains committed to divesting its equity stakes and reinforces its commitment to concentrate on its business in Minas Gerais



2021 was a year of achievement for **Cemig D**, especially in combating losses

- ✓ Total loss rate within the parameters established by Aneel
- ✓ Estimated savings of **R\$160 mm (~600 GWh)**

Total Losses



Energy recovery plan focusing on

- ✓ Approximately 60% of billed volume is protected
- ✓ Replacement of nearly 50 thousand obsolete meters, with the installation of over 15 thousand smart meters
- ✓ **384 thousand** inspections, with a record of detected irregularities, resulting from a higher success rate
- ✓ Removal of **3.7 thousand** irregular connections
- ✓ **Four (4) SEs** were energized, **74 feeders received** new configurations and **156 capacitor banks** were installed, allowing from a reduction in Technical Losses

Our challenges continues in 2022

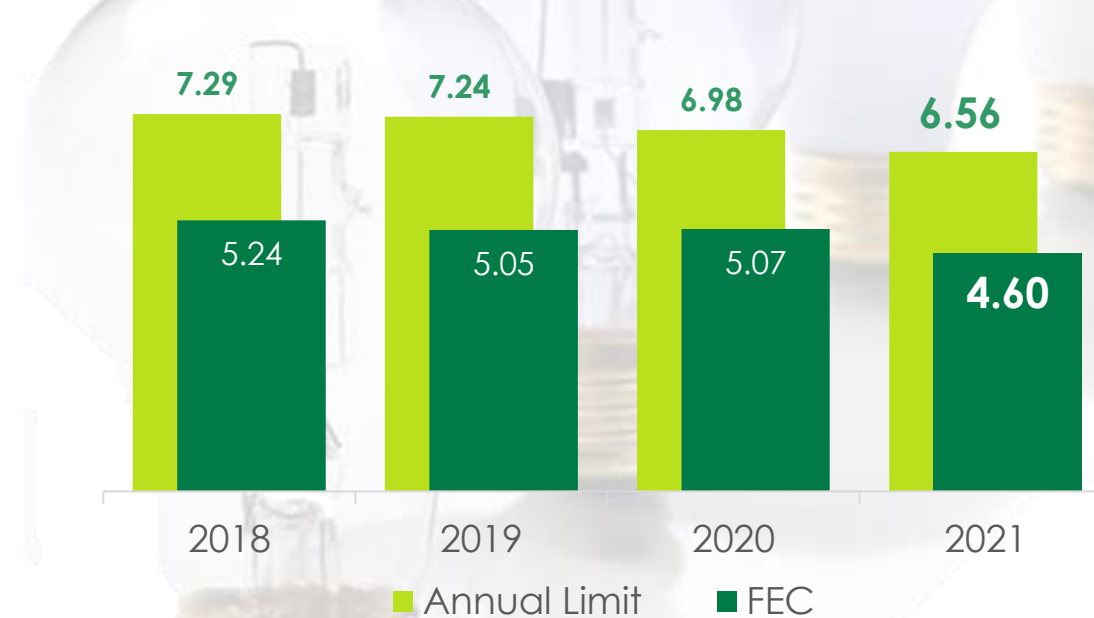
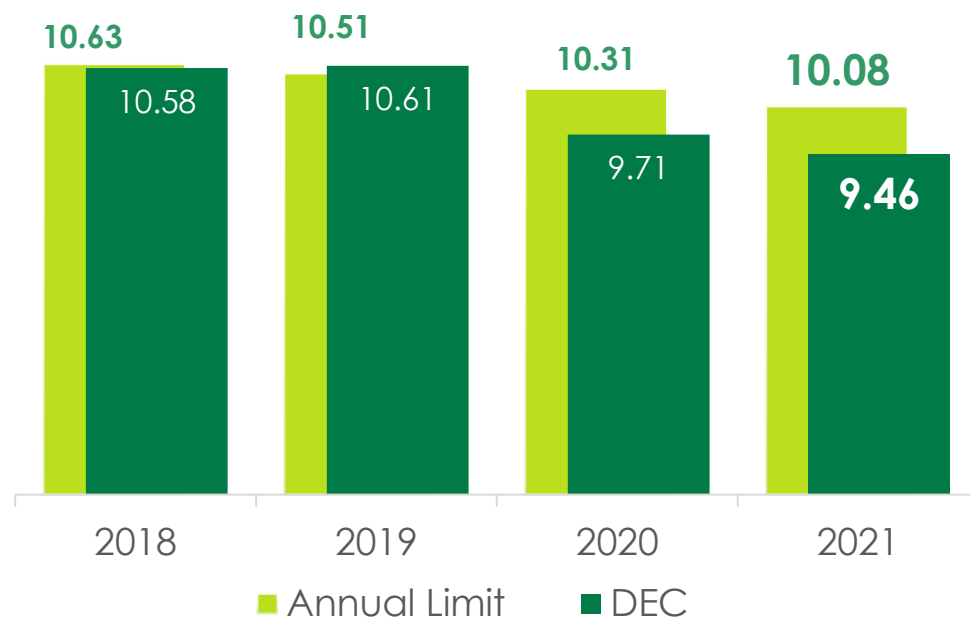
- ✓ Inspection, regularization and modernization of 1.4 million consumer units (with the installation of 350 thousand smart meters)



Quality indicator in customer service

Cemig D achieved historic results in quality indicators

- The increase in investments in the distribution concession has already impacted the quality of services to our customers through more agility and reliability

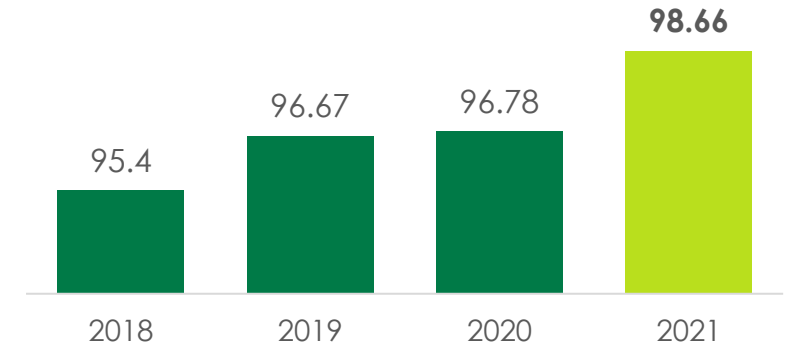


2021 was a year with exceptional results in combating default, even with the challenges imposed by the macroeconomic environment

