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STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021
ASSETS
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
CURRENT					
Cash and cash equivalents	5	1,990,712	825,208	172,595	26,692
Marketable securities	6	2,778,971	1,724,088	259,930	431,222
Receivables from customers, traders and concession holders	7	4,641,604	4,429,883	292,697	157,368
Concession financial assets	13	1,266,468	1,504,666	-	-
Concession contract assets	14	704,291	599,692	-	-
Recoverable taxes	8	1,499,658	1,968,979	1,087	1,088
Income tax and social contribution tax credits	9a	798,518	698,914	-	-
Derivative financial instruments - NDF	30a	68,609	-	-	-
Dividends receivables	29	71,217	335,189	2,156,544	1,820,578
Public lighting contribution		201,325	233,309	-	-
Reimbursement of tariff subsidies - payments	12	96,514	291,896	-	-
Other assets		588,237	337,326	13,252	9,547
TOTAL CURRENT		14,706,124	12,949,150	2,896,105	2,446,495
NON-CURRENT					
Marketable securities	6	134,737	353,730	921	88,383
Receivables from customers, traders and concession holders	7	45,858	51,540	-	-
Recoverable taxes	8	1,672,230	1,997,285	517,654	502,452
Income tax and social contribution tax recoverable	9a	294,216	315,405	219,709	245,850
Deferred income tax and social contribution tax	9c	3,116,860	2,464,734	899,538	802,270
Escrow deposits	11	1,246,581	1,155,169	320,540	307,651
Derivative financial instruments - Swap	30a	744,179	1,219,176	-	-
Accounts receivable from the State of Minas Gerais	10	13,366	13,366	13,366	13,366
Concession financial assets	13	4,375,746	4,969,400	-	-
Concession contract assets	14	6,568,231	5,780,316	-	-
Investments – Equity method	15	5,373,517	5,105,926	19,532,816	18,183,135
Property, plant and equipment	16	2,404,840	2,419,269	1,250	1,411
Intangible assets	17	13,523,670	12,953,317	699	1,380
Leasing – right of use assets	18a	221,407	225,593	2,055	2,050
Other assets		72,479	72,432	71,904	25,011
TOTAL NON-CURRENT		39,807,917	39,096,658	21,580,452	20,172,959
TOTAL ASSETS		54,514,041	52,045,808	24,476,557	22,619,454

The explanatory notes are an integral part of the interim financial information.

STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021
LIABILITIES
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
CURRENT					
Suppliers	19	2,740,736	2,683,343	133,049	64,682
Regulatory charges	22	540,031	610,695	-	-
Profit sharing		125,365	136,580	11,432	11,126
Taxes payable	20	430,905	528,096	86,283	132,764
Income tax and social contribution tax	9b	260,059	190,002	109,839	-
Interest on equity and dividends payable		1,945,118	1,909,050	1,942,054	1,911,250
Loans, financing and debentures	21	1,188,699	1,465,133	57,580	52,430
Payroll and related charges		260,746	225,189	12,287	12,596
Public lighting contribution		290,352	357,105	-	-
Post-employment obligations	23	374,460	346,733	28,454	26,917
Sector financial liabilities	13	-	51,359	-	-
PIS/Pasep and Cofins taxes to be refunded to customers	20	1,873,276	704,025	-	-
Derivative financial instruments - Swap	30b	91,693	6,130	-	-
Derivative financial instruments - Options	30b	653,967	636,292	-	-
Lease liabilities	18b	29,313	61,586	296	277
Other liabilities		766,965	776,275	8,420	8,288
TOTAL CURRENT		11,571,685	10,687,593	2,389,694	2,220,330
NON-CURRENT					
Regulatory charges	22	67,004	204,623	4,624	4,624
Loans, financing and debentures	21	10,180,253	9,898,830	-	-
Taxes payable	20	364,289	341,689	-	-
Deferred income tax and social contribution tax	9c	809,625	962,255	-	-
Provisions	24	2,012,091	1,888,972	268,911	236,995
Post-employment obligations	23	5,984,278	5,857,941	735,398	697,149
Sector financial liabilities	13	271,196	-	-	-
PIS/Pasep and Cofins taxes to be refunded to customers	20	1,723,626	2,318,910	-	-
Lease liabilities	18b	215,402	182,437	2,013	1,975
Other liabilities		235,385	240,793	2,065	1,970
TOTAL NON-CURRENT		21,863,149	21,896,450	1,013,011	942,713
TOTAL LIABILITIES		33,434,834	32,584,043	3,402,705	3,163,043
EQUITY	25				
Share capital		11,006,853	8,466,810	11,006,853	8,466,810
Capital reserves		2,249,721	2,249,721	2,249,721	2,249,721
Profit reserves		8,408,051	10,948,094	8,408,051	10,948,094
Valuation adjustments		(2,217,950)	(2,208,214)	(2,217,950)	(2,208,214)
Retained earnings		1,627,177	-	1,627,177	-
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		21,073,852	19,456,411	21,073,852	19,456,411
Non-Controlling Interests		5,355	5,354	-	-
TOTAL EQUITY		21,079,207	19,461,765	21,073,852	19,456,411
TOTAL LIABILITIES AND EQUITY		54,514,041	52,045,808	24,476,557	22,619,454

The explanatory notes are an integral part of the interim financial information.

STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021
(In thousands of Brazilian Reais, except earnings per share)

	Note	Consolidated		Parent company	
		Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021
NET REVENUE	26	24,709,606	23,989,390	1,396,908	176,060
OPERATING COSTS					
Cost of energy and gas	27a	(14,730,461)	(15,249,466)	(944,479)	(51,017)
Construction cost	27b	(2,397,836)	(1,338,097)	-	-
Operation costs	27c	(2,713,343)	(2,494,405)	-	-
		(19,841,640)	(19,081,968)	(944,479)	(51,017)
GROSS PROFIT		4,867,966	4,907,422	452,429	125,043
OPERATING EXPENSES	27				
Expected credit losses of accounts receivable		(48,606)	(79,463)	-	-
General and administrative expenses		(720,902)	(426,126)	(26,935)	(43,046)
Other operating expenses, net		(851,347)	(616,021)	(103,368)	(50,065)
		(1,620,855)	(1,121,610)	(130,303)	(93,111)
Periodic tariff review, net		-	217,063	-	-
Gain with renegotiation of hydrological risk - Law 14,052/20, net		-	1,031,809	-	-
Gain from the sale of non-current asset held for sale, net	32	6,644	108,550	-	108,550
Result of business combination	15	8,641	-	-	-
Share of profit, net, of affiliates, affiliate and jointly controlled entities	15	768,440	438,798	2,237,847	2,710,985
Operating income before financial revenue (expenses) and taxes		4,030,836	5,582,032	2,559,973	2,851,467
Finance income	28	1,020,269	610,833	36,682	18,872
Finance expenses	28	(2,517,089)	(2,553,015)	(7,346)	(4,360)
		(1,496,820)	(1,942,182)	29,336	14,512
Income before income tax and social contribution tax		2,534,016	3,639,850	2,589,309	2,865,979
Current Income tax and social contribution tax	9d	(654,736)	(936,479)	-	(20,069)
Deferred income tax and social contribution tax	9d	808,520	87,096	97,268	(56,590)
NET INCOME FOR THE PERIOD		2,687,800	2,790,467	2,686,577	2,789,320
Total of net income for the period attributed to:					
Equity holders of the parent		2,686,577	2,789,320	2,686,577	2,789,320
Non-controlling interests		1,223	1,147	-	-
		2,687,800	2,790,467	2,686,577	2,789,320
Basic and diluted earnings per preferred share – R\$	25	1.22	1.27	1.22	1.27
Basic and diluted earnings per common share – R\$	25	1.22	1.27	1.22	1.27

The explanatory notes are an integral part of the interim financial information.

STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021
(In thousands of Brazilian Reais, except earnings per share)

	Note	Consolidated		Parent company	
		Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021
NET REVENUE	26	9,223,311	9,524,667	682,060	175,902
OPERATING COSTS					
Cost of energy and gas	27a	(5,496,572)	(6,515,849)	(432,521)	(51,017)
Construction cost	27b	(1,135,414)	(552,536)	-	-
Operation costs	27c	(945,962)	(788,479)	-	-
		(7,577,948)	(7,856,864)	(432,521)	(51,017)
GROSS PROFIT		1,645,363	1,667,803	249,539	124,885
OPERATING EXPENSES	27				
Expected credit losses of accounts receivable		84,852	(37,295)	-	-
General and administrative expenses		(222,457)	(167,452)	(7,251)	(17,795)
Other operating expenses, net		(262,258)	(245,906)	(51,200)	(15,202)
		(399,863)	(450,653)	(58,451)	(32,997)
Gain with renegotiation of hydrological risk - Law 14,052/20, net		-	122,208	-	-
Result of business combination	15	8,641	-	-	-
Share of profit, net, of affiliates, affiliate and jointly controlled entities	15	247,544	287,319	946,214	396,528
Operating income before financial revenue (expenses) and taxes		1,501,685	1,626,677	1,137,302	488,416
Finance income	28	411,748	278,827	5,492	15,034
Finance expenses	28	(521,209)	(1,434,317)	(2,558)	(1,558)
		(109,461)	(1,155,490)	2,934	13,476
Income before income tax and social contribution tax		1,392,224	471,187	1,140,236	501,892
Current income tax and social contribution tax	9d	(284,047)	(71,213)	-	(20,069)
Deferred income tax and social contribution tax	9d	74,176	21,503	41,632	(60,772)
NET INCOME FOR THE PERIOD		1,182,353	421,477	1,181,868	421,051
Total of net income for the period attributed to:					
Equity holders of the parent		1,181,868	421,051	1,181,868	421,051
Non-controlling interests		485	426	-	-
		1,182,353	421,477	1,181,868	421,051
Basic and diluted earnings per preferred share – R\$	25	0.54	0.25	0.54	0.25
Basic and diluted earnings per common share – R\$	25	0.54	0.25	0.54	0.25

The explanatory notes are an integral part of the interim financial information.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021
(In thousands of Brazilian Reais)**

	Consolidated		Parent company	
	Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021
NET INCOME FOR THE PERIOD	2,687,800	2,790,467	2,686,577	2,789,320
OTHER COMPREHENSIVE INCOME				
Items not to be reclassified to profit or loss in subsequent periods				
Others comprehensive income	393	169	393	169
	393	169	393	169
COMPREHENSIVE INCOME FOR THE PERIOD	2,688,193	2,790,636	2,686,970	2,789,489
Total of comprehensive income for the period attributed to:				
Equity holders of the parent	2,686,970	2,789,489	2,686,970	2,789,489
Non-controlling interests	1,223	1,147	-	-
	2,688,193	2,790,636	2,686,970	2,789,489

The explanatory notes are an integral part of the interim financial information.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021
(In thousands of Brazilian Reais)**

	Consolidated		Parent company	
	Jul to Sep, 2022	Jul to Sep, 2021	Jul to Sep, 2022	Jul to Sep, 2021
NET INCOME FOR THE PERIOD	1,182,353	421,477	1,181,868	421,051
OTHER COMPREHENSIVE INCOME				
Items not to be reclassified to profit or loss in subsequent periods				
Others comprehensive income	-	-	-	-
	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	1,182,353	421,477	1,181,868	421,051
Total of comprehensive income for the period attributed to:				
Equity holders of the parent	1,181,868	421,051	1,181,868	421,051
Non-controlling interests	485	426	-	-
	1,182,353	421,477	1,181,868	421,051

The explanatory notes are an integral part of the interim financial information.

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021**
(In thousands of Brazilian Reais, except where otherwise indicated)

	Share capital	Capital reserves	Profit reserves	Valuation adjustments	Retained earnings	Total	Non-controlling interests	Total Equity
AS OF DECEMBER 31, 2021	8,466,810	2,249,721	10,948,094	(2,208,214)	-	19,456,411	5,354	19,461,765
Net income for the period	-	-	-	-	2,686,577	2,686,577	1,223	2,687,800
Subscription of capital	2,540,043	-	(2,540,043)	-	-	-	-	-
Other comprehensive income	-	-	-	393	-	393	-	393
Realization of PP&E deemed cost	-	-	-	(10,129)	10,129	-	-	-
Interest on equity	-	-	-	-	(1,069,529)	(1,069,529)	-	(1,069,529)
Non-controlling interests	-	-	-	-	-	-	(1,222)	(1,222)
AS OF SEPTEMBER 30, 2022	11,006,853	2,249,721	8,408,051	(2,217,950)	1,627,177	21,073,852	5,355	21,079,207

	Share capital	Capital reserves	Profit reserves	Valuation adjustments	Retained earnings	Total	Non-controlling interests	Total Equity
AS OF DECEMBER 31, 2020	7,593,763	2,249,721	10,060,605	(2,431,423)	-	17,472,666	4,682	17,477,348
Subscription of capital	873,047	-	(873,047)	-	-	-	-	-
Net income for the period	-	-	-	-	2,789,320	2,789,320	1,147	2,790,467
Other comprehensive income	-	-	-	169	-	169	-	169
Realization of PP&E deemed cost	-	-	-	(10,992)	10,992	-	-	-
Non-controlling interests	-	-	-	-	-	-	(629)	(629)
AS OF SEPTEMBER 30, 2021	8,466,810	2,249,721	9,187,558	(2,442,246)	2,800,312	20,262,155	5,200	20,267,355

The explanatory notes are an integral part of the interim financial information.

STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021
CASH FLOW FROM OPERATIONS					
Net income for the period		2,687,800	2,790,467	2,686,577	2,789,320
Expenses (revenues) not affecting cash and cash equivalents:					
Deferred income tax and social contribution tax	9	(808,520)	(87,096)	(97,268)	56,590
Depreciation and amortization	27	869,536	763,482	931	1,334
Loss on write-off of net residual value of unrecoverable concession financial assets, concessional contract asset, PP&E and Intangible assets		197,273	32,088	-	-
Renegotiation of hydrological risk (Law 14,052/20), net	17	-	(1,031,809)	-	-
Impairment of contract assets		(19,197)	(3,722)	-	-
Discount and premium on repurchase of debt securities		-	491,036	-	-
Share of loss, net, of affiliates and jointly controlled entities		(768,440)	(438,798)	(2,237,847)	(2,710,985)
Remeasuring of concession financial and concession contract assets		(924,340)	(905,323)	-	-
Periodic tariff review adjustments		-	(238,815)	-	-
Interest and monetary variation	28	2,059,745	1,053,980	(20,832)	(7,157)
Exchange variation on loans, financing and debentures	28	(173,900)	212,221	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers – Realization		(1,641,578)	(876,000)	-	-
Gain from the sale of non-current asset held for sale	32	(6,644)	(108,550)	-	(108,550)
Transaction costs	21	5,298	18,870	-	55
Provisions for operating losses		246,667	169,496	42,834	13,666
Net gain on derivative instruments at fair value through profit or loss	30	301,940	577,129	-	-
CVA (Parcel A items Compensation) Account and Other financial components in tariff adjustments	13	1,367,693	(1,908,899)	-	-
Post-employment obligations	23	502,558	375,177	58,056	38,994
Other		118,936	(33,546)	-	-
		4,014,827	851,388	432,451	73,267
Increase decrease in assets					
Receivables from customers, traders, and concession holders	7	(254,645)	(604,578)	(135,329)	(194,389)
CVA and Other financial components in tariff adjustments	13	-	15,121	-	-
Recoverable taxes	8	997,234	(55,073)	2	2,061
Income tax and social contribution tax credits	9	248,082	(35,954)	205,902	109,607
Escrow deposits	11	(34,852)	(79,400)	(1,915)	(2,458)
Dividends received from investees		480,332	354,136	562,564	1,132,719
Contract assets and concession financial assets	13	652,218	593,776	-	-
Other		55,730	(68,860)	(50,598)	3,965
		2,144,099	119,168	580,626	1,051,505
Increase (decrease) in liabilities					
Suppliers	19	57,393	1,012,234	68,367	56,301
Taxes payable	20	174,075	928,248	23,449	(63,630)
Income tax and social contribution tax payable	9	724,793	987,603	-	20,069
Payroll and related charges		35,557	20,396	(309)	1,529
Regulatory charges	22	(208,283)	105,734	-	-
Post-employment obligations	23	(348,494)	(301,615)	(18,270)	(15,851)
PIS/Pasep and Cofins taxes to be refunded to customers	20	47,783	-	-	-
Other		(38,379)	26,387	(10,385)	(11,017)
		444,445	2,778,987	62,852	(12,599)
Cash generated (used) by operating activities					
		6,603,371	3,749,543	1,075,929	1,112,173
Interest paid on loans, financing, and debentures	21	(537,616)	(1,142,930)	-	-
Interest paid on leasing contracts	18	(2,436)	(2,167)	(11)	(11)
Income tax and social contribution tax paid		(648,587)	(456,653)	(13)	(815)
Cash inflows from settlement of derivatives instruments (swap)	30	156,184	912,342	-	-
NET CASH GENERATED IN OPERATING ACTIVITIES		5,570,916	3,060,135	1,075,905	1,111,347
INVESTING ACTIVITIES					
Marketable securities	6	(835,890)	1,097,584	258,754	(761,755)
Restricted cash		-	20,802	-	(9)
Investments					
Acquisition of equity investees		(27,469)	(15,338)	(79,880)	(1,363,979)
Arising from the sale of equity interest, net of costs of sales		6,644	1,366,592	-	1,366,592
Property, plant and equipment	16	(121,502)	(104,901)	-	-
Intangible assets	17	(63,602)	(23,009)	(30)	(30)
Contract assets – distribution of gas and energy infrastructure	14	(2,127,312)	(1,216,244)	-	-
NET CASH (USED) GENERATED IN INVESTING ACTIVITIES		(3,169,131)	1,125,486	178,844	(759,181)
FINANCING ACTIVITIES					
Proceeds from Loans, financings and debentures	21	987,534	-	-	-
Interest on capital and dividends paid		(1,034,686)	(701,655)	(1,108,634)	(701,024)

