



CEMIG: POWER FOR THE DEVELOPMENT OF MINAS GERAIS

CEMIG



**MINAS
GERAIS**

GOVERNO
DIFERENTE.
ESTADO
EFICIENTE.

CEMIG IN NUMBERS

4th Largest Power Utility in Brazil, set on the Fastest Growing Area of Brazil (Minas Gerais)



Distribution

3rd Largest Brazilian Disco

9.2 million clients

Area of 567.400 km² (97% of Minas Gerais)

558,000 km of distribution networks



Transmission

4th Largest Brazilian Transco

5,017 km

52 substations



Generation

6th Largest Brazilian Genco

5.3 GW, 100% renewable

69 power plants



Trading

Largest Brazilian power trading company

15% market share



Natural Gas

2.8 million m³ of natural gas daily

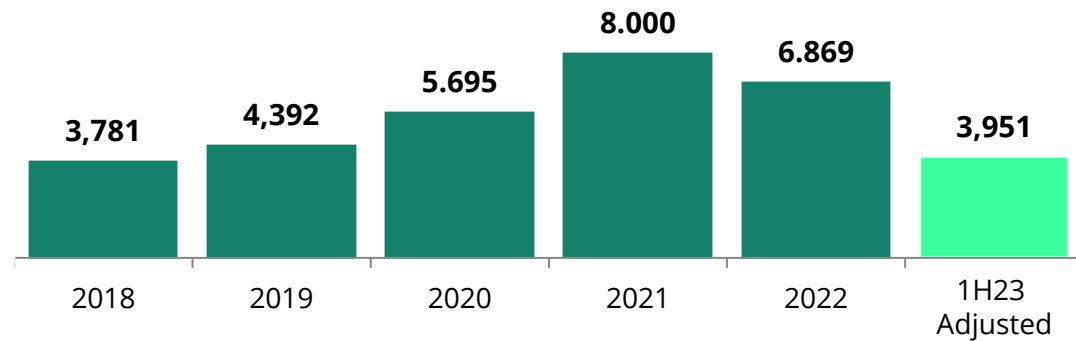
82,000 clients

Concession from Minas Gerais State government

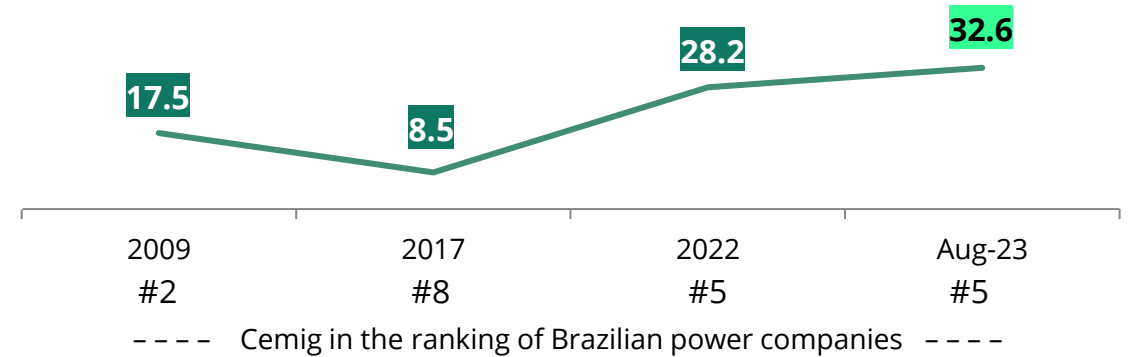
CEMIG IN NUMBERS

Outstanding Financial Performance

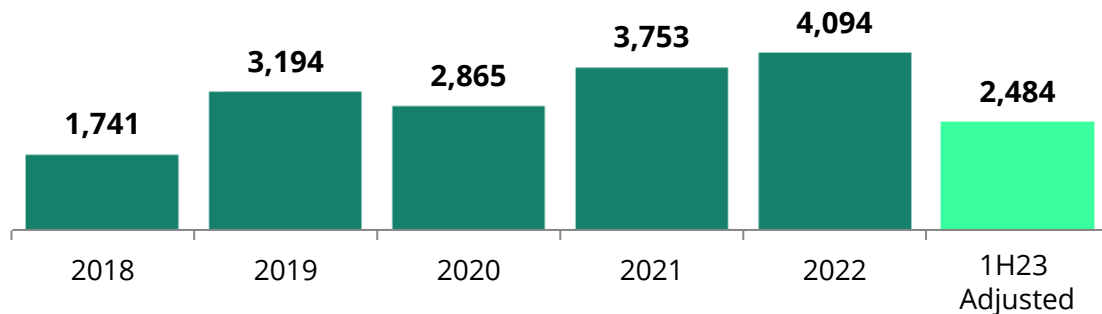
EBITDA (R\$ million)



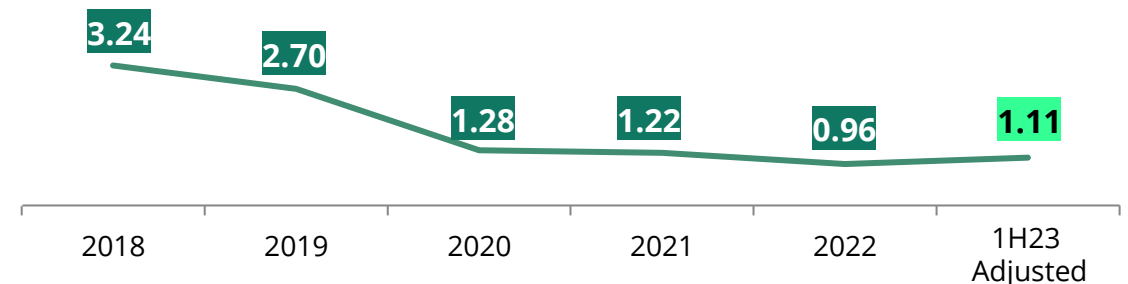
Market Capitalization (R\$ billion)