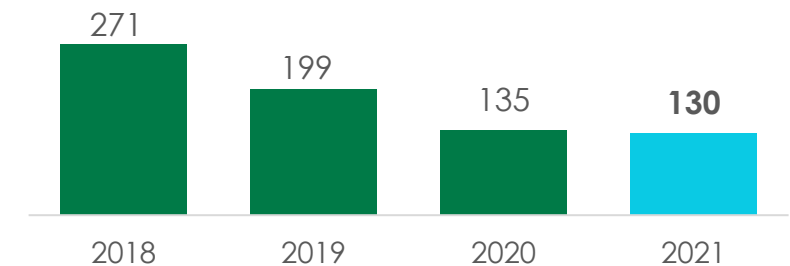
Effective contingency program:

- ✓ Daily monitoring of billing collection and default indicators
- ✓ Intensification (+30% vs 2020) and improvement of collection instruments
- ✓ **1.4 mn** disconnections in 2021, with **1.7 mn** more expected for 2022
- ✓ Increased negotiation channels (innovating by offering installment payment via WhatsApp)
- ✓ Diversification of means of payment and expansion of collection level focusing on digital: inclusion of PIX in May (already collected R\$180 mn with ~1 mn invoices) and leverage of negotiations via credit and debit cards
- ✓ Significant reduction in MG debts
 - ✓ Amortization of installments with tax credits – ICMS; R\$94.5 mn (9 installments of R\$10.5 mn) already offset

Receivables Collection Index - ARFA (%)
(Collection/Billing)



PECLD (R\$ mn)
Energy Supply and Use of Network



Cemig is aligned with the best ESG practices

Sustainability increased the Company's results



I-REC Renewable Energy Certificate

Permission for customers to prove the origin of their renewable energy, enabling additional commercialization values



Energy efficiency program

Investment of over R\$138 million in the last two years



Preservation

More than 4,600 hectares of preserved areas and planting of 221 hectares in 2021



Social Responsibility

Supporting all **774** municipalities in the concession area in the fight against the pandemic

- The Company sponsored **425** municipalities, and most have already received at least two of these items: cold chambers, refrigerators, freezers, thermal boxes, caps, disposable face masks, among other materials

Participation in Sustainability Indexes



Proposal for allocation of 2021 net income

Strong results offer attractive remuneration for our shareholders and support the execution of the largest investment plan in the Company's history



R\$1,966 mn destined for the payment¹ of mandatory dividends, corresponding to R\$1.16 per share

- **R\$955 mn** declared as interest on equity
Charged to the mandatory dividend, as resolved by the Board of Directors on December 10, 2021
- **R\$1,011 mn declared as mandatory dividends**



Pay-out of **52.4%**



Dividend Yield of **8.8%**

Bonus Proposal

30% Capital increase through bonus shares

	Share capital Dez/201	Bonus Shares	Share capital after Bonus Share
Preferred	1,127,325,434	338,197,630	1,465,523,064
Common	566,036,634	169,810,990	735,847,624
Total	1,693,362,068	508,008,620	2,201,370,688

¹ -Payment in two equal installments – the 1st until Jun/22 and the 2nd until Dec/22



RESULTS ANALYSIS

Cemig H

- ✓ We began to transfer Cemig GT's commercialization contracts
 - **R\$233 mn** in Ebitda and **R\$154 mn** in Net Income
- ✓ Gasmig had a prominent participation, contributing an EBITDA of **R\$681 mn**
- ✓ Adjustment to post-employment benefits - Life Insurance, in the amount of **R\$415 mn**

Cemig D

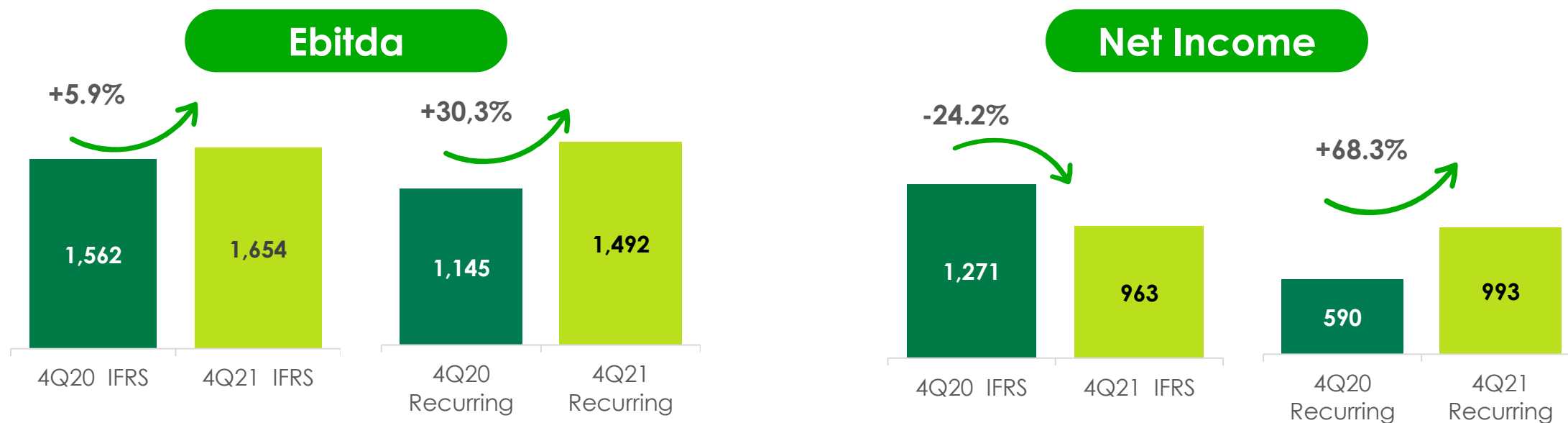
- ✓ OPEX and EBITDA within the defined regulatory parameters
- ✓ Losses within the regulatory parameters

Cemig GT

- ✓ Buyback of the US\$500 mn Eurobonds: Premium payment of **R\$417 mn**
- ✓ GSF Renegotiation: An impact of R\$1.3 billion (Cemig GT accounting for R\$1.0 billion and equity interests representing R\$308 million)
- ✓ Net adjustment to the investment in Santo Antônio, in the amount of **R\$204* mn**