	Note	Consolidated		Parent company	
		Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021
Payment of loans, financing and debentures	21	(1,136,489)	(4,284,754)	-	-
Lease liabilities paid	18	(52,640)	(51,825)	(212)	(198)
NET CASH USED IN FINANCING ACTIVITIES		(1,236,281)	(5,038,234)	(1,108,846)	(701,222)
Net (decrease) increase in cash and cash equivalents for the period		1,165,504	(852,613)	145,903	(349,056)
Cash and cash equivalents at the beginning of the period	5	825,208	1,680,397	26,692	422,647
Cash and cash equivalents at the end of the period	5	1,990,712	827,784	172,595	73,591

The explanatory notes are an integral part of the interim financial information.

STATEMENTS OF ADDED VALUE
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021
(In thousands of Brazilian Reais)

	Consolidado		Controladora	
	Jan a Sep/2022	Jan a Sep/2021	Jan a Sep/2022	Jan a Sep/2021
Revenues				
Sales of energy, gas and services	32,447,196	31,731,984	1,623,944	194,031
Distribution construction revenue	2,199,838	1,236,369	-	-
Transmission construction revenue	269,760	137,828	-	-
Generation indemnity revenue	24,783	-	-	-
Interest revenue arising from the financing component in the transmission contract asset	446,808	462,422	-	-
Periodic tariff review adjustments	-	238,815	-	-
Gain on financial updating of the concession grant free	352,585	368,842	-	-
Adjustment to expectation of cash flow from reimbursement of distribution concession financial assets	28,401	37,959	-	-
Investment in PP&E	66,417	(8,725)	-	-
Credits from PIS/Pasep and Cofins to be refunded to customers	(829,783)	-	-	-
Other revenues	-	10,477	-	-
Expected credit losses of accounts receivable	(44,011)	(68,463)	211	-
	34,961,994	34,147,508	1,624,155	194,031
INPUTS ACQUIRED FROM THIRD PARTIES				
Energy purchased for resale	(11,587,259)	(11,746,397)	(1,040,748)	(56,217)
Charges for use of national grid	(2,245,907)	(2,336,035)	-	-
Outsourced services	(1,951,772)	(1,518,328)	(13,243)	(18,485)
Gas purchased for resale	(2,588,314)	(1,813,399)	-	-
Materials	(1,615,748)	(815,899)	(38)	(38)
Other operating costs	(622,949)	(243,445)	(38,577)	90,879
	(20,611,949)	(18,473,503)	(1,092,606)	16,139
GROSS VALUE ADDED	14,350,045	15,674,005	531,549	210,170
RETENTIONS				
Depreciation and amortization	(869,536)	(763,482)	(931)	(1,334)
NET ADDED VALUE PRODUCED BY THE COMPANY	13,480,509	14,910,523	530,618	208,836
ADDED VALUE RECEIVED BY TRANSFER				
Share of profit, net, of affiliates and jointly controlled entities	768,440	438,798	2,237,847	2,710,985
Result of business combination	8,641	-	-	-
Renegotiation of hydrological risk (Law 14,052/20), net	-	1,031,809	-	-
Financial revenues	1,104,891	610,833	36,682	18,872
ADDED VALUE TO BE DISTRIBUTED	15,362,481	16,991,963	2,805,147	2,938,693
DISTRIBUTION OF ADDED VALUE				
Employees	1,504,746	1,280,402	72,550	47,364
Direct remuneration	815,272	760,030	11,476	6,776
Post-employment obligations and other benefits	592,631	439,680	59,515	39,147
FGTS fund	48,134	45,454	1,559	1,441
Programmed voluntary retirement plan	48,709	35,238	-	-
Taxes	8,609,814	9,323,244	38,641	97,633
Federal	4,395,898	4,427,823	(46,602)	93,779
State	4,205,267	4,879,038	84,970	714
Municipal	8,649	16,383	273	3,140
Remuneration of external capital	2,560,121	2,566,041	7,379	4,376
Interest	2,547,347	2,557,258	7,346	4,360
Rentals	12,774	8,783	33	16
Remuneration of own capital	2,687,800	3,822,276	2,686,577	2,789,320
Interest on equity	1,069,529	-	1,069,529	-
Retained earnings	1,617,048	3,821,129	1,617,048	2,789,320
Non-controlling interest in retained earnings	1,223	1,147	-	-
	15,362,481	16,991,963	2,805,147	2,938,693

The explanatory notes are an integral part of the interim financial information.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIODS ENDED AS OF SEPTEMBER 30, 2022
(In thousands of Brazilian Reais, except where otherwise indicated)**

1. OPERATING CONTEXT

a) The Company

Companhia Energética de Minas Gerais ('Cemig', 'Parent company' or 'Company') is a listed corporation registered in the Brazilian Registry of Corporate Taxpayers (CNPJ) under number 17.155.730/0001-64, with shares traded on the São Paulo Stock Exchange ('B3') at Corporate Governance Level 1; on the New York Stock Exchange ('NYSE'); and on the stock exchange of Madrid ('Latibex'). The Company is an entity domiciled in Brazil, with head office in Belo Horizonte- MG. Operate in the commercialization of electric power and as holding company, with interests in subsidiaries or jointly controlled entities, whose objects are construction and operation of systems for generation, transformation, transmission, distribution and sale of energy, and also activities in the various fields of energy sector, including gas distribution, for the purpose of commercial operation. On the third quarter of 2021, the Company began managing its commercialization business separately, through its partial transfer from Cemig Geração e Transmissão S.A. ("Cemig GT") to the Company, maintaining your corporate business strategy.

b) Acceptance of the Hydrological Scarcity Account conditions

According to Decree 10,939/2022, which fixed the values of the resources of the Hydrological Scarcity Account for the amounts requested by the concessionaires through the Acceptance Agreement of ReN nº 1,008/2022, the Cemig Distribuição S.A. ("Cemig D") requested the ceiling amount of the funds in the first passthrough under the Decree, relating to the Program to Encourage for Voluntary Consumption Reduction of Consumption (Programa de Incentivo à Redução Voluntária de Consumo), and also to importation of energy authorized by the Chamber of Hydroenergetic Management Exceptional Rules Committee on Exceptional Rules for Hydroenergetic Management (Câmara de Regras Excepcionais para Gestão Hidroenergética – "CREG"), for the months of July and August 2021, totaling R\$190,658, received on May 9, 2022.

c) Construction of the *Boa Esperança* and *Jusante* photovoltaic solar plants

On August 23, 2022 the Company signed Full EPC (Engineering, Procurement and Construction) contracts for construction of the *Boa Esperança* and *Jusante* photovoltaic solar generation plants, for which the planned capex is R\$824 million – R\$447 million for *Boa Esperança* and R\$377 million for *Jusante*.

The *Boa Esperança* plant, on a site owned by the Company at Montes Claros, Minas Gerais, will have inverter installed capacity of 85MW (approximately 100.4 MWp). The *Jusante* plant, on a site owned by the Company in São Gonçalo do Abaeté, Minas Gerais, will have 7

generating plants, each with inverter installed capacity of 10MW (approximately 87 MWp). Initial energization is planned for September 2023.

The implementation of these plants is in accordance with the Cemig group's strategic planning, strengthening its generation from renewable sources, with profitability compatible with the Company's cost of capital for this type of project.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The individual and consolidated interim financial information has been prepared in accordance with IAS 34 – *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB), Technical Pronouncement 21 (R1) – ‘CPC 21’, which applies to interim financial information, and the rules issued by the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, or CVM), applicable to preparation of Quarterly Information (*Informações Trimestrais*, or ITR).

Presentation of the Added Value Statements (Demonstrações do Valor Adicionado – DVA) is required by the Brazilian corporate law, and by the accounting practices adopted in Brazil for listed companies (CPC 09 – Added Value Statements). IFRS does not require presentation of this statement. As a result, under IFRS this statement is presented as supplementary information, without prejudice to the financial statements as a whole.

With the exception of the estimate for expected losses on default, as explained in Note 7, and the new rules, or alterations to rules, that came into effect on January 1, 2022, this interim accounting information has been prepared in accordance with principles, practices and criteria consistent with those adopted the preparation of the financial statements at December 31, 2021.

Thus, this interim financial information should be read in conjunction with the said financial statements, approved by the Company's management on March 29, 2022.

Management certifies that all the material information in the interim financial information is being disclosed herein, and is the same information used by management in its administration of the Company.

The Company's Board of Directors authorized the issuance of this interim financial information on November 11, 2022.

2.2 Correlation between the Explanatory Notes published in the Annual Financial Statements and those in the Interim Financial Information

Number of the Notes		Title of the Notes
12/31/2021	06/30/2022	
1	1	Operational context
2	2	Basis of preparation
3	3	Consolidation principles
4	4	Concessions and authorizations

Number of the Notes		Title of the Notes
12/31/2021	06/30/2022	
5	31	Operational segments
6	5	Cash and cash equivalents
7	6	Marketable securities
8	7	Customers and traders
9	8	Recoverable taxes
10	9	Income tax and social contribution tax
11	10	Accounts receivable from the State of Minas Gerais
12	11	Escrow deposits
13	12	Reimbursement of tariff subsidies
14	13	Concession financial assets
15	14	Contract assets
16	15	Investments
17	16	Property, plant and equipment
18	17	Intangible assets
19	18	Leasing
20	19	Suppliers
21	20	Taxes
22	21	Loans, financings and debentures
23	22	Regulatory charges
24	23	Post-employment obligations
25	24	Provisions
26	25	Equity and remuneration to shareholders
27	26	Revenues
28	27	Operating costs and expenses
29	28	Financial revenue and expenses
30	29	Related party transactions
31	30	Financial instruments and risk management
32	32	Assets as held for sale / Disposal of equity interest
35	33	Non-cash transactions
36	34	Parliamentary Committee of Inquiry ('CPI')
37	35	Subsequent events

The explanatory notes of financial statements as of December 31, 2021 that have not been included in this consolidated interim financial information because they had no material changes, and/or were not applicable to the interim financial information, are as follows:

Number	Title of the Notes
33	Insurance
34	Commitments

2.3 Revisions of accounting standards applied for the first time in 2022

The changes to CPC 25 / IAS 37 (Provisions, Contingent liabilities and Contingent assets), CPC 27 / IAS 16 (Property, Plant and Equipment) and CPC 15 / IFRS 3 (Business combination), in effect for annual reporting periods beginning on or after January 1, 2022, have no impact on the Company's individual or consolidated interim financial information.

2.4 Regrouping of items in te income statement

Starting in the first quarter of 2022, the Company made some adjustments in the classification of expenses in its profit and loss account (income statement), so as to group certain items more accurately in accordance with their function. Description of the nature of each type of expense continues to be presented in the related Notes to the financial statements, without alteration. These adjustments do not affect margins, or indicators, and are merely improvements proposed by the Company's management. To maintain comparability, the corresponding information for the period ended September 30, 2021 is being presented using the same criteria. The Company considers these adjustments not to be material.

3. PRINCIPLES OF CONSOLIDATION

The reporting dates of interim financial information of the subsidiaries used for the purposes of calculation of consolidation and jointly controlled entities and affiliates used for calculation of this equity method contribution are prepared in the same reporting date of the Company.

Accounting practices are applied uniformly in line with those used by the parent company.

The Company uses the criteria of full consolidation. The direct equity investments of Cemig, included in the consolidation, are the following:

Subsidiary	Sep. 30, 2022 and Dec. 31, 2021	
	Form of valuation	Direct interest, %
Cemig Geração e Transmissão S.A.	Consolidation	100.00
Cemig Distribuição S.A.	Consolidation	100.00
Companhia de Gás de Minas Gerais ("Gasmig")	Consolidation	99.57
Cemig Soluções Inteligentes em Energia S.A. ("Cemig Sim")	Consolidation	100.00
Sete Lagoas Transmissora de Energia S.A. ("Sete Lagoas")	Consolidation	100.00

4. CONCESSIONS AND AUTHORIZATIONS

Cemig, through its subsidiaries, holds the following concessions or authorizations:

	Company holding concession or authorization	Concession or authorization contract	Expiration date
POWER GENERATION			
Hydroelectric plants			
Emborcação (2)	Cemig GT	07/1997	05/2027
Nova Ponte (2)	Cemig GT	07/1997	08/2027
Santa Luzia	Cemig GT	07/1997	02/2026
Sá Carvalho (2)	Sá Carvalho S.A. ("Sá Carvalho")	01/2004	08/2026
Rosal (2)	Rosal Energia S.A. ("Rosal")	01/1997	12/2035
Machado Mineiro (1)			05/2027
Salto Voltão (1)	Horizontes Energia S.A. ("Horizontes")	Resolution 331/2002	06/2033
Salto Paraopeba			10/2030
Salto do Passo Velho (1)			03/2031
PCH Pai Joaquim (3)	Cemig PCH S.A. ("Cemig PCH")	Authorizing Resolution 377/2005	04/2032
Irapé (2)	Cemig GT	14/2000	09/2037
Queimado (Consortium) (2)	Cemig GT	06/1997	06/2034
Rio de Pedras (2)	Cemig GT	02/2013	12/2025
Poço Fundo (2) (4)	Cemig Geração Poço Fundo	01/2021	05/2052
São Bernardo (2)	Cemig Geração Poço Fundo S.A. ("Cemig Geração Poço Fundo")	02/2013	06/2027
Três Marias (2)	Cemig Geração Três Marias S.A. ("Cemig Geração Três Marias")	08/2016	01/2053
Salto Grande (2)	Cemig Geração Salto Grande S.A. ("Cemig Geração Salto Grande")	09/2016	01/2053
Itutinga (2)	Cemig Geração Itutinga S.A. ("Cemig Geração Itutinga")	10/2016	01/2053
Camargos (2)	Cemig Geração Camargos S.A. ("Cemig Geração Camargos")	11/2016	01/2053
Coronel Domiciano (2)			04/2047
Joasal, Marmelos, Paciência and Piau (2)	Cemig Geração Sul S.A. ("Cemig Geração Sul")	12/2016 and 13/2016	01/2053
Dona Rita (2)			07/2050
Ervália e Neblina (2)			04/2047
Peti (2)	Cemig Geração Leste S.A. ("Cemig Geração Leste")	14/2016 and 15/2016	01/2053
Sinceridade (2)			03/2047
Tronqueiras (2)			12/2046
Cajuru, Gafanhoto and Martins (2)	Cemig Geração Oeste S.A. ("Cemig Geração Oeste")	16/2016	01/2053
Wind power plants			
Central Geradora Eólica Praias de Parajuru	Central Eólica Praias de Parajuru S.A. ("Parajuru")	Resolution 526/2002	09/2032
Central Geradora Eólica Volta do Rio	Central Eólica Volta do Rio S.A. ("Volta do Rio")	Resolution 660/2001	01/2031

	Company holding concession or authorization	Concession or authorization contract	Expiration date
POWER TRANSMISSION			
National grid	Cemig GT	006/1997	01/2043
Itajubá Substation	Cemig GT	79/2000	10/2030
Furnas – Pimenta - Transmission line	Companhia de Transmissão Centroeste de Minas S.A. ("Centroeste")	004/2005	03/2035
Subestação Sete Lagoas 4	Sete Lagoas	006/2011	06/2041
ENERGY DISTRIBUTION			
	Cemig D	002/1997 003/1997 004/1997 005/1997	12/2045
GAS DISTRIBUTION			
	Gasmig	State Law 11,021/1993	01/2053

- (1) On June 14, 2022, Aneel Authorizing Resolution 12,137 changed the termination date of the grants of authorization of these plants, as a consequence of the renegotiation of hydrological risk (GSF).
- (2) On October 7, 2022, amendments were signed to the concession contracts of these plants, to state the new dates during which the concessions or authorizations will be in effect.
- (3) This is a plant that is eligible for extension of its concession grant as a result of the renegotiation of hydrological risk (GSF). Since this grant is by an Authorizing Resolution, formal reformulation of that Resolution to contain the new date is awaited.
- (4) On September 29 and October 1, 2022, Aneel authorized start of commercial operation of the generating units UG-01 and UG-02, respectively – both are part of the Poço Fundo small hydroelectric plant (SHP). These dates were approximately 3 months earlier than the deadlines for first supply stated in the conditions of the A-4 Auction held by Aneel in June 2018, which sold the additional supply arising from the expansion of generation capacity at the Poço Fundo SHP (by 9.16 MW to 30,00 MW) and of its assured physical offtake (by 5.79 MW average to 16.59 MW average).