Net profit (R\$ million)



Net Debt / EBITDA



REVIEW OF BUSINESS STRATEGIC PLAN

Operational Efficiency and Investment on Core Business in Minas Gerais

From 2009 to 2018

- Expenses and power losses above regulatory targets; **loss of more than R\$ 7 billion in 10 years**
- Investments in minority stakes outside Minas Gerais reduced competitiveness; total of **R\$ 34 billion** invested, with net value destruction of R\$ 12 billion
- Lowest **investment** in core businesses: average R\$ 1.0 billion / year, less than depreciation
- **Loss of more than 50%** in installed generation capacity
- Unmet demand totaled almost **50%** of load then served by Cemig D
- Market value in Oct. 2018: **R\$ 10.1 billion**

After 2019

- Expenses and power losses below regulatory targets for first time in history
- Disinvestment of minority holdings, recovering cash of more than **R\$ 7.1 billion**
- Largest investment program in Cemig's history: R\$ **42 billion in 2023-27**
- **Resumption** of investments in distribution, generation and transmission
- **No unmet demand** at the end of investment cycle
- Present market value: **R\$ 32.6 billion**, plus R\$ 7.2 billion in dividends paid since 2019

EXECUTION OF LARGEST INVESTMENT PLAN IN BRAZILIAN POWER SECTOR

Total of R\$ 42.2 billion from 2023-27



R\$ 18.4 billion

DISTRIBUTION



R\$ 13.4 billion

GENERATION



R\$ 3.5 billion

TRANSMISSION



R\$ 3.2 billion

**DECENTRALISED SOLAR
GENERATION**



R\$ 2.3 billion

NATURAL GAS



R\$ 1.4 billion

INNOVATION

PRODUCT PROCUREMENTS 2023-27

PRODUCTS	Quantities - 2023-2027
Conducting cable	102,000 km
Three-phase distribution reclosers	10,000
Lightning conductors	400,000
Network fuse switches	350,000
Single-phase transformers	106,000
3-phase transformers	60,000
MV voltage regulators	12,000
AMI meters	1,000,000
Solar panels	1,000,000
Distribution substations (Compact and Hybrid)	40
Metal structures for distribution networks	5,000
Distribution power transformers	40
Transmission power transformers	56

BRAZIL AND MINAS GERAIS: UNIQUE CAPABILITIES TO HELP THE WORLD DECARBONIZE

Large availability of natural resources

- Metals and minerals
- Water
- Land

Unmatched potential to produce clean energy

- Diversified existing energy matrix,
anchored by hydro
- Continental modern transmission grid
- Onshore and offshore strong and steady winds
- All year long high intensity solar radiation
over abundant land

CEMIG IS A REFERENCE IN ESG

- Company's strategy and actions aligned with **best practices**
- Energy 100% **clean and renewable**
- Committed to achieving **NET ZERO** by 2040
- **Largest Sponsor of Cultural Activities in Minas Gerais**
- **Independent Board of Directors** (DJSI)

MEMBER OF
**Dow Jones
Sustainability Indices**

In collaboration with 
23 years in the index – **the
only power company in
the Americas included**

MSCI 

Highest rated in the
Brazilian electricity sector

ISEB3

Included since this
index was created



FTSE4Good

Score 30% higher than
power sector average



Best Brazilian company

Sustainability Yearbook
Member 2022
S&P Global

Ranked 15th of the
220 companies
evaluated in the
sector



**Top score in
eco-efficiency**

CEMIG IS COMMITTED TO ACCELERATING THE TRANSITION TO A CLEAN ECONOMY

- Investing in **infrastructure** so our clients can electrify and decarbonize.
- Providing grid services, with focus on **availability, reliability and efficiency**.
- Developing **renewable** energy projects, such as wind and solar power.
- Supplying **certified clean energy** to our clients.
- Applying **smart grid technologies** to improve the efficiency and reliability of the electricity grid.
- Partnering with universities and startups to **develop new energy solutions**.
- Investing in **research and development** to advance the state of the art in renewable energy and energy efficiency.

CEMIG IS COMMITTED TO DEVELOPING TECHNOLOGY THAT ENABLES A CLEAN ECONOMY

ARTIFICIAL INTELLIGENCE

- Co-pilots for operation and dispatch
- Algorithm based trading
- Personnel safety monitoring
- Large language models to interact with customers

FLOATING PV

- Commercial scale floating PV

AGRIVOLTAIC

- Combined land use and energy from PV panels
- Agricultural production
- Reduced water consumption

SMART GRID

- 1.5 million smart meters
- Over 200 new digital substations

GREEN HYDROGEN

- Partnership University of Itajubá and hydroliser producer

BATTERIES AND STORAGE

- Small scale batteries
- Flow batteries

CONCLUSION

- Minas Gerais is the **fastest growing state in Brazil**. Its contribution to Brazilian GDP grew from 8.7% in 2013 to 9.3% in 2022.
- Institutional stability for a favorable business environment.
- Minas is 'blessed' with renewable natural resources, including water, sun and wind. It has the largest volume of hydroelectric power generation in the country, and the largest volume of solar generation, both centralized and distributed.
- Cemig is executing the largest investment plan in its history, providing opportunities in various sectors.
- Cemig is preparing for leadership in the energy transition, with 100% renewable energy to support new uses of electricity such as green hydrogen, energy storage and green minerals.
- **Come to Minas Gerais – Work with Cemig's power!**



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