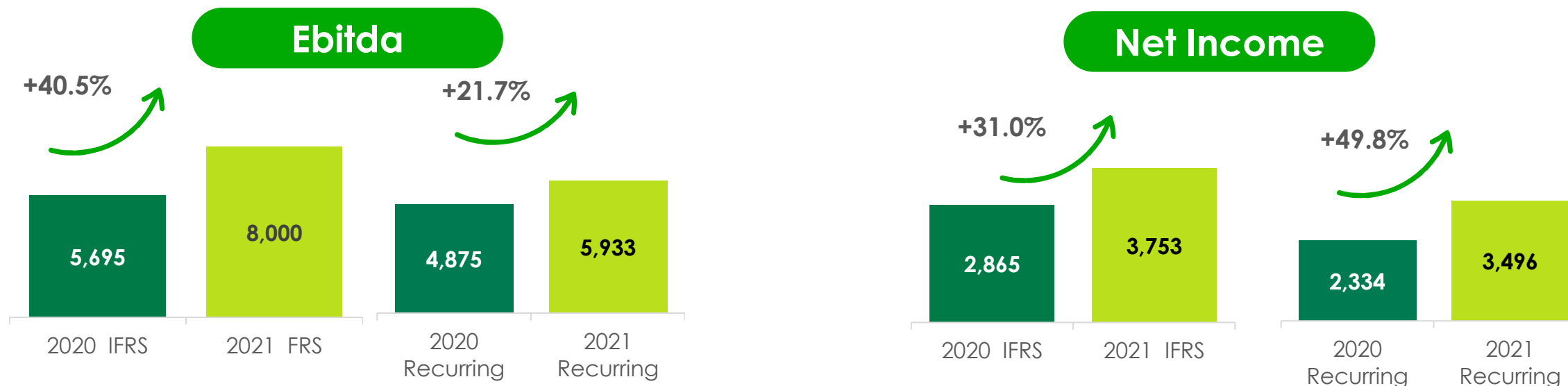
Devaluation of investments, in the amount of **R\$526 mn**. Tax credits recognized at MESA, in the amount of **R\$322 mn**.

Cemig reports solid and consistent results in the 4th quarter



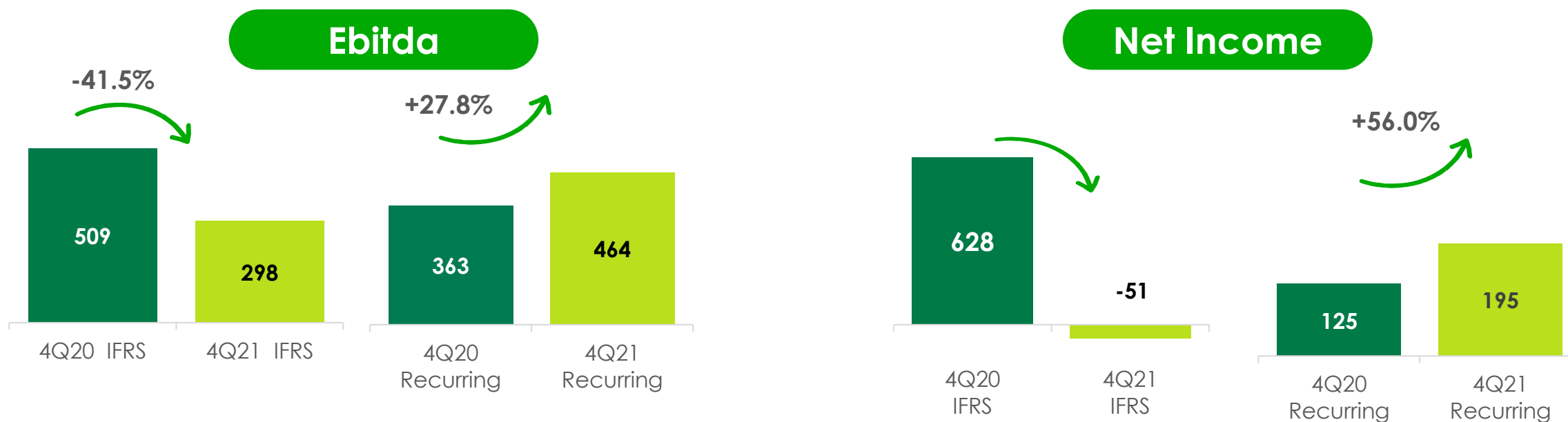
Adjustment	Ebitda		Net Income	
	4Q20	4Q21	4Q20	4Q21
IFRS	1,562	1,654	1,271	963
RTP Result	-141	2	-93	1
Gain on the sale of assets available for sale	-270	-	-178	-
Write-off and asset impairment	-5	51	-3	34
Net Adjustment on the devaluation of investments (Sto Antonio)	-	204	-	204
Write-off of post-employment life insurance balance	-	-415	-	-274
Eurobond	-	-	-406	67
Other	-1	-4	-1	-2
Recurring	1,145	1,492	590	993

Financial discipline and focus on operational management increased Cemig's results



Adjustment	Ebitda		Net Income	
	2020	2021	2020	2021
IFRS	5,695	8,000	2,865	3,753
RTP Result	-621	-215	-410	-142
Gain on the sale of assets available for sale	-	-109	-	-72
Hydrological risk renegotiation	-	-1,340	-	-989
Anticipation of services	-	-148	-	132
Net Adjustment on the devaluation of investments (Sto Antonio)	-5	255	-3	238
Write-off of post-employment life insurance balance	-	-415	-	-274
Reversal of default provision – Minas Gerais State	-178	-	-117	-
Eurobond	-	-	-2	913
Other	-16	-95	2	-63
Recurring	4,875	5,933	2,334	3,496

Highlight to the transfer of part of the commercialization contracts to Cemig H in 4Q21, impacting EBITDA by **R\$108 mn** and Net Income by **R\$71 mn**