The Company generate energy from nine hydroelectric plants that have the capacity of 5MW or less, having a total installed capacity of 11.53MW, and thus under Law 9,074/95, these are dispensed from concession, permission or authorization, and do not have a final concession date.

5. CASH AND CASH EQUIVALENTS

	Consolidated		Parent company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Bank accounts	31,791	116,956	3,631	4,252
Cash equivalents				
Bank certificates of deposit (CDBs) (1)	1,754,767	624,681	150,110	2,047
Automatic applications - Overnight (2)	201,910	81,456	18,854	20,393
Others	2,244	2,115	-	-
	1,958,921	708,252	168,964	22,440
	1,990,712	825,208	172,595	26,692

- (1) Bank Certificates of Deposit (*Certificados de Depósito Bancário*, or CDBs), accrued interest at 80% to 112%, of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or *Certificados de Depósito Inter-bancário* – CDIs) published by the Custody and Settlement Chamber (*Câmara de Custódia e Liquidação*, or Cetip) on September 30, 2022 (70% to 109% on December 31, 2021). For these CDBs, the Company and its subsidiaries have repo transactions which state, on their trading notes, the bank's commitment to repurchase the security, on demand, on the maturity date of the transaction, or earlier.
- (2) Automatic applications - Overnight transactions are repos available for redemption on the following day. They are usually backed by Treasury Bills, Notes or Bonds and referenced to a pre-fixed rate of 13.62% to 13.64% on September 30, 2022 (8.87% to 9.14% on December 31, 2021). Their purpose is to settle the short-term obligations of the Company and its subsidiaries, or to be used in the acquisition of other assets with better return to replenish the portfolio.

Note 30 provides information in relation to the exposure of the Company and its subsidiaries to interest rate risks, and a sensitivity analysis of their effects on financial assets and liabilities.

6. MARKETABLE SECURITIES

	Consolidated		Parent company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Investments				
Current				
Bank Certificates of Deposit (CDBs) (1)	1,051,739	100,554	98,207	25,175
Financial Notes (LFs) – Banks (2)	1,523,354	1,417,429	142,245	354,868
Treasury Financial Notes (LFTs) (3)	191,466	178,427	17,878	44,671
Others	12,412	27,678	1,600	6,508
	2,778,971	1,724,088	259,930	431,222
Non-Current				
Financial Notes (LFs) – Banks (2)	3,312	348,149	310	87,163
Debentures (4)	6,546	4,874	611	1,220
Others	124,879	707	-	-
	134,737	353,730	921	88,383
	2,913,708	2,077,818	260,851	519,605

- (1) Bank Certificates of Deposit (*Certificados de Depósito Bancário*, or CDBs), between 103% to 105.3% of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or *Certificados de Depósito Inter-bancário* – CDIs) published by the Custody and Settlement Chamber (*Câmara de Custódia e Liquidação*, or *Cetip*) on September 30, 2022 (107.24% on December 31, 2021).
- (2) Bank Financial Notes (*Letras Financeiras*, or LFs) are fixed-rate fixed-income securities, issued by banks and that accrued interest a percentage of the CDI rate published by Cetip. The LFs had remuneration rates varying between 104.76% to 115% of the CDI rate on September 30, 2022 (105% to 130% of the CDI on December 31, 2021).
- (3) Treasury Financial Notes (LFTs) are fixed-rate securities, their yield follows the daily changes in the Selic rate between the date of purchase and the date of maturity. The LFTs had remuneration rates varying between 13.65% to 13.90% on September 30, 2022 (9.12% to 9.50% on December 31, 2021).
- (4) *Debentures* are medium and long term debt securities, which give their holders a right of credit against the issuing company, The debentures have remuneration varying from TR+1% to 114.29% of the CDI Rate on September 30, 2022 (TR+1% to 114.83% of the CDI Rate on December 31, 2021).

Note 30 provides a classification of these marketable securities, Investments in marketable securities of related parties are shown in note 29.

7. RECEIVABLES FROM CUSTOMERS, TRADERS AND CONCESSION HOLDERS

	Consolidated					
	Balances not yet due	Up to 90 days past due	More than 91 up to 360 days past due	More than 361 days past due	Sep. 30, 2022	Dec. 31, 2021
Billed supply	1,446,355	557,166	580,143	567,288	3,150,952	3,409,813
Unbilled supply	1,178,926	-	-	-	1,178,926	929,579
Other concession holders – wholesale supply	21,538	30,985	15	97	52,635	52,035
Other concession holders – wholesale supply, unbilled CCEE (Power Trading Chamber)	345,574	-	-	-	345,574	264,864
Concession Holders – power transport	53,717	86,988	6,963	913	148,581	169,531
Concession Holders – power transport, unbilled	65,946	17,239	3,941	122,311	209,437	169,652
(-) Provision for expected credit losses of accounts receivable	389,863	-	-	-	389,863	319,099
	(151,635)	(37,924)	(106,171)	(492,776)	(788,506)	(833,150)
	3,350,284	654,454	484,891	197,833	4,687,462	4,481,423
Current assets					4,641,604	4,429,883
Non-current assets					45,858	51,540

	Parent company					
	Balances not yet due	Up to 90 days past due	More than 91 up to 360 days past due	More than 361 days past due	Sep. 30, 2022	Dec. 31, 2021
Billed supply	11,985	2,917	6	23,003	37,911	24,599
Unbilled supply	241,979	-	-	-	241,979	106,184
CCEE (Power Trading Chamber)	-	-	-	35,810	35,810	48,869
(-) Provision for expected credit losses of accounts receivable	-	-	-	(23,003)	(23,003)	-22,284
	253,964	2,917	6	35,810	292,697	157,368
Current assets					292,697	157,368
Non-current assets					-	-

As from August 2022, to provide a more accurate estimate of losses expected in connection with overdue client accounts, the time threshold for full recognition of such losses was altered from 12 to 24 months. This resulted in a reversal of R\$ 130,569 in the provision for losses expected on doubtful receivables from clients at the end of third quarter of 2022.

The Company and its subsidiaries' exposure to credit risk related to customers and traders is provided in note 30.

The provision for expected credit losses of accounts receivable is considered to be sufficient to cover any potential losses in the realization of accounts receivable, and the breakdown by type of customers is as follows:

Consolidated	Sep. 30, 2022	Dec. 31, 2021
Residential	215,295	220,937
Industrial	180,354	184,954
Commercial, services and others	211,214	220,400
Rural	31,767	34,466
Public authorities	32,566	45,221
Public lighting	1,064	1,909
Public services	33,424	37,504
Charges for use of the network (TUSD)	82,822	87,759
	788,506	833,150

Changes in the provision for expected credit losses of accounts receivable are as follows:

	Consolidated
Balance on December 31, 2021	833,150
Additions, net (note 27)	48,606
Disposals	(93,250)
Balance on September 30, 2022	788,506

8. RECOVERABLE TAXES

	Consolidated		Parent company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Current				
ICMS (VAT)	96,506	112,813	12	3
PIS/Pasep (a)	245,953	328,643	24	24
Cofins (a)	1,134,278	1,508,180	121	121
Others	22,921	19,343	930	940
	1,499,658	1,968,979	1,087	1,088
Non-current				
ICMS (VAT)	481,952	342,183	-	-
PIS/Pasep (a)	233,675	316,044	113,696	110,376
Cofins (a)	956,603	1,339,058	403,958	392,076
	1,672,230	1,997,285	517,654	502,452
	3,171,888	3,966,264	518,741	503,540

a) Pis/Pasep and Cofins taxes credits over ICMS

Thus, the Company recorded the PIS/Pasep and Cofins credits corresponded to the amount of these taxes over ICMS paid in the period of July 2003 to May 2019.

Final court judgment has also been given, against which there is no further appeal, in favor of the similar actions filed by Cemig's wholly-owned subsidiaries Sá Carvalho, Cemig Geração Distribuída (previously denominated UTE Ipatinga S.A.), Cemig Geração Poço Fundo

(previously denominated UTE Barreiro S.A.) and Horizontes Energia. The process of qualification of the credits of these companies was completed with the tax authority in September 2022, and offsetting of the federal tax is payable has begun.

The Company and its subsidiaries have two ways to recover the tax credit: (i) offsetting of the amount receivable against amounts payable of PIS/Pasep and Cofins taxes, monthly, within the five-year period specified by the relevant law of limitation; or (ii) receipt of specific credit instruments '*precatórios*' from the federal government.

The Company, in addition of the ability of receiving the credits through '*precatórios*' letters of credit, has begun to assess the possibility of credits administrative qualification, under which they will be able to be offset these credits against federal taxes generated by the holding company's activity.

On May 12, 2020, the Brazilian tax authority (*Receita Federal*) granted the Company's request for ratification of the credits of PIS/Pasep and Cofins taxes arising from the legal action on which final judgment, subject to no further appeal, was given in favor of Cemig D and GT are offsetting since May 2020 the amount receivable against amounts of federal taxes payable on a monthly basis, within the five-year period specified by the relevant law of limitation.

Based on the opinion of its legal advisers, the Company had constituted a liability for the portion of the tax credits corresponding to the period of the last 10 years (from June 2009 to May 2019), net of PIS/Pasep and Cofins taxes on the gain from monetary updating.

On June 27, the Draft Law 1,280/22, which provided for the full allocation of tax credits related to the issue of PIS/Pasep and Cofins on ICMS to customers of electricity distributors, without the limitation of the period of 10 years mentioned above was converted into Law 14,385/22 and the Company made a allowance, posting a additional amount in liabilities, as per Explanatory Notes 20 and 24.

The Company's management awaits the Law regulation by Aneel, and is assessing possible future actions related to this matter with its legal advisers.

Owing to the STF's decision on the modulation of effects, the subsidiary Gasmig recognized, in the second quarter of 2021, the amounts of PIS/Pasep and Cofins taxes credits on ICMS referring to the periods contemplated in the process that discusses the matter, in the amount of R\$219,753.

On August 1, 2022, the individual action filed by Gasmig, which dealt with the exclusion of ICMS from the PIS/Pasep and Cofins calculation basis, became final and unappealable. As of the final decision, Gasmig will be able to start the procedures for withdrawing judicial deposits and qualifying the tax credit with the Federal Revenue Service.

For more information about the amounts to be refunded by Cemig D and Gasmig to customers, see Note 20.

The Company carries current asset and non-current asset the amounts of R\$1,153,035 and R\$1,406,046, respectively, corresponding to the tax credits of PIS/Pasep and Cofins over ICMS, with updating by the Selic rate to the date of their actual offsetting.

From January to September, 2022, credits of PIS/Pasep and Cofins taxes were offset against payable federal taxes in the amount of R\$1,089,377 (R\$991,109 in the same period of 2021).

9. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Income tax and social contribution tax recoverable

	Consolidated		Parent company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Income tax	820,118	763,468	219,593	221,422
Social contribution tax	272,616	250,851	116	24,428
	1,092,734	1,014,319	219,709	245,850
Current	798,518	698,914	-	-
Non-current	294,216	315,405	219,709	245,850

b) Income tax and social contribution tax payable

	Consolidated	
	Sep. 30, 2022	Dec. 31, 2021
Current		
Income tax	232,240	147,312
Social contribution tax	27,819	42,690
	260,059	190,002

The company has some uncertainties relating to the treatments of certain taxes on profit, and management has concluded that it is more probable than not that the tax authority will accept the Company's conclusions. The effects of the potential contingencies are stated in Note 24.

c) Deferred income tax and social contribution tax

	Consolidated		Parent company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Deferred tax assets				
Tax loss carryforwards	961,815	806,639	643,403	583,662
Provisions for contingencies	601,657	542,089	91,250	71,278
Impairment on investments	57,107	244,132	-	-
Fair value of derivative financial instruments (PUT SAAG)	222,349	216,339	-	-
Operating provisions/Impairment	585,984	77,402	2,083	2,083
Provisions for employers' and managers's profit share	38,088	42,290	1,981	1,944
Post-employment obligations	2,065,978	1,980,828	254,873	239,750
Estimated provision for doubtful receivables	306,492	314,863	8,405	8,477
Onerous concession	11,787	11,274	-	-
Others	23,011	19,423	86	68
Total	4,874,268	4,255,279	1,002,081	907,262
Deferred tax liabilities				
Transaction cost	(7,893)	(5,009)	-	-
Deemed cost	(157,097)	(219,067)	-	-
Acquisition costs of equity interests	(443,860)	(465,615)	(102,543)	(104,992)
Borrowing costs capitalized	(168,385)	(164,716)	-	-
Gains from unredeemed securities – Presumed profit tax regime	(8,510)	(3,583)	-	-
Adjustment to expectation of cash flow – Concession assets	(254,639)	(245,181)	-	-
Adjustment of contract assets	(931,518)	(895,223)	-	-
Adjustment to fair value – Loss	(245,172)	(412,436)	-	-
Updating on escrow deposits	(7,516)	(6,737)	-	-
Reimbursement of costs – GSF	(285,328)	(319,207)	-	-
Others	(57,115)	(16,026)	-	-
Total	(2,567,033)	(2,752,800)	(102,543)	(104,992)
Total, net	2,307,235	1,502,479	899,538	802,270
Total assets	3,116,860	2,464,734	899,538	802,270
Total liabilities	(809,625)	(962,255)	-	-

The changes in deferred income tax and social contribution tax were as follows:

	Consolidated	Parent company
Balance on December 31, 2021	1,502,479	802,270
Effects allocated to net profit from continuing operations	808,520	97,268
Adjustment of deferred taxes from the previous period	(3,764)	-
Balance on September 30, 2022	2,307,235	899,538

d) Reconciliation of income tax and social contribution tax effective rate

	Consolidated		Parent company	
	Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021
Profit before income tax and social contribution tax	2,534,016	3,639,850	2,589,309	2,865,979
Income tax and social contribution tax – Nominal expense (34%)	(861,565)	(1,237,549)	(880,365)	(974,433)
<i>Tax effects applicable to:</i>				
Gain in subsidiaries by equity method (net of effects of Interest on Equity)	196,167	122,276	604,852	765,601
Tax incentives	32,656	36,827	-	-
Difference resulting from the presumed profit base	64,250	114,716	-	-
Non-deductible penalties	(25,498)	(14,138)	(13)	(290)
Interest on equity declared	363,640	-	363,640	-
Estimated losses on doubtful accounts receivable from related parties	233,931	-	-	-
Disposal of goodwill (note 32)	108,416	-	-	-
Income arising from the Light sale	-	154,326	-	154,326
Others	41,787	(25,841)	9,154	(21,863)
Income tax and social contribution tax – effective gain (expense)	153,784	(849,383)	97,268	(76,659)
Current income tax and social contribution tax	(654,736)	(936,479)	-	(20,069)
Deferred income tax and social contribution tax	808,520	87,096	97,268	(56,590)
	153,784	(849,383)	97,268	(76,659)
Effective rate	(6.07)%	23.34%	(3.76)%	2.67%

	Consolidated		Parent company	
	Jul to Sep, 2022	Jul to Sep, 2021	Jul to Sep, 2022	Jul to Sep, 2021
Profit before income tax and social contribution tax	1,392,224	471,187	1,140,236	501,892
Income tax and social contribution tax – nominal expense (34%)	(473,356)	(160,204)	(387,680)	(170,643)
<i>Tax effects applicable to:</i>				
Gain in subsidiaries by equity method (net of effects of Interest on Equity)	22,439	79,661	260,189	89,657
Tax incentives	16,534	5,531	-	-
Difference resulting from the presumed profit base	18,238	23,081	-	-
Non-deductible penalties	(2,721)	(3,530)	88	(36)
Interest on equity declared	160,320	-	160,320	-
Income arising from the Light sale	-	20,663	-	20,663
Others	48,675	(14,912)	8,715	(20,482)
Income tax and Social Contribution tax – effective gain (expense)	(209,871)	(49,710)	41,632	(80,841)
Current income tax and social contribution tax	(284,047)	(71,213)	-	(20,069)
Deferred income tax and social contribution tax	74,176	21,503	41,632	(60,772)
	(209,871)	(49,710)	41,632	(80,841)
Effective rate	15.07%	10.55%	(3.65)%	16.11%

10. ACCOUNTS RECEIVABLE FROM THE STATE OF MINAS GERAIS

The Company has a balance receivable from the State of Minas Gerais, recognized in Non-current assets, of R\$ 13,366 (R\$ 13,366 on December 31, 2021), relating to return of an administrative deposit made for a dispute on the criterion for inflation correction to be applied to an advance against future capital increase ('AFAC'), made in prior years, which was the subject of a debt recognition agreement.

On June 30, 2021, the Company retained the remaining portion of dividends to be paid to State of Minas Gerais and awaits development of the issue with CPRAC for the definitive write-off from accounts receivable of this remaining balance.

Regarding the discussion on the merits of the criterion used in the past for AFAC's monetary updating, if a solution is not successfully reached either through CPRAC or any legal proceedings on the merits, Management, based on assessment of legal advisors, has assessed the chances of loss as 'possible'.

11. ESCROW DEPOSITS

	Consolidated		Parent company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Labor claims	267,678	266,604	31,710	25,292
Tax contingencies				
Income tax on Interest on Equity	30,705	29,546	325	300
PIS/Pasep and Cofins taxes (1)	69,096	68,342	-	-
Donations and legacy tax (ITCD)	58,541	55,752	57,538	54,786
Urban property tax (IPTU)	93,932	86,925	65,736	62,229
Finsocial tax	42,769	40,999	42,769	40,999
Income and Social Contr, Tax on indemnity for employees' 'Anuênio' benefit (2)	300,273	290,198	14,420	13,936
Income tax withheld at source on inflationary profit	8,951	8,743	8,951	8,743
Income tax and contribution tax effective rate (3)	105,850	76,155	313	-
Others (4)	115,597	103,570	65,174	67,015
	825,714	760,230	255,226	248,008
Others				
Regulatory	56,414	52,736	20,884	20,033
Third party	10,878	12,482	4,968	6,630
Customer relations	8,778	7,924	987	941
Court embargo	18,314	19,146	3,219	3,373
Others	58,805	36,047	3,546	3,374
	153,189	128,335	33,604	34,351
	1,246,581	1,155,169	320,540	307,651

- (1) This refers to escrow deposits in the action challenging the constitutionality of inclusion of ICMS tax within the amount to which PIS/Pasep and Cofins taxes are applied.
- (2) See more details in Note 24 – Provisions under the section relating to the 'Anuênio indemnity'.
- (3) Court escrow deposit in the proceedings challenging charging of corporate income tax and the Social Contribution tax on payments of Interest on Equity and application of the Social Contribution tax to cultural and artistic donations and sponsorship, expenses on punitive fines, and taxes with enforceability suspended.
- (4) Includes escrow deposits from legal actions related to INSS and PIS/Pasep and Cofins taxes.

12. REIMBURSEMENT OF TARIFF SUBSIDIES

Subsidies given on tariffs charged to users of distribution services are reimbursed to distributors by payments of funds from the Energy Development Account (CDE).

In the period from January to September 2022, the amount recognized as subsidies revenues, reimbursed through the transfer of resources of Energy Development Account (CDE), was R\$710,659 (R\$740,367 in the same period of 2021). Of this amount, the Company has to receive the total amount of R\$96,514, of such amounts, Cemig D has a receivable of R\$90,932 (R\$81,981 on December 31, 2021) and Cemig GT has a receivable of R\$5,582 (R\$4,476 on December 31, 2021) in current assets.

13. CONCESSION FINANCIAL ASSETS AND LIABILITIES

Consolidated	Sep. 30, 2022	Dec. 31, 2021
Concession financial assets		
Energy distribution concessions (Note 13.1)	1,059,552	683,729
Gas distribution concessions (Note 13.1)	37,352	34,386
Indemnifiable receivable – Generation (Note 13.2)	669,216	816,202
Concession grant fee – Generation concessions (Note 13.3)	2,917,635	2,792,201
	4,683,755	4,326,518
Sector financial assets		
Amounts receivable from Parcel A (CVA) and Other Financial Components (Note 13.4)	958,459	2,147,548
Total	5,642,214	6,474,066
Current assets		
	1,266,468	1,504,666
Non-current assets		
	4,375,746	4,969,400

Consolidated	Sep. 30, 2022	Dec. 31, 2021
Sector financial liabilities		
Amounts receivable from Parcel A (CVA) and Other Financial Components	(271,196)	(51,359)
Total	(271,196)	(51,359)

The changes in concession financial assets related to infrastructure are as follows:

	Distribution	Generation	Gas	Total
Balances on December 31, 2021	683,729	3,608,403	34,386	4,326,518
Addition	-	-	323	323
Transfers from contract assets	368,208	-	-	368,208
Transfers from intangible assets	(19,845)	-	378	(19,467)
Monetary updating	28,401	377,369	2,265	408,035
Disposals	(941)	(171,770)	-	(172,711)
Amounts received	-	(227,151)	-	(227,151)
Balances on September 30, 2022	1,059,552	3,586,851	37,352	4,683,755

13.1 Generation – Indemnity receivable

These balances were recognized in financial assets, at fair value through profit or loss.

On July 28, 2022 Aneel revoked Normative Resolution (ReN) 942, by publication of ReN 1,027, establishing the general methodology and criteria for calculation – to be based on New Replacement Value, which is calculated, as first priority, based on the reference database of prices – then as second priority by the concession holder’s own prices database, then, as the last alternative, by the updated inspected accounting cost.

The Valuation Opinion was concluded, with the following results:

Generation plant	Concession expiration date	Installed capacity (MW)	Net balance of assets based on historical cost	Net balance of assets based on fair value – ReN 1,027/2022	Financial Update	Net balance of assets on September 30, 2022
Lot D						
UHE Três Marias	July 2015	396.00	71,029	166,903	6,419	173,322
UHE Salto Grande	July 2015	102.00	11,514	85,625	3,293	88,918
UHE Itutinga	July 2015	52.00	4,408	10,089	388	10,477
UHE Camargos	July 2015	46.00	7,278	19,611	754	20,365
PCH Piauí	July 2015	18.01	1,622	4,376	168	4,544
PCH Gafanhoto	July 2015	14.00	1,371	5,247	202	5,449
PCH Peti	July 2015	9.40	1,330	6,056	233	6,289
PCH Dona Rita	Sep. 2013	2.41	600	1,569	60	1,629
PCH Tronqueiras	July 2015	8.50	2,373	8,510	292	8,802
PCH Joasal	July 2015	8.40	1,572	6,269	241	6,510
PCH Martins	July 2015	7.70	2,273	4,451	171	4,622

Generation plant	Concession expiration date	Installed capacity (MW)	Net balance of assets based on historical cost	Net balance of assets based on fair value – ReN 1,027/2022	Financial Update	Net balance of assets on September 30, 2022
PCH Cajuru	July 2015	7.20	3,558	18,862	725	19,587
PCH Paciência	July 2015	4.08	871	4,146	159	4,305
PCH Marmelos	July 2015	4.00	694	2,409	93	2,502
Others						
UHE Volta Grande	Feb. 2017	380.00	235	361	14	375
UHE Miranda	Dec. 2016	408.00	34,697	90,862	3,494	94,356
UHE Jaguará	Aug. 2013	424.00	45,706	137,673	5,331	143,004
UHE São Simão	Jan. 2015	1,710.00	27,082	71,413	2,747	74,160
		3,601.70	218,213	644,432	24,784	669,216

With the conclusion of the Valuation Report, the Company wrote off the financial asset in the amount of R\$171,770, in June 2022. In the third quarter was a financial update of R\$24,784. The remaining balance of R\$669,216 represents management's best estimate for the plants reimbursement, based on the evaluation criteria set by Aneel.

The Valuation Report on the assets is subject to inspection by Aneel, which may request complementary documentation. As a result there may be adjustments to the amounts resulting from the valuation process – in which case the concession holder has the right of defense and reply.

The due date and form of payment of the investments made after entry into operation of the basic plant plans, which have not yet been amortized or depreciated, will be decided by the Grantor after inspection and ratification of the reimbursements amounts.

13.2 Concession grant fee – Generation concessions

The concession grant fee paid to Company for a 30-year concession contracts Nº, 08 to 16/2016, related to 18 hydroelectric plants of Auction 12/2015, won by Cemig GT, was an amount of R\$2,216,353. The amount of the concession fee was recognized as a financial asset measured at amortized cost, as Cemig GT has an unconditional right to receive the amount paid, updated by the IPCA Index and remuneratory interest (the total amount of which is equal to the internal rate of return on the project), during the period of the concession.

The changes in concession financial assets are as follows:

SPC	Plants	Dec. 31, 2021	Monetary updating	Amounts received	Sep. 30, 2022
Cemig Geração Três Marias S.A.	Três Marias	1,583,720	191,617	(122,048)	1,653,289
Cemig Geração Salto Grande S.A.	Salto Grande	497,154	60,379	(38,490)	519,043
Cemig Geração Itutinga S.A.	Itutinga	187,004	25,072	(16,364)	195,712
Cemig Geração Camargos S.A.	Camargos	140,201	18,691	(12,182)	146,710
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência and Piau	183,635	25,918	(17,140)	192,413
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	125,187	19,239	(13,015)	131,411
Cemig Geração Oeste S.A.	Cajuru, Gafanhoto and Martins	75,300	11,669	(7,912)	79,057
Total		2,792,201	352,585	(227,151)	2,917,635

13.3 Account for compensation of variation of parcel A items (CVA) and Other financial components

The balance of these sector financial assets and liabilities, which are presented at net value, in assets or liabilities, in accordance with the tariff adjustments that have been authorized or are to be ratified, are as follows:

Balance sheet	Sep. 30, 2022			Dec. 31, 2021		
	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Assets	856,794	101,665	958,459	988,850	4,133,064	5,121,914
Current assets	856,794	101,665	958,459	988,850	2,397,151	3,386,001
Non-current assets	-	-	-	-	1,735,913	1,735,913
Liabilities	-	(271,196)	(271,196)	(1,040,209)	(1,985,516)	(3,025,725)
Current liabilities	-	-	-	(1,040,209)	(1,175,718)	(2,215,927)
Non-current liabilities	-	(271,196)	(271,196)	-	(809,798)	(809,798)
Total current, net	856,794	101,665	958,459	(51,359)	1,221,433	1,170,074
Total non-current, net	-	(271,196)	(271,196)	-	926,115	926,115
Total, net	856,794	(169,531)	687,263	(51,359)	2,147,548	2,096,189

Financial components	Sep. 30, 2022			Dec. 31, 2021		
	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Items of 'Parcel A'						
Energy Development Account (CDE) quota	220,560	(226,964)	(6,404)	23,593	(90,715)	(67,122)
Tariff for use of transmission facilities of grid participants	40,773	90,726	131,499	145,817	97,203	243,020
Tariff for transport of Itaipu supply	(2,595)	7,384	4,789	13,172	(972)	12,200
Alternative power source program - Proinfa	62,960	-	62,960	11,427	18,664	30,091
ESS/EER System Service/Energy Charges	589,897	139,162	729,059	30,948	953,014	983,962
Energy purchased for resale	350,285	(1,120,652)	(770,367)	389,548	1,177,997	1,567,545
Other financial components						
Over contracting of supply (1)	64,986	511,028	576,014	(67,566)	192,132	124,566
Neutrality of parcel A	(52,293)	248,197	195,904	24,269	73,081	97,350
Billing return – Covid Account (2)	-	-	-	(371,350)	-	(371,350)
Excess demand and reactive power	(40,220)	(28,798)	(69,018)	(21,171)	(47,087)	(68,258)
Other financial items	(377,559)	210,386	(167,173)	(230,046)	(225,769)	(455,815)
TOTAL	856,794	(169,531)	687,263	(51,359)	2,147,548	2,096,189

- (1) As a result, Cemig D filed an appeal with the Council of Aneel, for the amounts of distribution agents' over contracting to be reset in accordance with the calculation criteria based on maximum effort contained in Aneel Normative Resolution 453/2011. The Company has no expectation of loss in relation to realization of these amounts. The Company recognizes this receivable asset, in the amount of R\$238,064 on September 30, 2022, as 'Other financial components' to be ratified. At the reporting date for this interim financial information, this matter was pending analysis by Aneel, however, the decision of SGT/SEM Dispatch 2,508 of 2020 is in force and was considered in the last tariff process, in which part of the amount relating to over contracting in 2017 was ratified, totaling R\$39,270.
- (2) This is a financial component created for return to customers of the amounts that were invoiced to them but received by Cemig from the Covid Account in 2020. These amounts will be returned to customers in the tariff process of 2021, updated by the Selic rate, ensuring of neutrality.

Changes in balances of sector financial assets and liabilities are as follow:

	Consolidated
Balance on December 31, 2021	2,096,189
Additions	(954,056)
Amortization	(413,637)
(-) Proceeds from loan – Water scarcity account	(190,658)
Updating – Selic rate	149,425
Balance on September 30, 2022	687,263

The Annual Tariff Adjustment

On June 22, 2022, after an extension of the previous tariffs for 25 days while decision at the federal level on measures for tariff mitigation were expected, Aneel ratified the result of the Cemig D's Annual Tariff Adjustment, to be in effect until May 27, 2023, with average effect on customers of 8.80% – its components included average increases of 14.31% for high-voltage customers, and of 6.23% for customers connected at low voltage. For residential customers served at low voltage, the average increase was 5.22%.

This result arises from: (i) variation of 3.89% in the Portion B costs (manageable costs), due to the IPCA inflation index over the 12 prior months, and (ii) direct pass-throughs within the tariff, which had an impact of 4.91%, but which had no economic effect for the Cemig D, not affecting its profitability, relating to the following items: (a) increase of 4.78% in non-manageable costs (Portion A), mainly related to purchase of energy supply, regulatory charges and transmission charges, including the reducing effect of the R\$409,920 inclusion in pass-throughs from the CDE (Energy Development Account) arising from the process of capitalization of Eletrobras; (b) reduction of 9.32%, referring to the financial components of the current process, in which an important element is inclusion of R\$2,810,830 referring to the PIS/Pasep and Cofins taxes credits reimbursement, which generated a negative variation in the tariff of 15.20%; and (c) an effect of 9.45% relating to the financial components of the previous process withdrawal. For more information on the PIS/Pasep and Cofins taxes credits, see Explanatory Note 20.