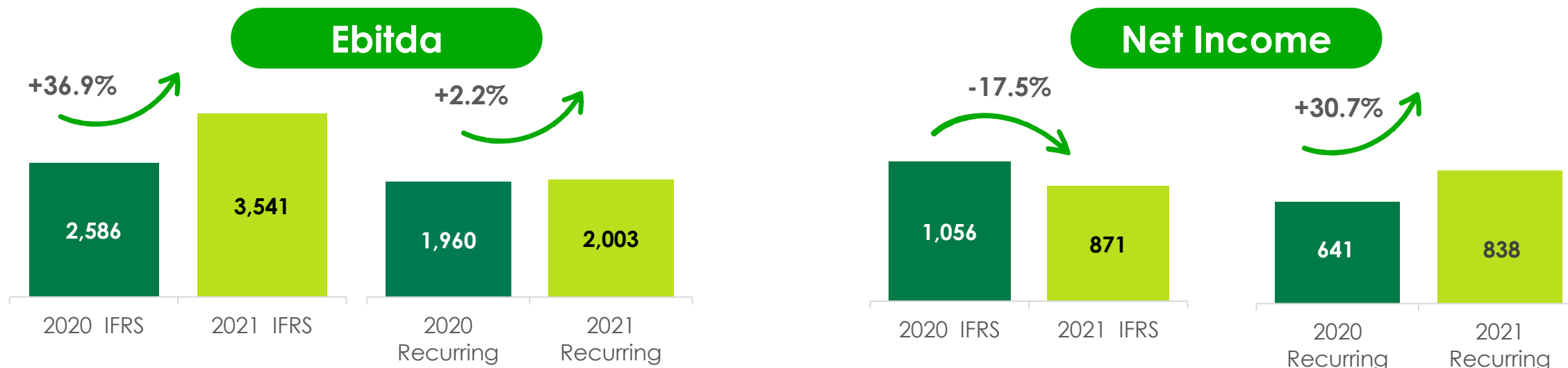


We began to transfer commercialization contracts to Cemig H in 3Q21

Adjustment	Ebitda		Net Income	
	4Q20	4Q21	4Q20	4Q21
IFRS	509	298	628	-51
Result of Periodic Tariff Review	-141	2	-93	1
Write-off and asset impairment	-5	51	-3	34
Adjustment for impairment of investments (Santo Antonio), net	-	204	-	204
Write-off of balance of post-retirement life insurance obligation	-	-91	-	-60
Eurobonds	-	-	-406	67
Recurring	363	464	125	195

Commercialization strategy mitigates business risks

- We highlight the transfer of part of the commercialization contracts to Cemig H in 2021, impacting EBITDA by **R\$233 mn** and Net Income by **R\$154 mn**



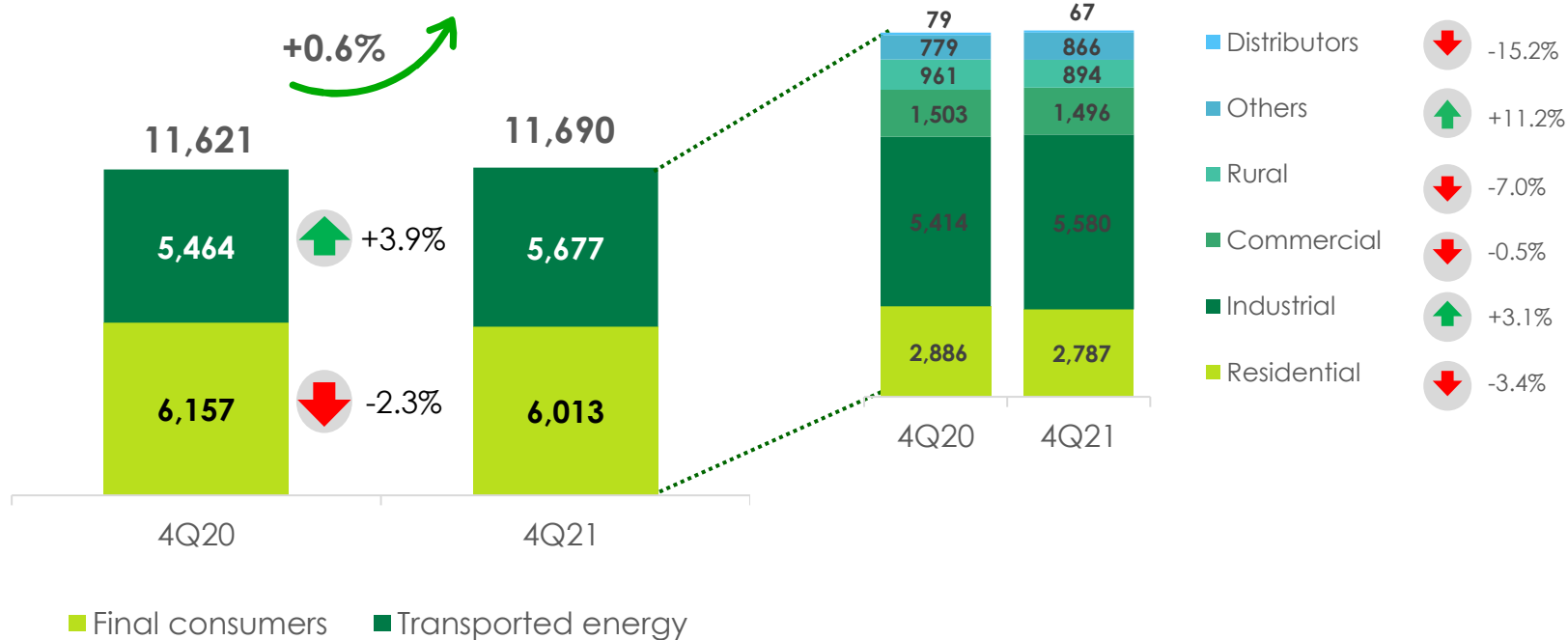
We began to transfer commercialization contracts to Cemig H in 3Q21

Adjustment	Ebitda		Net Income	
	2020	2021	2020	2021
IFRS	2,586	3,541	1,056	871
Hydrological risk renegotiation	-	-1,340	-	-884
Anticipation of services	-	-148	-	-98
Result of Periodic Tariff Review	-621	-215	-410	-142
Write-off and asset impairment	-5	51	-3	34
Net Adjustment on the devaluation of investments (Sto Antonio)	-	204	-	204
Write-off of post-employment life insurance balance	-	-91	-	-60
Eurobond	-	-	-2	912
Recurring	1,960	2,003	641	838

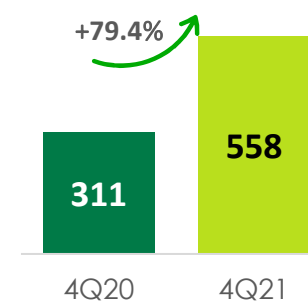
Cemig D - Energy market – 4Q21 MWh

The Cemig D energy market increased in 4Q21, even with mild climate and higher rainfalls