14. CONCESSION CONTRACT ASSETS

Consolidated	Sep. 30, 2022	Dec. 31, 2021
Distribution – Infrastructure assets under construction	2,517,845	1,926,652
Gas – Infrastructure assets under construction	112,620	95,137
Transmission – National Grid ('BNES' - Basic Network of the Existing System) - Law 12,783/13	1,961,434	2,011,576
Transmission – Assets remunerated by tariff	2,680,623	2,346,643
	7,272,522	6,380,008
Current	704,291	599,692
Non-current	6,568,231	5,780,316

Changes in concession contract assets are as follows:

	Transmission	Distribution	Gas	Consolidated
Balance on December 31, 2021	4,358,219	1,926,652	95,137	6,380,008
Additions	269,760	2,120,311	37,045	2,427,116
Inflation adjustment	446,808	-	-	446,808
Amounts received	(437,326)	-	-	(437,326)
Disposals	-	-	(1,976)	(1,976)
Other additions	4,596	-	3,936	8,532
Transfers to financial assets	-	(368,208)	-	(368,208)
Transfers to intangible assets	-	(1,180,107)	(21,522)	(1,201,629)
Impairment	-	19,197	-	19,197
Balance on September 30, 2022	4,642,057	2,517,845	112,620	7,272,522

The amount of additions in the period ended September 30, 2022 includes R\$33,980 borrowing costs, as presented in note 21. The average rate to determine the amount of borrowing costs was 11.42%.

The Company has not identified any evidence of impairment of the others contract assets.

Energy and gas distribution activities

The concession infrastructure assets of energy and gas distribution still under construction are recognized initially as contract assets, measured at amortized cost, including capitalized borrowing costs. When the asset start operations, the construction performance obligation is concluded, and the assets are bifurcated into financial assets and intangible assets.

The transmission activity

For transmission concessions, the consideration to be paid to the Company arises from the concession contracts as follows:

	Sep. 30, 2022	Dec. 31, 2021
Current		
Concession contract - 004/05	29,297	26,678
Concession contract - 079/00	47,390	38,782
Concession contract - 006/11	8,279	7,355
Concession contract - 006/97		
National Grid ('BNES' – Basic Network of the Existing System)	385,272	317,692
National Grid – new facilities (RBNl)	234,051	209,185
	704,289	599,692
Non-current		
Concession contract - 004/05	86,606	89,204
Concession contract - 079/00	150,130	151,858
Concession contract - 006/11	85,094	73,882
Concession contract - 006/97		
National Grid ('BNES' – Basic Network of the Existing System)	1,576,162	1,693,884
National Grid – new facilities (RBNl)	2,039,776	1,749,699
	3,937,768	3,758,527
	4,642,057	4,358,219

a) Concession contract n^o. 006/1997

National Grid Assets- 'BNES' – the regulatory cost of capital updating

On January 06, 2021, the Brazilian General Attorney's Office issued a legal opinion about the effects of the reversal of the court decision that had suspended the cost of equity remuneration of the transmission agents determined by Ministerial Order 120/2016, concluded that it must be updated by the cost of equity rate until July 1, 2020, which is the date that the payment took place, and must be included to RAP as of July 1, 2020 (2020-2021 cycle) for eight years.

On April 22, 2021, Aneel published Resolution n^o 2,852, which altered Resolution n, 2,712/2020, defining, among other provisions, the financial component referred to. Thus, the cost capital associated with the financial components was incorporated into the calculation of the periodic review processes of 2018 deciding the RAP of the transmission concessions that were extended under Law 12,783/2013. This caused 2 effects: (i) A new value for the component to be considered in the RAP of the tariff cycles for 2020-2021 to 2025-2026; and (ii) a residual value for the difference between the amount paid to the transmission companies in the 2017-2018 and 2019-2020 tariff cycles and the amount payable after the injunctions were overturned.

Thus, the debt balance of this component was recalculated, using remuneration at the rate of cost capital, up to the date of actual payment (July 1, 2020), discounted present value of the amount paid.

In addition, Aneel opted the alternative of ‘reprofiling’ these payments, for payment gradually over a period of 8 years, guaranteeing the net present value of the transaction.

In the proposed profile the minimum payment is made in the 2021-2022 cycle, with zero amortization of the debt portion of the balance; in the 2022-2023 cycle there is amortization at a rate of 3.0%, so as to amortize part of the debt and keep the level of payments stable; and there are then constant payments over the cycles of 2023-2024 to 2027-2028, with amortization rates of 16.11% per year. Thus, to achieve regulatory stability and mitigate sector risk, this RAPs financial component might not be included in 2023 periodic review.

b) Concession contract nº. 079/2000

The contract regulates commercial operation of public transmission service, comprising construction, maintenance and operation of transmission of the following facilities: The Itajubá 3 Substation; the Itajubá 3 – Poços de Caldas Transmission Line; and the Itajubá 3– Cachoeira Paulista Transmission Line, in effect until October 4, 2034.

The indexer used for adjustment of the contract is the General Market Prices Index (Índice Geral de Preços do Mercado – IGPM).

On March 30, 2021, the Resolution nº 2.839 updated the amounts of the RAPs and the adjustment portions for this contract, resulting in R\$3,708 in contract assets amount.

The amounts will comprise the new RAP as from the adjustment for the 2021/2022 cycle and the adjustment portion relating to the backdating will be paid in 3 installments during the next adjustment processes.

The next Periodic Tariff Review (RTP) of the enhancements that have been approved will take place in June 2024 with effect from July 1st, 2024.

c) Concession contract nº. 006/2011

The contract regulates commercial operation of public transmission service, comprising construction, maintenance and operation of the Sete Lagoas 4 substation, in effect until June 15, 2041.

The index used for adjustment of the contract is the Expanded National Consumer Price (*‘Índice de Preços ao Consumidor Amplo’* – IPCA).

On July 13, 2021, Aneel established the RAP for the 2021–2022 cycle, through Resolution nº 2,895, which was amended by Resolution nº 2,959 on October 5, 2021, due to applications for reconsideration filed by the transmission concession holders.

The financial effects of the new RAPs, comparing with the contract financial forecasting model, were not significant, considering that there have not been significant changes in the assumptions used.

d) Concession contract nº. 004/2005

The contract regulates the concession for the second circuit 345kV transmission facility which runs between the Furnas and Pimenta substations, a distance of approximately 75 km, for a period of 30 years from March 2005. For making the transmission facilities available for commercial operation, Centroeste will receive the Permitted Annual Revenue (RAP), adjusted annually, in the first 15 years of commercial operation. In the 16th year of commercial operation, its RAP will be reduced by 50%, until the end of the concession.

The indexer used for adjustment of the contract is the IGP-M (Índice Geral de Preços do Mercado – General Market Prices Index).

On July 13, 2021, Aneel established the RAP for the 2021–2022 cycle, through Resolution 2,895, which was amended by Resolution 2,959 on October 5, 2021, due to applications for reconsideration filed by the transmission concession agents, including the Company.

The Company is assessing the financial effects of the RAPs established, comparing these amounts with the contract projections on financial modeling and does not expect significant variations, considering that there were no significant changes in the assumptions applied.

The annual tariff adjustment

Through Ratifying Resolution (ReH) 3,067 of 2022, Aneel established the RAPs for the 2022–2023 cycle, in effect from July 1, 2022. The increase relates mainly to: (i) reprofiling of the Financial Component of the existing National Grid assets – which were 64% higher than in the 2021–2022 cycle; (ii) different monetary updating indexes in the period (11.7% for the IPCA and 10.7% for the IGPM); and (iii) new works addition.

	Readjustment index	RAP 2021-2022 cycle R\$MM	RAP 2022-2023 cycle R\$MM	Var %
Concession contract – 006/97	IPCA	682.8	825.6	21.0%
Concession contract – 079/00	IGPM	40.7	45.0	10.7%
Concession contract – 004/05	IGPM	28.5	31.5	10.7%
Concession contract – 006/11	IPCA	7.9	8.9	11.7%
		759.9	911.0	19.9%

15. INVESTMENTS

Investees	Control	Consolidated		Parent company	
		Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Cemig Geração e Transmissão	Subsidiary	-	-	9,484,712	7,831,942
Guanhães Energia S.A. ("Guanhães Energia")	Jointly-controlled	159,078	125,172	-	-
Hidrelétrica Cachoeirão S.A. ("Hidrelétrica Cachoeirão")	Jointly-controlled	61,290	59,013	-	-
Hidrelétrica Pipoca S.A. ("Hidrelétrica Pipoca")	Jointly-controlled	56,483	46,722	-	-
Madeira Energia ("MESA") (2)	Affiliated	8,568	-	-	-
Fundo de Investimento em Participações Melbourne Multiestratégia ("FIP Melbourne") (2)	Affiliated	7,113	-	-	-
Retiro Baixo Energética S.A. ("Retiro Baixo")	Jointly-controlled	187,607	200,385	-	-
Aliança Norte Participações S.A. ("Aliança Norte") (3)	Jointly-controlled	584,636	609,154	-	-
Baguari Energia S.A. ("Baguari Energia")	Jointly-controlled	158,293	168,430	-	-
Aliança Geração de Energia S.A. ("Aliança Geração")	Jointly-controlled	1,346,785	1,140,930	-	-
Amazônia Energia Participações S.A. ("Amazônia Energia") (3)	Jointly-controlled	894,142	932,600	-	-
Paracambi Energética S.A. ("Paracambi") (formerly Lightger)	Jointly-controlled	131,055	124,275	-	-
Cemig Distribuição	Subsidiary	-	-	6,502,075	6,942,666
Transmissora Aliança de Energia Elétrica S.A. ("Taesa")	Jointly-controlled	1,632,826	1,580,379	1,632,826	1,580,379
Ativas Data Center S.A. ("Ativas Data Center")	Affiliated	14,846	15,750	14,846	15,750
Gasmig	Subsidiary	-	-	1,624,803	1,635,985
Cemig Sim	Subsidiary	-	-	201,047	111,433
UFVs (1)	Jointly-controlled	130,795	98,839	-	-
Axiom Soluções Tecnológicas S.A. ("Axiom")	Jointly-controlled	-	4,277	-	4,277
Sete Lagoas Transmissora de Energia S.A. ("Sete Lagoas")	Subsidiary	-	-	72,507	60,703
Total of investments		5,373,517	5,105,926	19,532,816	18,183,135
Usina Hidrelétrica Itaocara S.A. ("Itaocara")	Jointly-controlled	(14,280)	(20,767)	-	-
Madeira Energia S.A. ("MESA") (Usina de Santo Antônio) - Provisões para perdas	Affiliated	-	(161,648)	-	-
Total		5,359,237	4,923,511	19,532,816	18,183,135

- (1) Set of photovoltaics plants, in which the investee Cemig Sim has a participation.
- (2) Indirect interest in the Santo Antônio plant through these investees.
- (3) Indirect interest in the Belo Monte plant through these investees.
- (4) The investee Usina Hidrelétrica Itaocara had negative shareholders' equity. Thus, after reducing the accounting value of its interest to zero, the Company recognized the loss to the extent that it assumed contractual obligations with the subsidiary and the other shareholders, which on September 30, 2022 is R\$14,280 (R\$20,767 on December 31, 2021). The loss is recorded in the balance sheet in Other obligations.
- (5) On November 8, 2022, the investee's Extraordinary General Meeting approved the amendment of the bylaws that changed its corporate name to "Paracambi Energética S.A.".

The Company's investees that are not consolidated are jointly controlled entities, with the exception of the interests in the affiliates Madeira Energia (Santo Antônio power plant) and Ativas Data Center.

For the period ended of September 30, 2022, management evaluates of potential decline in value of assets, as referred to in CPC 01 / IAS 36 – *Impairments of Assets* were not observed impairment of its investments. Thus, the reported assets net carrying amount is recoverable and therefore the Company has not recognized any impairment loss related to its investments.

Additionally, in relation to the above, the Company's management has assessed the risk threatening all its investments ability to continue as a going concern, taking substantially into consideration: the economic-financial clauses of Cemig D and Gasmig; the guarantee of revenues of the transmission companies; the protection against *force majeure* reduction in regulated generation contracts; and all the legal measures that have been applied by the federal government and by Aneel – and has concluded that the Company and its subsidiaries' ability to continue as going concern is secure.

Changes in the right to exploitation of the regulated activity

PARENT COMPANY			
Investees	Dec. 31, 2021	Amortization	Sep. 30, 2022
Paracambi (formerly Lightger)	76,488	(1,876)	74,612
Taesa	151,462	(6,990)	144,472
Gasmig	396,246	(11,443)	384,803
Sete Lagoas	(4,506)	183	(4,323)
TOTAL	619,690	(20,126)	599,564

CONSOLIDATED				
Investees	Dec. 31, 2021	Addition	Amortization	Sep. 30, 2022
Cemig Geração e Transmissão				
Retiro Baixo	27,798	-	(1,042)	26,756
Aliança Geração	301,605	-	(18,982)	282,623
Aliança Norte	46,660	-	(1,479)	45,181
Paracambi (formerly Lightger)	76,488	-	(1,876)	74,612
Taesa	151,462	-	(6,990)	144,472
Cemig Sim				
Photovoltaic plants	7,037	7,606	(278)	14,365
Total	611,050	7,606	(30,647)	588,009

a) Changes in investments in subsidiaries, jointly controlled entities and affiliates:

Parent Company						
Investees	Dec. 31, 2021	Gain (loss) by equity method (Income statement)	Dividends / Interest on equity	Additions	Others	Sep. 30, 2022
Cemig Geração e Transmissão	7,831,942	1,652,770	-	-	-	9,484,712
Cemig Distribuição	6,942,666	(17,423)	(423,168)	-	-	6,502,075
Ativas Data Center	15,750	(904)	-	-	-	14,846
Gasmig	1,635,985	272,562	(284,137)	-	393	1,624,803
Cemig Sim	111,433	20,692	(3,958)	72,880	-	201,047
Axiom	4,277	(4,277)	-	-	-	-
Sete Lagoas	60,703	10,549	(5,745)	7,000	-	72,507
Taesa	1,580,379	303,878	(251,439)	-	8	1,632,826
Total	18,183,135	2,237,847	(968,447)	79,880	401	19,532,816

Consolidated						
Investees	Dec. 31, 2021	Gain (loss) by equity method (Income statement)	Dividends / Interest on equity	Additions	Others	Sep. 30, 2022
Hidrelétrica Cachoeirão	59,013	12,076	(9,799)	-	-	61,290
Guanhães Energia	125,172	33,906	-	-	-	159,078
Hidrelétrica Pipoca	46,722	12,417	(2,656)	-	-	56,483
MESA (3)	-	8,568	-	-	-	8,568
FIP Melbourne (3)	-	139,934	-	-	(132,821)	7,113
Paracambi (formerly Lightger)	124,275	13,418	(6,638)	-	-	131,055
Baguari Energia	168,430	19,381	(29,518)	-	-	158,293
Amazônia Energia (4)	932,600	(38,458)	-	-	-	894,142
Aliança Norte (4)	609,154	(24,902)	-	384	-	584,636
Ativas Data Center	15,750	(904)	-	-	-	14,846
Taesa	1,580,379	303,879	(251,432)	-	-	1,632,826
Aliança Geração (5)	1,140,930	83,227	125,897	-	(3,269)	1,346,785
Retiro Baixo	200,385	19,559	(32,337)	-	-	187,607
UFV Janaúba Geração de Energia Elétrica Distribuída S.A. ("UFV Janaúba")	2,699	2,128	-	-	-	4,827
UFV Corinto Geração de Energia Elétrica Distribuída S.A. ("UFV Corinto") (2)	9,258	1,482	(1,139)	-	(1,029)	8,572
UFV Manga Geração de Energia Elétrica Distribuída S.A. ("UFV Manga") (2)	11,294	1,856	(1,325)	-	(949)	10,876
UFV Bonfinópolis II Geração de Energia Elétrica Distribuída S.A. ("UFV Bonfinópolis II") (2)	6,432	631	(415)	-	(685)	5,963
UFV Lagoa Grande Geração de Energia Elétrica Distribuída S.A. ("UFV Lagoa Grande") (2)	14,890	1,975	(1,356)	-	(1,211)	14,298
UFV Lontra Geração de Energia Elétrica Distribuída S.A. ("UFV Lontra") (2)	17,823	2,489	(1,729)	-	(1,230)	17,353
UFV Mato Verde Geração de Energia Elétrica Distribuída S.A. ("UFV Mato Verde") (2)	6,130	961	(706)	-	(407)	5,978

Consolidated						
Investees	Dec. 31, 2021	Gain (loss) by equity method (Income statement)	Dividends / Interest on equity	Additions	Others	Sep. 30, 2022
UFV Mirabela Geração de Energia Elétrica Distribuída S.A. ("UFV Mirabela") (2)	4,058	714	(459)	-	(353)	3,960
UFV Porteirinha I Geração de Energia Elétrica Distribuída S.A. ("UFV Porteirinha I") (2)	5,318	918	(629)	-	(808)	4,799
UFV Porteirinha II Geração de Energia Elétrica Distribuída S.A. ("UFV Porteirinha II") (2)	6,384	1,014	(700)	-	(148)	6,550
UFV Brasilândia Geração de Energia Elétrica Distribuída S.A. ("UFV Brasilândia") (2)	14,553	1,973	(1,411)	-	(921)	14,194
Apolo I SPE Empreendimentos e Energia S.A. ("UFV Apolo I")	-	1,318	-	5,925	-	7,243
G2 Campo Lindo I Energia S.A. ("UFV Campo Lindo I")	-	1,808	-	7,067	-	8,875
G2 Campo Lindo II Energia S.A. ("UFV Campo Lindo II")	-	1,816	-	7,046	-	8,862
G2 Olaria I Energia S.A. ("UFV Olaria I")	-	1,398	-	7,047	-	8,445
Axxiom	4,277	(4,277)	-	-	-	-
Total of investments	5,105,926	600,305	(216,352)	27,469	(143,831)	5,373,517
Itaocara – Equity deficit	(20,767)	6,487	-	-	-	(14,280)
MESA (3) – Provisions to losses (1)	(161,648)	161,648	-	-	-	-
Total	4,923,511	768,440	(216,352)	27,469	(143,831)	5,359,237

- (1) In June 2022, the provision relating to contractual obligations assumed by the Company with the investee and the other shareholders was reversed. See further information in this note.
- (2) On May 23, 2022, the capital reduction of these UFVs was approved by Extraordinary General Meeting.
- (3) Indirect interest in the Santo Antônio plant through these investees.
- (4) Indirect interest in the Belo Monte plant through these investees.
- (5) On March 24, 2022 the investee's Board of Directors approved the reversion of a portion of Dividends payable to the Retained earnings reserve, which is linked to certain financial conditions.
- (6) On September 12, 2022, AGPar made the payment to the FIP Melbourne fund associated with the Agreement arising from Arbitration Judgment CCBC-86/2016. As from that date the Company recognized this as a receivable, in the income statement. There is more information below in this note.

Changes in dividends receivable are as follows:

	Consolidated	Parent company
Balance on December 31, 2021	335,189	1,820,578
Investees' dividends proposed	216,352	968,447
Withholding income tax on Interest on equity	-	(69,909)
Amounts received	(480,324)	(562,572)
Balance on September 30, 2022	71,217	2,156,544

b) Main information on the subsidiaries and affiliates, not adjusted for the percentage represented by the Company's ownership interest:

Investees	Number of shares	Sep. 30, 2022			Dec. 31, 2021		
		Cemig interest (%)	Share capital	Equity	Cemig interest (%)	Share capital	Equity
Cemig Geração e Transmissão	2,896,785,358	100.00	4,123,724	9,410,100	100.00	4,123,724	7,755,454
MESA (4)	24,796,536,323	7.58	12,202,337	206,825	15.51	10,619,786	1,492,037
Hidrelétrica Cachoeirão	35,000,000	49.00	35,000	125,081	49.00	35,000	120,436
Guanhães Energia (3)	548,626,000	49.00	548,626	324,650	49.00	548,626	255,453
Hidrelétrica Pipoca	41,360,000	49.00	41,360	113,639	49.00	41,360	93,385
Baguari Energia (1)	26,157,300,278	69.39	186,573	228,130	69.39	186,573	242,736
Parajuru	85,834,843	100.00	85,835	141,631	100.00	85,835	128,466
Volta do Rio	274,867,441	100.00	274,867	216,779	100.00	274,867	206,783
Paracambi (formerly Lightger)	79,078,937	49.00	79,232	125,618	49.00	79,232	97,525
Aliança Norte (5)	41,949,320,044	49.00	1,209,750	1,100,929	49.00	1,209,043	1,147,947
Amazônia Energia (1) (5)	1,322,897,723	74.50	1,322,898	1,200,190	74.50	1,322,698	1,251,811
Aliança Geração	1,291,582,500	45.00	1,291,488	2,364,804	45.00	1,291,488	1,857,905
Retiro Baixo	225,350,000	49.90	225,350	322,351	49.90	225,350	345,868
Itaocara	156,259,500	49.00	156,259	(29,143)	49.00	156,259	(42,381)
Cemig Baguari	406,000	100.00	406	74	100.00	406	88
Cemig Geração Três Marias	1,291,423,369	100.00	1,291,423	1,734,041	100.00	1,291,423	1,652,343
Cemig Geração Salto Grande	405,267,607	100.00	405,268	563,969	100.00	405,268	526,776
Cemig Geração Itutinga	151,309,332	100.00	151,309	219,341	100.00	151,309	211,956
Cemig Geração Camargos	113,499,102	100.00	113,499	172,341	100.00	113,499	165,369
Cemig Geração Sul	148,146,505	100.00	148,147	242,191	100.00	148,147	214,845
Cemig Geração Leste	100,568,929	100.00	100,569	159,330	100.00	100,569	147,702
Cemig Geração Oeste	60,595,484	100.00	60,595	121,406	100.00	60,595	105,990

Investees	Number of shares	Sep. 30, 2022			Dec. 31, 2021		
		Cemig interest (%)	Share capital	Equity	Cemig interest (%)	Share capital	Equity
Rosal Energia	46,944,467	100.00	46,944	114,462	100.00	46,944	114,751
Sá Carvalho	361,200,000	100.00	36,833	154,905	100.00	36,833	134,209
Horizontes Energia	39,257,563	100.00	39,258	58,137	100.00	39,258	59,575
Cemig PCH	45,952,000	100.00	45,952	94,790	100.00	45,952	90,117
Cemig Geração Poço Fundo (2)	97,161,578	100.00	97,162	164,747	100.00	97,162	144,128
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	486,000	100.00	486	10,110	100.00	486	7,734
Cemig Trading	1,000,000	100.00	1,000	2,531	100.00	1,000	2,158
Centroeste	28,000,000	100.00	28,000	120,219	100.00	28,000	122,079
Cemig Distribuição	2,359,113,452	100.00	5,371,998	6,502,075	100.00	5,371,998	6,942,666
Taesá	1,033,496,721	21.68	3,042,034	-	21.68	3,042,034	6,684,756
Ativas Data Center	456,540,718	19.60	182,063	75,746	19.60	182,063	80,358
Gasmig	409,255,483	99.57	665,429	1,245,356	99.57	665,429	1,245,093
Cemig Sim	112,420,992	100.00	112,421	201,047	100.00	102,153	111,433
Sete Lagoas	36,857,080	100.00	36,857	76,830	100.00	36,857	65,210
Axiom	68,064,706	49.00	68,065	(9,318)	49.00	68,065	8,728
UFV Janaúba	18,509,900	49.00	6,510	9,849	49.00	6,510	5,507
UFV Corinto	18,000,000	49.00	15,900	17,491	49.00	18,000	18,893
UFV Manga	21,235,933	49.00	19,300	21,332	49.00	21,661	22,155
UFV Bonfinópolis	13,197,187	49.00	11,800	12,270	49.00	13,197	13,226
UFV Lagoa Grande	25,471,844	49.00	23,000	25,189	49.00	25,472	26,249
UFV Lontra	29,010,219	49.00	26,500	28,696	49.00	29,010	29,406
UFV Mato Verde	11,030,391	49.00	10,200	11,069	49.00	11,030	11,337
UFV Mirabela	9,320,875	49.00	8,600	9,208	49.00	9,321	9,450
UFV Porteirinha I	12,348,392	49.00	10,700	11,476	49.00	12,348	12,596
UFV Porteirinha II	11,702,733	49.00	11,400	12,284	49.00	11,703	11,904
UFV Brasilândia	25,629,900	49.00	24,000	26,002	49.00	25,879	26,625
UFV Fazenda Prudente de Moraes ("UFV Prudente de Moraes")	35,050,000	100.00	35,050	35,078	-	-	-
UFV Apolo I	8,258,980	49.00	8,259	9,580	-	-	-
UFV Campo Lindo I	13,323,845	49.00	13,324	14,654	-	-	-
UFV Campo Lindo II	13,323,845	49.00	13,324	14,380	-	-	-
UFV Olaria I	13,323,845	49.00	13,324	14,131	-	-	-

- (1) Jointly-control under a Shareholders' Agreement.
- (2) On June 23, 2022, Light completed the sale of its equity holdings in Guanhães and in Paracambi (formerly LightGer) to Brasal Energia S.A. The operation comprised the sale to Brasal Energia S.A. of the whole of the equity interest held by Light, of 51% of the share capital of LightGer and of Guanhães.
- (3) Indirect interest in the Santo Antônio plant through these investees.
- (4) Indirect interest in the Belo Monte plant through these investees.

Madeira Energia S.A. ('MESA') and FIP Melbourne - (special purpose vehicle through which Cemig GT holds interests in SAAG)

Santo Antônio Energia S.A. ('SAE') is a wholly owned subsidiary of MESA, SAESA, whose objects are construction, operation and maintenance of the *Santo Antônio* Hydroelectric Plant and its transmission system, for an initially agreed period of 35 years from signature of the concession contract, which took place on June 13, 2008, and was extended for a further 4 years in counterpart to the costs incurred on GSF, in accordance with Law 14,052/2020. The Santo Antônio Hydroelectric Plant began commercial operation in 2012, and reached full generation in December 2016. The shareholders of Mesa include Furnas, Novonor – in Judicial Recovery (previously named Odebrecht Energia), FIP Amazônia (FI-FGTS and Novonor), SAAG, and the Company. As well as its direct shareholding, the Company has an indirect equity interest in Mesa, through SAAG.

On September 30, 2022, MESA reported a negative net working capital in the amount of R\$334,351. An important event in the second quarter of 2022 was a cash inflow of R\$1,583,098, as a result of the capital increase approved by an Extraordinary General Meeting of Shareholders held for this purpose on April 29, 2022. The proceeds were used almost in their entirety in 3Q22 for payment of the agreements arising from the conclusion of the arbitration proceedings involving the construction consortium and other parties,

referred to in more detail below. In relation to the low liquidity in the short term, it should be noted that structurally, Hydroelectric plants project finance structurally present negative net working capital in the first years of operation, because they are built using high levels of financial leverage. On the other hand, they have firm long-term contracts for energy supply as support and guarantee of payment of their debts.

To balance the situation of capital structure and liquidity, MESA has also been adopting actions aimed at readjustment the operational expenditure, protecting the exposure to hydrological risks, optimizing the capital structure, and managing the energy operations.

Dilution of Cemig GT's equity interest in Mesa

On June 7, 2022, the shareholder Furnas subscribed new common shares issued by Mesa, in the amount of R\$1,582,551, as a result of the capital increase approved by an Extraordinary General Meeting of Shareholders held on April 29, 2022, and in view of the other shareholders waiving their first refusal rights. With the paying up of the shares subscribed, the equity interest held by Furnas in Mesa increased from 43.06% to 72.36%, diluting the total equity interest held by Cemig GT from 15.51% to 7.58%. This percentage does not take into account the result of the arbitration proceeding CAM 115/2018, described in the next item of this Note.

On July 7, 2022 a Contract to Cancel the Shareholders' Agreement was signed at the Extraordinary General Meeting of Shareholders of Mesa, resulting in Furnas assuming shareholding control of Mesa. This EGM also decided to change the composition of the Boards of Directors of SAE and Mesa. These boards now each have 11 members, and Cemig GT and SAAG have the right to appoint, jointly, one member (and that member's alternate) to each board, until such time as Cemig GT and SAAG are completely released from all and any liabilities, obligations and/or guarantees given to Mesa and/or SAE under the financing contracts and instruments, including those related to acquisition of energy. As a result, even with the cancellation of the shareholders' agreement, the position of the Company continued to qualify as significant influence over the investee.

With the capital increase referred to, the shareholders' equity of the investee is now, and thus the conditions that led to the Company recognizing a provision for negative net equity on December 31, 2021, have ceased to exist. Consequently, in accordance with CPC 18/IAS 28 (Investments in Associates and Joint Ventures) the Company reversed that provision, corresponding to the obligations assumed in favor of the investee in agreements for support and guarantees, which on May 31, 2022 had been R\$170,916.

Arbitral proceeding CAM-115/2018 – Madeira Energia S.A.

In 2018 SAAG and Cemig GT filed Arbitration Proceeding CAM 115/2018, seeking to annul the capital increase, approved by MESA Extraordinary General Meeting held on August 28, 2018, through capitalization of the credits arising from the annulment of the capital increase made in 2014, which had been annulled in a previous arbitration proceeding.

On December 13, 2021 was released the arbitration decision annulling the capital increase part of the arbitration proceeding, as well as on March 16, 2022, the Market Arbitration Chamber published a decision on a motion for clarification in which confirmed the terms of the judgment in full.

As a consequence of the arbitration decision, Cemig GT's direct and indirect equity holding in Mesa should be increased from 8.54% to 9.86% and 6.97% to 8.05%, respectively, resulting in a consolidated ownership increase from 15.51% to 17.91%.

On April 29, 2022, MESA informed that the shareholder Furnas, which is also a party in the arbitration process, notified MESA that, on April 28, 2022, a preliminary injunction in their legal action was granted, for the immediate suspension of the CAM 115/2018 arbitration decision, in order to maintain the equity interest held before its effects. According to MESA's legal advisors, the aforementioned suspension is not definitive and they assessed the probability of loss as probable, therefore, the investee maintained the provision for capital reduction in its interim financial information.

Since the legal proceeding in which the urgent provisional remedy was granted is at an initial phase, the Company, based on the opinion of its legal advisors, believes that a modification on the arbitration decision is remote, and awaits compliance with it.

With the dilution of shareholdings which took place in June 2022, the Company's direct and indirect shareholdings in Mesa were reduced from 8.54% and 6.97%, respectively, to 4.14% and 3.44%, respectively. If the effects of Arbitration Judgment CAM-115/2018 are implemented, the Company's respective equity interests will increase from 4.14% and 3.44%, to 4.43% and 3.68%, respectively.

Arbitral proceeding CCI-21,511/ASM/JPA (c. 21,673/ASM) – Santo Antônio Energia S.A.

On January 31, 2022, was released the arbitration decision on arbitration proceeding in CCI (International Chamber of Commerce) Nº 21,511/ASM/JPA (c. 21,673/ASM), which consolidated the matters between Santo Antônio Energia S.A. (SAE), Consórcio Construtor Santo Antônio (CCSA) and other parties, relating, in summary, to the following issues:

- i. Liability of CCSA for reimbursement of the costs of purchase of energy supply by SAE, due to non-compliance with the timetable for delivery of the works.
- ii. Liability of SAESA relating to the increase in costs incurred by CCSA arising, mainly, from strikes and work stoppages occurred from 2009 to 2013.

The result of this arbitration, made available by the International Arbitration Court of the International Chamber of Commerce on February 7, 2022, indicates that the main claims of SAE were rejected, as well the main claims of CCSA were granted, and, where applicable, of its co-consortium members against SAE. Also, the arbitration decision initially declared as being without effect the instrument entitled "Terms and Conditions", which was the basis for recognition by the Parties of the "Reimbursable Expenditures", as set out in an

explanatory note to the financial statements of SAE, which was the basis for the application for reimbursement of SAE's costs of purchase of energy, on the grounds of non-compliance by CCSA with its timetable for delivery of works.

As well as the granted CCSA claims, that have already been provisioned in SAE financial statements as "Guarantee Deposits" (R\$770 million) and "Other Provisions" (R\$492 million), other claims were also granted with an estimated additional value of R\$226 million payable.