Cemig D: billed market + transmission



Injected energy DG - MWh



Distributed Generation increased significantly in 2021

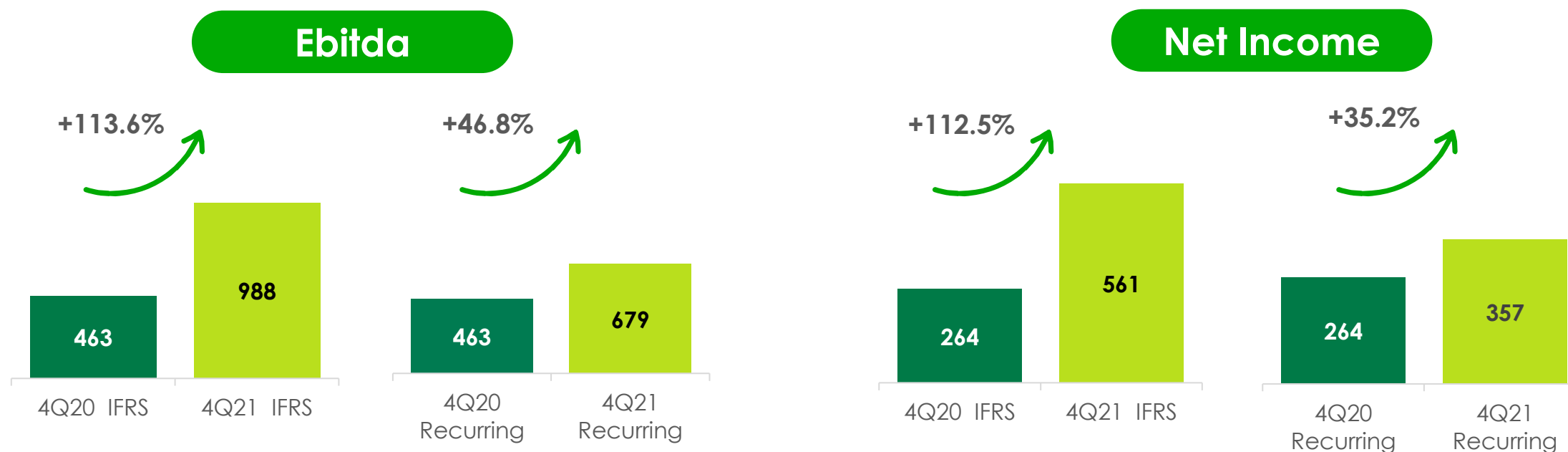


4.8% Energy injected

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

Cemig D - Results – 4Q21

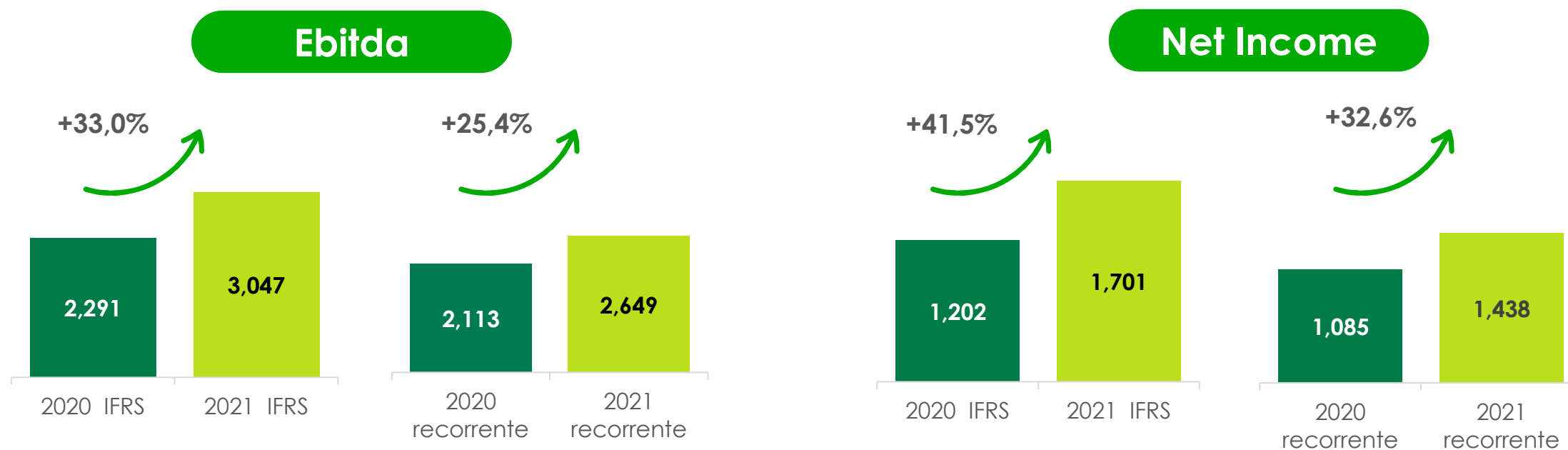
Cemig excluded the obligation to pay post-employment life insurance benefits from the 2021/2023 Collective Bargaining Agreement, positively impacting results by R\$309 million



Adjustment	Ebitda		Net Income	
	4T20	4T21	4T20	4T21
IFRS	463	988	264	561
Write-off of post-employment life insurance balance	-	-309	-	-204
Recurring	463	679	264	357

Cemig D - Results 2021

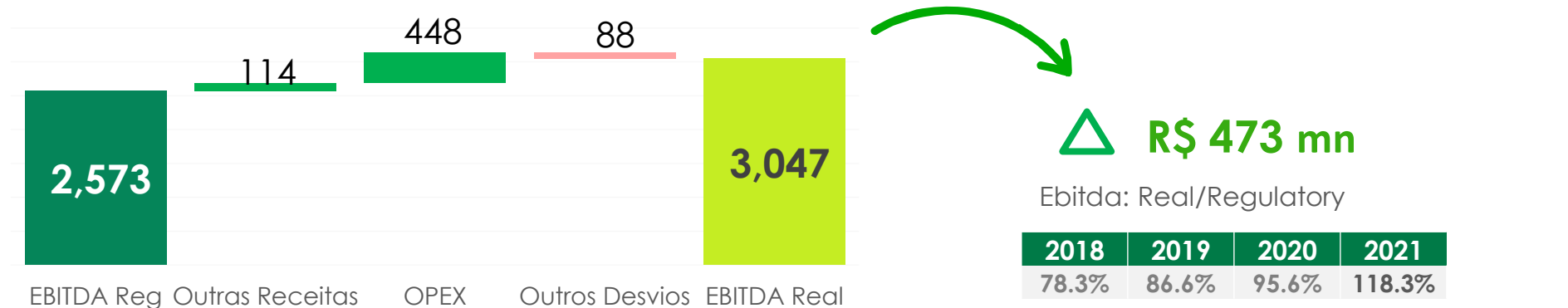
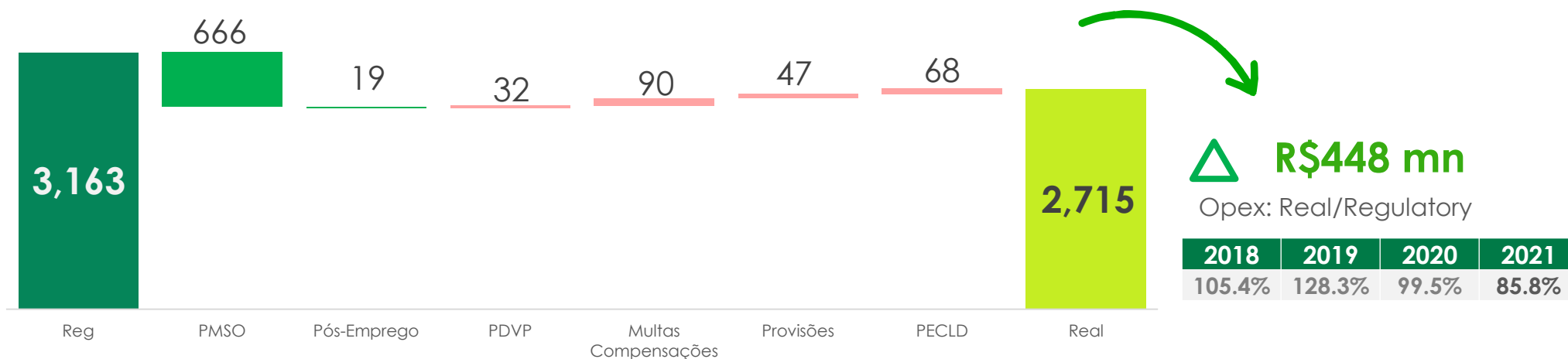
Strong cash generation will guarantee a robust investment plan to offer excellent services to the consumers in Minas Gerais



Adjustment	Ebitda		Net Income	
	4T20	4T21	4T20	4T21
IFRS	2,291	3,047	1,202	1,701
Reversal of default provision – Minas Gerais State	-178	-	-117	-
Reversal of tax provisions	-	-89	-	-59
Write-off of post-employment life insurance balance	-	-309	-	-204
Recurring	2,113	2,649	1,085	1,438

Cemig D – regulatory OPEX and EBITDA – 2021

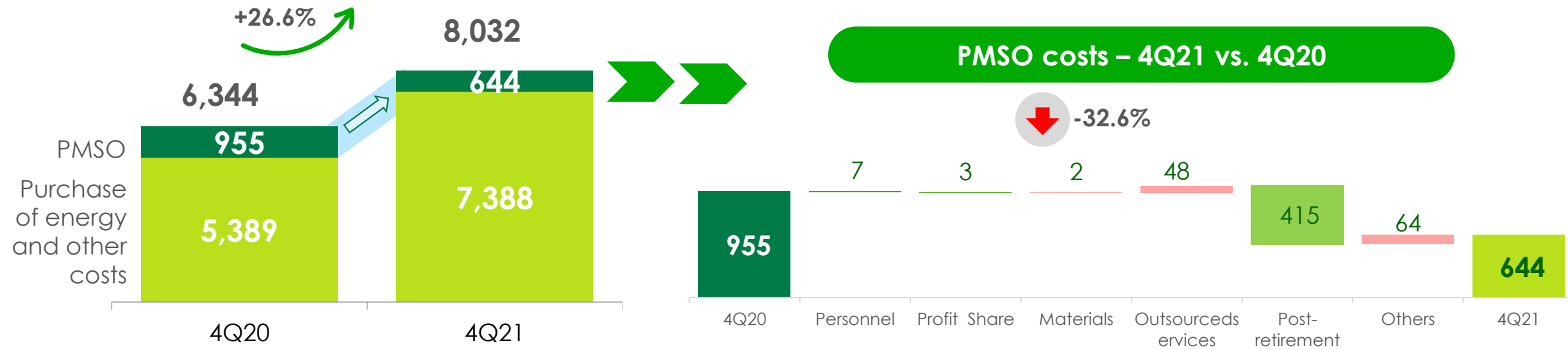
Commitment to operational efficiency-maintained indicators within regulatory parameters



In R\$ MN

Consolidated operating costs and expenses - 4Q21

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



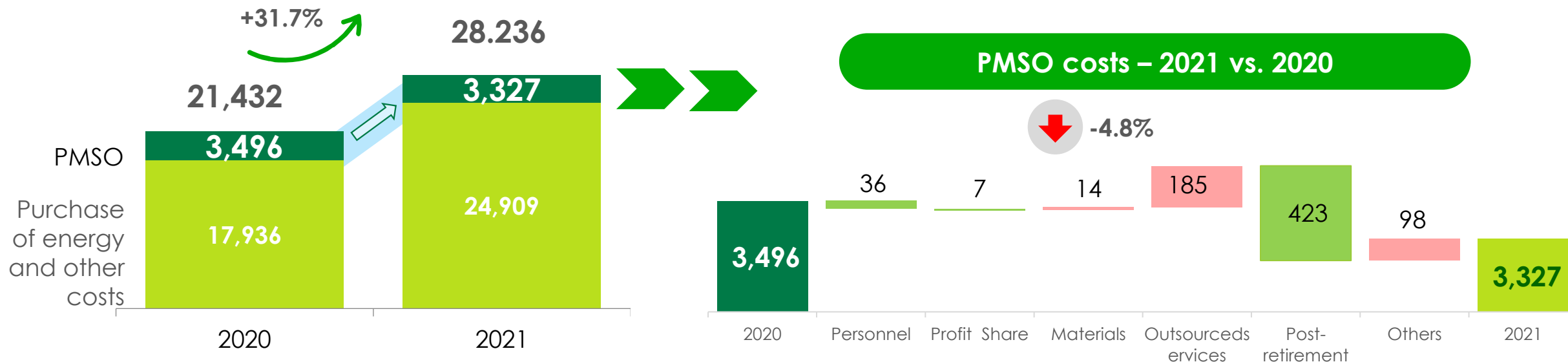
-32.6%

Reduction in Manageable Costs (PMSO) compared to 4Q20, in which we highlight

- ✓ Extinction of post-employment life insurance benefits for retirees (write-off of existing balance, in the amount of R\$415 million)
- ✓ Personnel expenses reduced by 2.2%, even after salary readjustments in November, reflecting the success of the voluntary dismissal programs
- ✓ Increase in other expenses due to non-recurring costs related to the end of activities at Itaocara (effect of R\$40 million)