On June 30, 2022 SAE, in a joint petition with Grupo Industrial Complexo Rio Madeira – GICOM, applied for extinction of the Action for Execution of Judgment filed by GICOM, which related to a portion of the amount defined by the Arbitration Judgment, due to an amicable agreement having been reached between the parties. This agreement terminated the action in which GICOM claimed R\$645 million.

On August 4, 2022, a Transaction Agreement was signed between SAE and Grupo Civil, part of CCSA, comprising the companies CNO S.A., Andrade Gutierrez Engenharia S.A. and Novonor Serviços e Participações S.A. – In Judicial Recovery, for definitive termination of the Arbitration Proceeding CCI 21,511/ASM/JPA.

Concomitantly with signature of the agreement, the Parties signed and filed, on August 4, 2022, a joint petition for termination of (a) Arbitration Proceeding CCI 21,511/ASM/JPA, and (b) the Action for Execution of Judgment filed by Grupo Civil, in relation to the claimed amount of R\$962 million, which was the remainder of the amount decided by the Arbitration Judgment.

On October 3, 2022, SAE paid the final tranche, of R\$ 202,945, under the agreement signed with the construction company Grupo Civil ('GCIVIL'), completing closure of CCI Arbitration Proceeding 21.511/ASM/JPA, and the Action for Compliance with Judgment brought by GCIVIL.

Under the financing contracts signed with the Brazilian Development Bank ('BNDES') and financing contracts under on lending from the BNDES, any obligations arising for SAE under judgments in the arbitration proceedings are to be paid in accordance with the terms of the respective financing contracts.

Thus, the capital increase subscribed and paid up on June 7, 2022 as described above, in the amount of R\$1,582,551 was allocated to pay debts arising from Arbitration Judgment CCI-21,511/ASM/JPA, being used for payment of the amounts under the agreement signed with GICOM and Grupo Civil.

SAE reiterated that the arbitration and the action were both heard in camera, and the agreements made are confidential.

The agreement between FIP Melbourne and AGPar – CCBC Arbitration Judgment 86/2016

The share purchase agreement that governed the transaction for acquisition of the shares of SAAG by the Company specifies payment of indemnity to FIP Melbourne by AGPar in the event of any excess cost in Mesa as a result of any causative factor prior to the signature of that agreement. From the conclusion of the transaction in 2014, up to the year 2016, there were extraordinary expenditures, which had to be borne by FIP Melbourne, and which, in FIP Melbourne's understanding, were within the scope of the provision of the share purchase agreement. Since agreement was not reached with AGPar on these questions, FIP Melbourne filed arbitration proceedings with the Brazil-Canada Chamber of Commerce.

The final arbitration judgment was given in January 2021, in favor of FIP Melbourne, and in August 2022 an agreement was signed between the parties to terminate litigation, establishing the updated amount of compensation at R\$200 million, which was paid on September 12, 2022.

In proportion to its holding in FIP Melbourne, the Company recognized a receivable of R\$133 million, in the income statement for 2022. Additionally, the provision for the put option was adjusted to reflect the receipt by the funds of the amounts in the agreement corresponding to their holding.

Amazônia Energia S.A. and Aliança Norte Energia S.A.

Amazônia Energia and Aliança Norte are shareholders of Norte Energia S.A. ('NESA'), which holds the concession to operate the *Belo Monte* Hydroelectric Plant, on the Xingu River, located in the State of Pará. Through the jointly controlled entities referred to above, the Company owns an indirect equity interest in NESA of 11.69%.

On September 30, 2022 NESA presents negative net working capital of R\$222.591 (R\$189,028 on December 31, 2021). According to the estimates and projections, the negative net working capital, and the future demands for investments in the hydroelectric plant, will be supported by revenues from future operations and/or raising of bank loans.

On September 21, 2015, NESA was awarded a preliminary injunction ordering the grantor to abstain, until hearing of the application for an injunction made in the original case, from applying to Appellant any penalties or sanctions in relation to the Belo Monte Hydroelectric Plant not starting operations on the date established in the original timetable for the project, including those specified in an the grantor (Aneel) Normative Resolution 595/2013 and in the Concession Contract 01/2010-MME for the Belo Monte Hydroelectric Plant'. The legal advisors of NESA have classified the probability of loss as 'possible' and estimated the potential loss on September 30, 2022 to R\$3,026 million (R\$2,832 million on December 31, 2021).

Share purchase agreement for acquisition of SPCs owning photovoltaic plants

On April 7, 2022, Cemig Sim signed share purchase agreements to acquire equity interests of 49% in six special-purpose companies (SPCs), held by G2 Energia e Empreendimentos Imobiliários Ltda. and by Apolo Empreendimentos e Energia Ltda. These SPCs own six photovoltaic plants in Lavras, Minas Gerais, operating in shared mini-distributed generation, with total generation capacity of 18.5MWp. They will serve approximately 1,800 clients in the low-voltage residential, commercial and industrial markets, providing reduction of emissions totaling 1,700 tons of CO₂ per year.

On August 4, 2022, acquisition of equity interests in four of the SPCs that were the subject of these agreements was completed, upon implementation of all the required conditions for completion, as shown in this table:

	Plant	Power (MWp)	Shareholders' equity on acquisition date, R\$ '000	Adjusted acquisition price, R\$ '000	Retention, R\$ '000
G2 OLARIA 1 ENERGIA S.A.	Olaria 1	3.25	13,329	7,047	(1,057)
G2 CAMPO LINDO 1 ENERGIA S.A.	Campo Lindo 1	3.25	13,361	7,067	(1,060)
G2 CAMPO LINDO 2 ENERGIA S.A.	Campo Lindo 2	3.25	14,226	7,046	(1,057)
APOLO 1 SPE EMPREENDIMENTOS E ENERGIA S/A	Apolo 1	2.75	9,389	5,925	(889)
G2 OLARIA 2 ENERGIA S/A	Olaria 2	3.25	-	-	-
APOLO 2 SPE EMPREENDIMENTOS E ENERGIA S/A	Apolo 2	2.75	-	-	-
Total		18.50	50,305	27,085	(4,063)

The value of the acquisition is R\$27,085, of which R\$23,022 was paid on the closing date. The remaining amount of R\$4,063, or 15% of the acquisition price, is withheld by Cemig Sim as a guarantee of compliance by the Vendors with obligations to indemnify the purchaser, under the agreements. Release of this amount to the Vendor depends on occurrence of certain events specified in each agreement.

Conclusion of the acquisitions of interests in the SPCs holding Olaria 2 and Apolo 2 depends on implementation of certain conditions specified in the share purchase agreement, for which the amount of R\$12,054 is estimated, subject to price adjustment mechanisms specified in the agreements.

Acquisition of interests in SPCs owning photovoltaic plants – Business combination

On June 29, 2022, Cemig approved acquisition, through its wholly-owned subsidiary Cemig Sim, of 100% of the interests held by Genesys Participação Societária Ltda. and Mr. Antônio Carlos Torres in the special-purpose companies ('SPCs') owning photovoltaic generation plants listed below. These plants, which are in Minas Gerais State, are in the construction phase. Completion of the transaction is subject to (i) conditions precedent that are usual in this type of transaction, and (ii) the plants starting operation.

The estimated value of the transaction is approximately R\$100 million, as shown in the table below:

	Power (MWp)	Estimated transaction value	Operational start-up forecast
UFV Prudente de Moraes	6.46	41,000	Jul. 2022
UFV Montes Claros	3.20	20,000	Sep. 2022
UFV Jequitibá	6.25	39,000	Feb. 2023
Total	16.21	100,000	

On September 7, 2022, Cemig Sim concluded acquisition of full of the shares of the *Prudente de Moraes* photovoltaic generation plant. This followed approval by the monopolies authority, CADE, and conclusion of due diligence, which are customary conditions precedent in this type of transaction.

The following shows preliminary measurements of the fair value of the assets and liabilities acquired:

Prudente de Morais solar generation plant	R\$ '000
Value of the equity of the plant	35,100
Added value of net assets of the investee	16,892
Fair value of net assets	51,992
Added value on the purchase, recognized in the September 2022 income statement	8,641
Estimated fair value of potential earn-outs	2,000
Total value of the consideration paid for 100% of the Prudente de Moraes solar plant	41,351

Assets	Fair value on date of acquisition	Liabilities	Fair value on date of acquisition
Current	132	Current	270
Cash and cash equivalents	84	Other current liabilities	270
Other current assets	48		
		Non-current	4,858
Non-current	56,988	Other non-current liabilities	4,858
Fixed assets	35,006		
Right to use – Leasing	5,090		
Intangible asset – Right of commercial operation	16,892		
		Total of the net assets at fair value	51,992

For the Cemig Group, the acquisition will increase its participation in the generation sector, and its total generation output, ensuring efficient supply of energy to consumers, due to its expertise in this market.

Conclusion of the Tariff Review for piped natural gas distribution servisse

On April 28, 2022, The Minas Gerais State economic development department (Secretaria de Desenvolvimento Econômico do Estado de Minas Gerais – SEDE/MG), the state's body responsible for regulation and ratifying of tariffs for piped gas distribution service, published conclusion of its Review of Tariffs for piped natural gas distribution service, with the following effects, approved by SEDE Resolution 21: Cost of Capital: 8.71% p.a.; operating costs within regulatory coverage, and the new tariff structure for supplies made by Gasmig. Considering the aforementioned effects, the tariff repositioning index average interest rate was -10.05% over margins in effect since February 2022.

Its effects are backdated to February 2022, and the differences between the margins approved and those in effect will be captured by the offsetting account from February 1, 2022 and the date of ratification of the tariff adjustment with the margins approved by this Resolution.

Risks related to compliance with laws and regulations

Jointly controlled investees:

Norte Energia S.A. ('NESA') – through Amazônia Energia and Aliança Norte

Investigations and other legal measures are in progress, conducted by the Federal Public Attorneys' Office, which involve other shareholders of NESA and certain executives of those other shareholders. In this context, the Federal Public Attorneys have started investigations on irregularities involving contractors and suppliers of NESA and of its other shareholders, which are still in progress.

At present, it is not possible to determine the outcome of these investigations, and their possible consequences. These might at some time in the future affect the investee, further to the write-downs of infrastructure assets in the amount of R\$183,000 recorded at NESA in 2015, based on the results of the independent internal investigation conducted by NESA and its other shareholders, the results of which were reflected in the Company through the equity method in that year.

On March 9, 2018 '*Operação Buona Fortuna*' started, as a 49th phase of '*Operation Lava Jato*' ('*Operation Carwash*'). According to what has been disclosed by the media this operation investigates payment of bribes by the construction consortium of the *Belo Monte* power plant, comprising the companies Camargo Corrêa, Andrade Gutierrez, Odebrecht, OAS and J. Malucelli. Management of NESA believes that so far there are no new facts that have been disclosed by the 49th phase of '*Operation Carwash*' that require additional procedures and internal investigation in addition to those already carried out.

The Company's management, based on its knowledge of the matters described above and on the independent procedure carried out, believes that the conclusions presented in the report of the independent investigation are adequate and appropriate, as a result no adjustment has been made in its interim financial information. The effects of any future changes in the existing scenario will be reflected appropriately in the Company's financial information.

Madeira Energia S.A. ('MESA')

Investigation and other legal measures, conducted by the Federal Public Attorneys' Office, which involve other indirect shareholders of MESA and certain executives of those other indirect shareholders. In this context, the Federal Public Attorneys have started investigations searching for irregularities involving contractors and suppliers of MESA and of

its other shareholders. In response to allegations of possible illegal activities, the investee and its other shareholders started an independent internal investigation.

The independent internal investigation, concluded in February 2019, in the absence of any future developments such as any leniency agreements by third parties that may come to be signed or collaboration undertakings that may be signed by third parties with the Brazilian authorities, found no objective evidence enabling it to be affirmed that there were any supposed undue payments by MESA that should be considered for possible accounting write-off, pass through or increase of costs to compensate undue advantages and/or linking of MESA with the acts of its suppliers, in the terms of the witness accusations and/or cooperation statements that have been made public.

The Company's management, based on its knowledge of the matters described above and on the independent procedures carried out, believes that the conclusions presented in the report of the independent investigation are adequate and appropriate, as a result no adjustment has been made in the interim financial information. The effects of any future changes in the existing scenario will be reflected appropriately in the Company's financial information.

Other investigations

In addition to the cases above, there are investigations being conducted by the Public Attorneys' Office of the State of Minas Gerais ('MPPMG') and by the Civil Police of the State of Minas Gerais ('PCMG'), which aim to investigate possible irregularities in the investments made by the Company at Guanhães Energia and also at MESA.

Internal procedures for risks related to compliance with law and regulations.

Taking into account the investigations, that are being conducted by public authorities relating to Company and to certain investees, as described above, the governance bodies of the Company have authorized contracting third party investigator to analyze the internal procedures related to these investments. This independent investigation was subject to oversight of an independent Special Investigation Committee whose creation was approved by our Board of Directors.

The Company's internal investigation was completed and the corresponding report was issued on May 8, 2020 and identified no objective evidence substantiating illegal acts made by Company in the Company's investments that were the subjects of the investigation. Therefore, there was no impact in the Company's interim financial information, neither for the period ended on September 30, 2022 nor for prior periods business year.

In the second half of 2019, Company signed tolling agreements with the Securities and Exchange Commission (SEC) and US Department of Justice (DOJ), which were extended until August 2021 and on July 2022, respectively. Cemig has complied with the requests and intends to continue cooperating fully with to the SEC and the DOJ, in accordance with any demands presented.

Due to the completion of the investigations for which the Special Investigation Committee was constituted, from the delivery of the final report by the third party investigator, the governance bodies of the Company decided to extinguish that Committee. If there are any future needs resulting from developments in this matter, the Committee can be reinstated.

In the end of 2020, the Company began internal procedures for investigation of complaints received from the MPMG, through Official Letters, the content of which refers to alleged irregularities in the purchasing processes. The investigation is being accompanied by an Investigation Committee, with support from specialized advisers.

The independent internal investigation begun in December, 2020 has been concluded in the end of 2021, with receipt of the final report. This was approved by the Investigation Committee and submitted by the Company to the MPMG, which has not yet completed its investigation, no matter was identified that might present a significant impact on the interim financial information at September 30, 2022 or on financial statements for prior years. The Company awaits completion of the investigations by the MPMG, and by the Brazilian and international authorities, with whom the report has been shared.

The Company will evaluate any changes in the future scenario and potential impacts that could affect the interim financial information, if appropriate. The Company continues to cooperate with domestic and foreign authorities in their analysis related to the ongoing investigations.

16. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Sep. 30, 2022			Dec. 31, 2021		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	247,028	(28,220)	218,808	246,605	(25,822)	220,783
Reservoirs, dams and watercourses	3,301,814	(2,412,597)	889,217	3,295,828	(2,352,006)	943,822
Buildings, works and improvements	1,091,346	(854,755)	236,591	1,085,943	(837,942)	248,001
Machinery and equipment	2,719,368	(2,041,187)	678,181	2,672,848	(1,975,923)	696,925
Vehicles	14,136	(12,978)	1,158	20,632	(19,260)	1,372
Furniture and utensils	13,734	(11,442)	2,292	13,747	(11,230)	2,517
	7,387,426	(5,361,179)	2,026,247	7,335,603	(5,222,183)	2,113,420
In progress	378,593	-	378,593	305,849	-	305,849
Net property, plant and equipment	7,766,019	(5,361,179)	2,404,840	7,641,452	(5,222,183)	2,419,269

Parent company	Sep. 30, 2022			Dec 31, 2021		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	82	-	82	82	-	82
Buildings, works and improvements	55	(26)	29	55	(24)	31
Machinery and equipment	5,200	(5,116)	84	5,200	(4,962)	238
Furniture and utensils	727	(698)	29	727	(693)	34
	6,064	(5,840)	224	6,064	(5,679)	385
In progress	1,026	-	1,026	1,026	-	1,026
Net property, plant and equipment	7,090	(5,840)	1,250	7,090	(5,679)	1,411

Changes in PP&E are as follows:

Consolidated	Dec. 31, 2021	Additions	Disposals	Reversal of provision (2)	Depreciation	Transfers	Sep. 30, 2022
In service							
Land (1)	220,783	-	-	-	(2,398)	423	218,808
Reservoirs, dams and watercourses	943,822	-	-	-	(60,822)	6,217	889,217
Buildings, works and improvements	248,001	-	-	-	(13,101)	1,691	236,591
Machinery and equipment	696,925	-	(8,710)	-	(51,969)	41,935	678,181
Vehicles	1,372	-	-	-	(360)	146	1,158
Furniture and utensils	2,517	-	-	-	(225)	-	2,292
	2,113,420	-	(8,710)	-	(128,875)	50,412	2,026,247
In progress	305,849	121,502	-	1,654	-	(50,412)	378,593
Net property, plant and equipment	2,419,269	121,502	(8,710)	1,654	(128,875)	-	2,404,840

- (1) Certain land sites linked to concession contracts and without provision for reimbursement are amortized in accordance with the period of the concession.
- (2) Reversal of a provision previously recognized for impairment of works in progress assets with expectation of partial or total cancellation, due to the Company's withdrawn of a previously agreed consortium.