Consolidated operating costs and expenses - 2021

The reduction in post-employment expenses is in line with our strategic planning



-4.8%

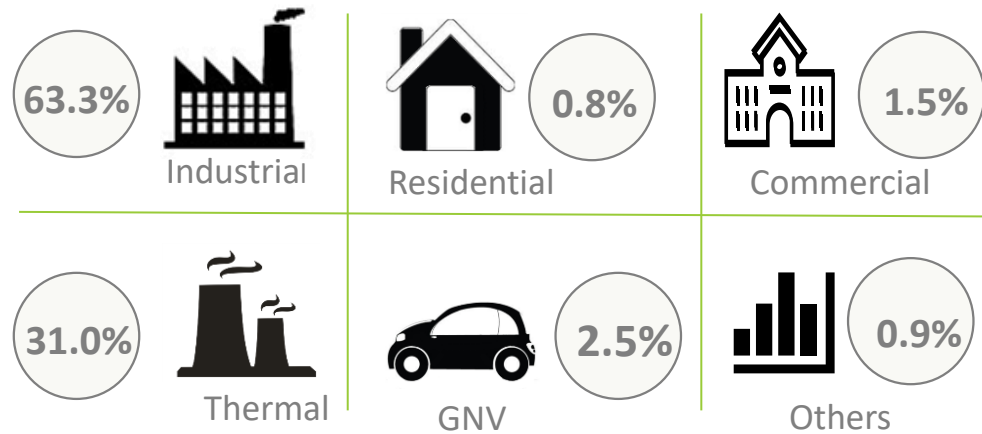
Lower Manageable Costs (PMSO) compared to 2021, in which we highlight

- ✓ Extinction of post-employment life insurance benefits for retirees
- ✓ Personnel expenses reduced by 2.5%, reflecting the success of the voluntary dismissal programs
- ✓ Third-party services increased by 14.6% as a result of the higher number of power cuts, totaling 1,373 thousand in 2021 compared to 685 thousand in 2020, positively impacting the reduction in default rates and higher expenses/investments in IT

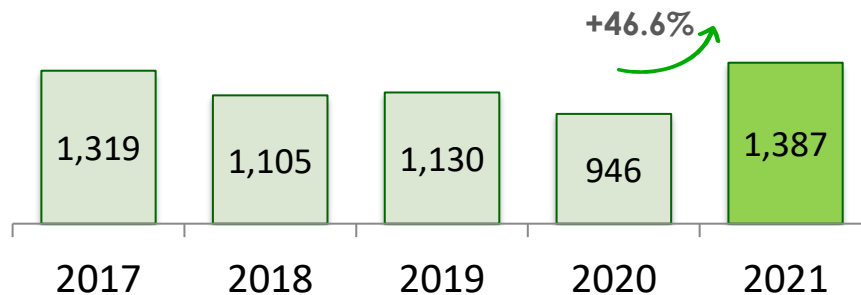
Focus on expanding Gasmig's presence in Minas Gerais through network expansion

- Growth of 19.5% in volume of gas sold to the industrial category and 205.3% to thermal plants

Business Segments - Volume m³

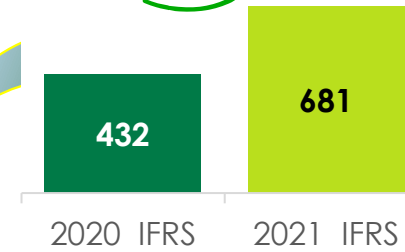


Volume of natural gas sold (in millions of m³)



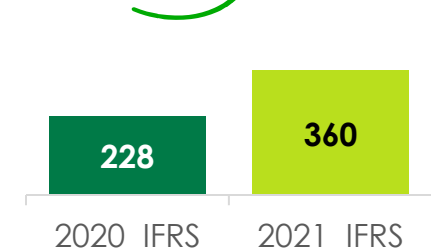
Ebitda 2021

+57.6%



Net Income 2021

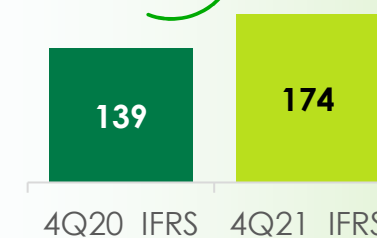
+57.8%



4Q21 Information

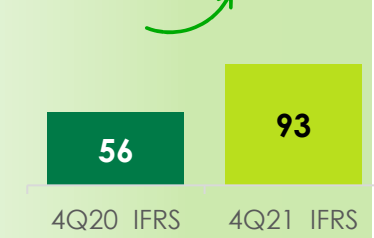
Ebitda

+25.1%



Net Income

+66.1%



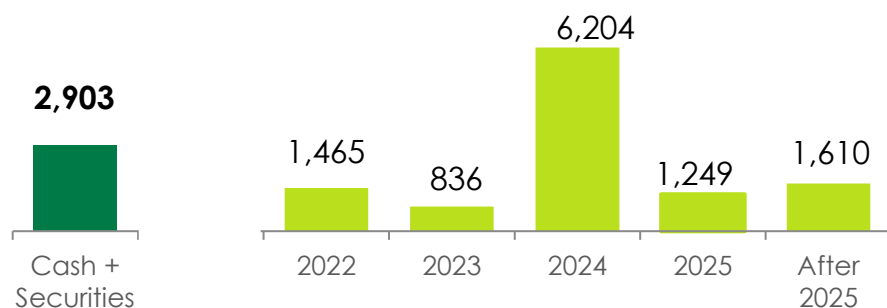
Debt profile – consolidated

Bond buyback reduced our exposure to foreign currency and concentrated our debt maturity to 2024

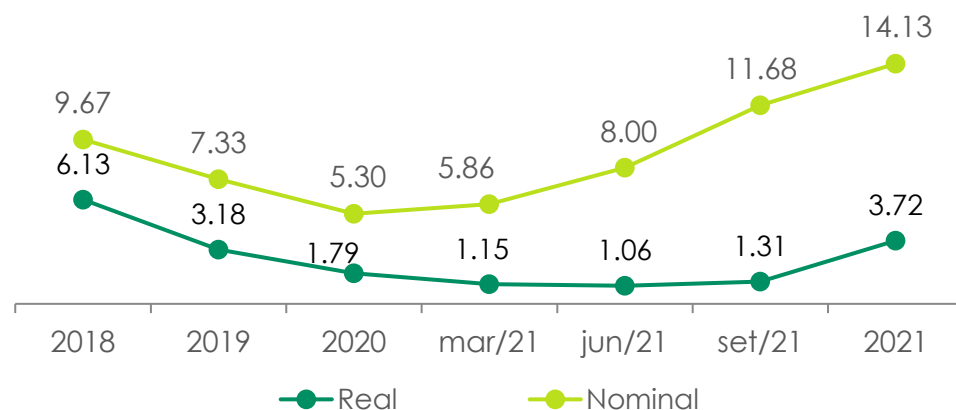
Maturities timetable – Average tenor: 3.3 years

Net debt (= Debt – {Cash + securities}): **R\$8.4 Bi**

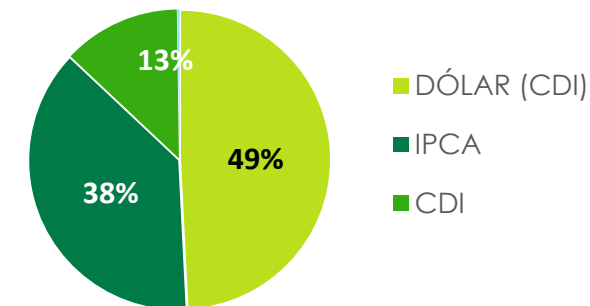
Total net debt = {Net debt – Hedge}: **R\$7.2 Bi**



Cost of debt – %

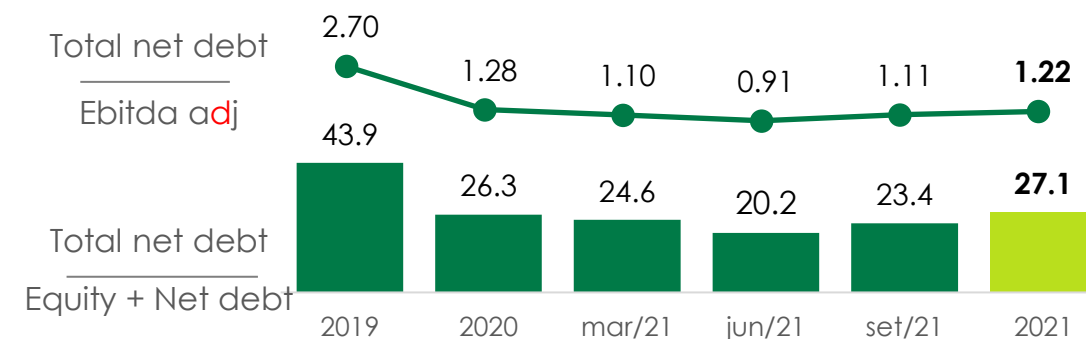


Main indexes



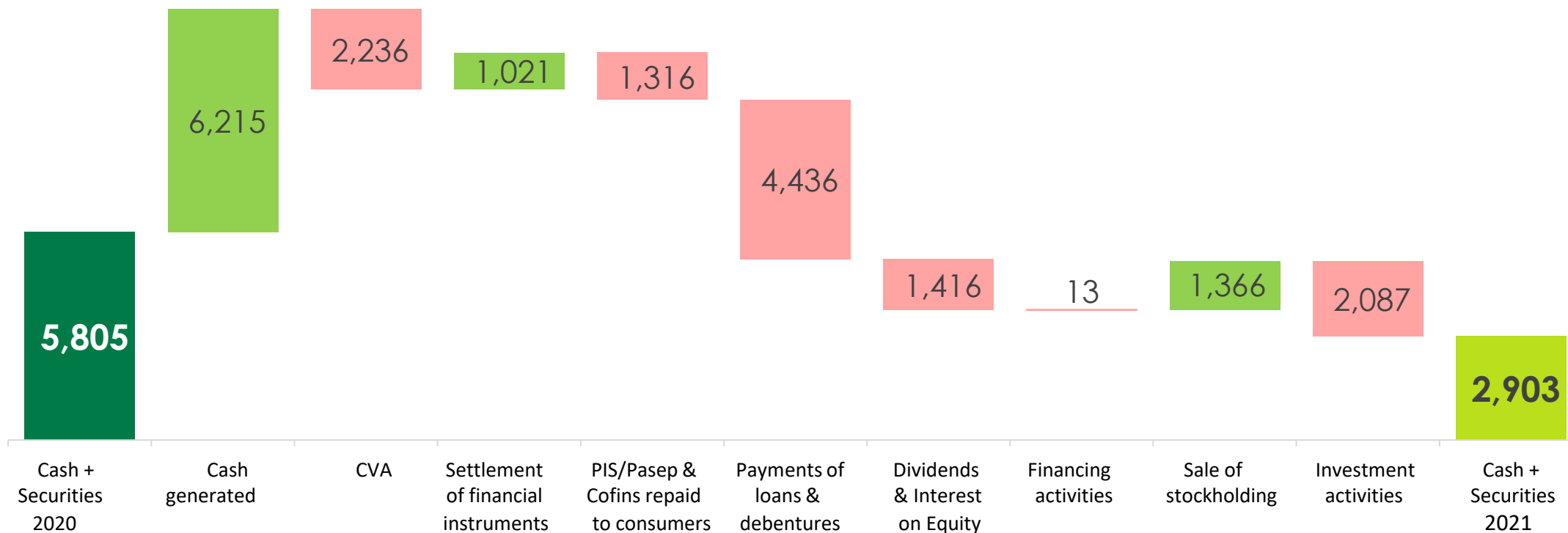
- U.S. dollar-denominated debt is protected by hedge, within a range for exchange rate variation and converted into a percentage of CDI.

Leverage – %

















Strong cash generation allows us to meet our investment plan and debt management goals



Fulfilling the commitments we made

OPEX in line with regulatory parameters		Fulfilled
Strengthening of Cemig D's Investment Program		Fulfilled
DEC within regulatory parameters		Fulfilled
Liability management of bonds		Fulfilled
Non-technical losses - Within regulatory parameters		Fulfilled
Sale of non-strategic assets - Light and Renova		Fulfilled
Restructuring of post-employment benefit plans		Partially Fulfilled
Digital transformation		Partially Fulfilled
Sale of non-strategic assets - Taesa		In progress
Concessions renewal		In progress
Investment in generation from renewable sources (wind and solar)		In progress
Growth in retail energy commercialization		In progress



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