Parent company	Dec. 31, 2021	Depreciation	Sep. 30, 2022
In service			
Land	82	-	82
Buildings, works and improvements	31	(2)	29
Machinery and equipment	238	(154)	84
Furniture and utensils	34	(5)	29
	385	(161)	224
In progress	1,026	-	1,026
Net property, plant and equipment	1,411	(161)	1,250

Consortium

The Company is a partner in an energy generation consortium for the *Queimado* plant, for which no separate company with independent legal existence was formed to manage the object of the concession. The Company's portion in the consortium is recorded and controlled individually in the respective categories of PP&E and Intangible assets.

	Stake in power output (%)	Average annual depreciation rate (%)	Sep. 30, 2022	Dec. 31, 2021
In service				
Queimado Power Plant	82.50	3.94	220,070	220,009
Accumulated depreciation			(132,540)	(126,583)
Total in service			87,530	93,426
In progress				
Queimado Power Plant	82.50	-	74	43
Total in progress			74	43
Total			87,604	93,469

17. INTANGIBLE ASSETS

Consolidated	Sep. 30, 2022			Dec 31, 2021		
	Cost	Amortization	Value	Cost	Amortization	Value
In service						
Useful life defined						
Temporary easements	14,692	(5,235)	9,457	14,692	(4,726)	9,966
Onerous concession	13,599	(8,960)	4,639	13,599	(8,493)	5,106
Assets of concession	22,660,110	(10,206,222)	12,453,888	21,475,916	(9,669,212)	11,806,704
Assets of concession - GSF	1,031,810	(166,293)	865,517	1,031,809	(65,744)	966,065
Others	95,736	(76,181)	19,555	78,347	(73,854)	4,493
	23,815,947	(10,462,891)	13,353,056	22,614,363	(9,822,029)	12,792,334
In progress	170,614	-	170,614	160,983	-	160,983
Net intangible assets	23,986,561	(10,462,891)	13,523,670	22,775,346	(9,822,029)	12,953,317

Parent company	Sep. 30, 2022			Dec 31, 2021		
	Cost	Amortization	Value	Cost	Amortization	Value
In service						
Useful life defined						
Software use rights	13,565	(12,985)	580	13,564	(12,273)	1,291
Brands and patents	8	(8)	-	8	(8)	-
	13,573	(12,993)	580	13,572	(12,281)	1,291
In progress	119	-	119	89	-	89
Net intangible assets	13,692	(12,993)	699	13,661	(12,281)	1,380

Changes in intangible assets are as follow:

Consolidated	Dec. 31, 2021	Additions	Disposals	Amortization	Transfers (1)	Sep. 30, 2022
In service						
Useful life defined						
Temporary easements	9,966	-	-	(509)	-	9,457
Onerous concession	5,106	-	-	(467)	-	4,639
Assets of concession	11,806,704	-	(13,871)	(596,986)	1,258,041	12,453,888
Assets of concession - GSF	966,065	-	-	(100,548)	-	865,517
Others	4,493	16,892	-	(2,337)	507	19,555
	12,792,334	16,892	(13,871)	(700,847)	1,258,548	13,353,056
In progress	160,983	46,710	(5)	-	(37,074)	170,614
Net intangible assets	12,953,317	63,602	(13,876)	(700,847)	1,221,474	13,523,670

(1) The transfers were made between concession contract assets to Intangible assets: R\$1,201,629.

Parent company	Dec. 31, 2021	Additions	Amortization	Sep. 30, 2022
In service				
Softwares use rights	1,291	-	(711)	580
	1,291	-	(711)	580
In progress	89	30	-	119
Net intangible assets	1,380	30	(711)	699

Renegotiation of hydrological risk – the Generation Scaling Factor (GSF)

The Resolution nº. 2.919/2021 ratified the amount of the right to compensation for the São Simão, Jaguara, Miranda and Volta Grande generation plants, which had been owned by Cemig GT during the period stipulated in the Law 14,052/20 to be compensated but does not specify how this compensation will happen in the event of absence of debts with the Federal Government related to the regime of concessions determined in that Law. The amounts calculated are:

Cemig Geração - Plant re-offered for tender	Amount
São Simão	783,004
Miranda	145,528
Jaguara	237,218
Volta Grande	156,688
Total	1.322.438

Considering that there is no legal provision relating to how the compensation of these non-hydrological risks will happen and the Company's right depends on the occurrence of uncertain future events, which are not totally under its control, as such these contingent assets have not been recognized.

18. LEASING

a) Right of use assets

Changes in the right of use asset are as follows:

Consolidated	Real estate property	Vehicles	Others	Total
Balances on December 31, 2021	191,567	34,026	-	225,593
Amortization (1)	(7,822)	(32,463)	-	(40,285)
Business combination adjustment	-	-	5,076	5,076
Disposals (contracts terminated)	(4,129)	(514)	-	(4,643)
Addition	5,441	26,592	-	32,033
Remeasurement (2)	5,571	(1,938)	-	3,633
Balances on September 30, 2022	190,628	25,703	5,076	221,407

- (1) Amortization of the Right of Use recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R\$471 from January to September, 2022 (R\$422 in the same period of 2021).
- (2) The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The lease liabilities are restated with adjustment to the asset of Right of Use.

Parent company	Real estate property	Total
Balances on December 31, 2021	2,050	2,050
Amortization (1)	(64)	(64)
Remeasurement	69	69
Balances on September 30, 2022	2,055	2,055

- (1) Amortization of the Right of Use recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R\$5 from January to September, 2022 (R\$4 in the same period of 2021).

b) Lease liabilities

The changes in the lease liabilities are as follows:

	Consolidated	Parent company
Balances on December 31, 2021	244,023	2,252
Addition	32,033	-
Business combination adjustment	4,917	-
Interest incurred (1)	20,159	211
Leasing paid	(52,640)	(212)
Interest in leasing contracts	(2,436)	(11)
Disposals (contracts terminated)	(4,974)	-
Remeasurement (2)	3,633	69
Balances on September 30, 2022	244,715	2,309
Current liabilities	29,313	296
Non-current liabilities	215,402	2,013

- (1) Financial revenues recognized in the Income Statement are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R\$1,350 and R\$16 from January to September 2022 (R\$1,290 and R\$15 in the same period of 2021), for the consolidated and individual interim financial information, respectively.
- (2) The Company and its subsidiaries identified events that give rise to restatement and modifications of their principal contracts; the lease liability was remeasured with an adjustment to the asset of right of use.

The potential right to recovery of PIS/Pasep and Cofins taxes embedded in the leasing consideration, according to the periods specified for payment, is as follows:

Cash flow	Consolidated		Parent company	
	Nominal	Adjusted to present value	Nominal	Adjusted to present value
Consideration for the leasing	622,460	244,715	7,360	2,309
Potential PIS/Pasep and Cofins (9,25%)	55,991	19,066	681	214

For lease liability and right of use measuring and remeasuring, the Company used the technique of discounted cash flow, without considering projected future inflation in the flows to be discounted, as per the prohibition imposed by CPC 06 (R2) / IFRS 16.

The cash flows of the leasing contracts are, in their majority, updated by the IPCA inflation index, annually. Below is an analysis of maturity of lease contracts:

	Consolidated (nominal)	Parent company (nominal)
2022	7,859	79
2023	37,083	317
2024	28,584	317
2025	28,438	317
2026	28,274	317
2027 at 2047	492,222	6,013
Undiscounted values	622,460	7,360
Embedded interest	(377,745)	(5,051)
Lease liabilities	244,715	2,309

19. SUPPLIERS

	Consolidated		Parent company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Energy on spot market – CCEE	145,972	129,957	-	-
Charges for use of energy network	202,276	175,476	95	95
Energy purchased for resale	1,136,747	1,314,197	131,509	62,322
Itaipu Binacional	280,573	331,118	-	-
Gas purchased for resale	298,698	227,683	-	-
Materials and services	676,470	504,912	1,445	2,265
	2,740,736	2,683,343	133,049	64,682

20. TAXES PAYABLE AND AMOUNTS TO BE REFUNDED TO CUSTOMERS

	Consolidated		Parent company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Current				
ICMS	102,035	123,928	16,467	2,616
Cofins (1)	152,723	166,482	19,468	30,030
PIS/Pasep (1)	33,098	36,180	4,210	6,496
INSS	42,399	36,178	1,920	1,940
Others (2)	100,650	165,328	44,218	91,682
	430,905	528,096	86,283	132,764
Non-current				
Cofins (1)	299,378	280,690	-	-
PIS/Pasep (1)	64,911	60,999	-	-
	364,289	341,689	-	-
	795,194	869,785	86,283	132,764
Amounts to be refunded to customers				
Current				
PIS/Pasep and Cofins	1,873,276	704,025	-	-
Non-current				
PIS/Pasep and Cofins	1,723,626	2,318,910	-	-
	3,596,902	3,022,935	-	-

- (1) Includes PIS/Pasep and Cofins recognized in current liability includes the deferred taxes related to the interest revenue arising from the financing component in contract asset and to the revenue of construction and upgrade associated with the transmission concession contract, whose consideration will be received in at least twelve months after the reporting period. For more information, see Note 14.

(2) The balance of December 31, 2021 includes the withholding income tax on Interest on equity declared on December 10, 2021. This payment was made in January 2022, in accordance with the tax legislation.

The amounts of PIS/Pasep and Cofins taxes to be refunded to customers refer to the credits to be received by the Cemig D and Gasmig following the extinction of the ICMS value added tax within the taxable amount for calculation of those taxes, in amount of R\$3,596,902, as described in Note 8a, in a total amount of R\$3,224,893 until September, 2022, has been reimbursed to clients (R\$1,583,314 until December, 2021).

Complementary to the liabilities for the portion of the tax credits corresponding to the period of the last 10 years, in June 2022 Cemig D posted the updated amount of R\$624,251 arising from ratification of the Annual Tariff Adjustment of 2022, which took into account the effects of Draft Law 1,280/22, converted into Law 14,385/22. The balance posted is net of PIS/Pasep and Cofins taxes on the finance income arising from monetary updating of the amounts in question.

That law specifies that integral of the amounts arising from tax charged in excess (arising from the ruling that PIS, Pasep and Cofins taxes could not be charged on amounts of ICMS tax included within energy bills) should be reimbursed to customers. As a consequence, the updated amount of R\$1,479,010 was posted for the integral reimbursement of the tax credit to customers, for the amount in excess of the amount that had been included in the 2022 Annual Tariff Adjustment relating to the period as from the 11th year, backdated to the date of the final judgment against which there was no further appeal. The Company's management, together with its legal advisers, is assessing any future actions related to this matter.

The Company started the reimbursement of the amounts to its customers, as follows:

- On August 18, 2020, Aneel ratified the inclusion into the tariff adjustment for 2020 of a negative financial component of R\$714,339, in effect from August 19, 2020 to May 27, 2021 – this corresponds to the release of the escrow funds following final judgment in Company's favor against which there is no further appeal.
- On May 25, 2021, Aneel ratified incorporation into the 2021 tariff adjustment, in effect from May 28, 2021 to May 27, 2022, of the negative financial component of R\$1,573,000, corresponding to the total amount of the credits offset and received when the escrow deposit was released.
- On June 22, 2022, Aneel ratified incorporation into the 2022 tariff adjustment, in effect from June 22, 2022 to May 27, 2023, of a negative financial component of R\$2,810,830, corresponding to the reimbursements of the PIS/Pasep and Cofins taxes. There are more details on the credits in Note 8a to this interim financial information. See Note 13.4 for more information on the Cemig D tariff adjustment.

The subsidiary Gasmig recognized the liability corresponding to the amounts to be refunded to its customers, based on 10 years period, from the date of the end of the semester, in the amount of R\$180,484. The 10 years period refers to the maximum amount possibly subject to restitution, to be validated after further analysis of the judicial decisions and legislation that will be issued.

21. LOANS, FINANCING AND DEBENTURES

Financing source	Principal maturity	Annual financial cost %	Currency	Consolidated			
				Sep. 30, 2022			Dec. 31, 2021
				Current	Non-current	Total	Total
FOREIGN CURRENCY							
Eurobonds (7)	2024	9.25%	US\$	187,950	5,406,600	5,594,550	5,622,673
(-) Transaction costs				-	(6,380)	(6,380)	(8,220)
(±) Interest paid in advance (2)				-	(10,432)	(10,432)	(13,356)
Debt in foreign currency				187,950	5,389,788	5,577,738	5,601,097
BRAZILIAN CURRENCY							
Eletrobrás (3)	2023	UFIR + 6.00% a 8.00%	R\$	2,933	255	3,188	5,647
Sonda (8)	2022	110.00% do CDI	R\$	57,580	-	57,580	52,430
Debt in Brazilian Currency				60,513	255	60,768	58,077
Total of Loans and Financings				248,463	5,390,043	5,638,506	5,659,174
Debentures - 3rd Issue - 3rd Series (1)	2022	IPCA + 6.20%	R\$	-	-	-	428,367
Debentures - 3rd Issue - 3rd Series (3)	2025	IPCA + 5.10%	R\$	315,364	576,304	891,668	1,147,465
Debentures - 7th Issue - 1st Series (3)	2024	CDI + 0.45%	R\$	545,481	405,000	950,481	1,355,933
Debentures - 7th Issue - 2nd Series (3)	2026	IPCA + 4.10%	R\$	22,166	1,842,434	1,864,600	1,759,628
Debentures - 8th Issue - 1st Series (3)	2027	CDI + 1.35%	R\$	18,623	500,000	518,623	-
Debentures - 8th Issue - 1st Series (3)	2029	IPCA + 6.10%	R\$	7,834	500,862	508,696	-
Debentures - 4th Issue - 1st Series (5)	2022	TJLP + 1.82%	R\$	2,551	-	2,551	10,028
Debentures - 4th Issue - 2nd Series (5)	2022	Selic + 1.82%	R\$	1,123	-	1,123	4,376
Debentures - 4th Issue - 3rd Series (5)	2022	TJLP + 1.82%	R\$	1,925	-	1,925	10,597
Debentures - 4th Issue - 4th Series (5)	2022	Selic + 1.82%	R\$	1,324	-	1,324	5,201
Debentures - 7th Issue - Single series (5)	2023	CDI + 1.50%	R\$	20,023	-	20,023	40,049
Debentures - 8th Issue - Single series (5)	2031	IPCA + 5.27%	R\$	6,832	1,012,428	1,019,260	986,446
(-) Discount on the issuance of debentures (6)				-	(12,896)	(12,896)	(15,002)
(-) Transaction costs				(3,010)	(33,922)	(36,932)	(28,299)
Total, debentures				940,236	4,790,210	5,730,446	5,704,789
Total				1,188,699	10,180,253	11,368,952	11,363,963

Financing source	Principal maturity	Annual financial cost %	Currency	Parent company			
				Sep. 30, 2022			Dec. 31, 2021
				Current	Non-current	Total	Total
BRAZILIAN CURRENCY							
Sonda (8)	2021	110.00% do CDI	R\$	57,580	-	57,580	52,430
Total of loans and financings				57,580	-	57,580	52,430

- (1) In February 2022 the Company amortized the Third Series of its Third Debenture Issue.
- (2) Advance of funds to achieve the yield to maturity agreed in the Eurobonds contract.
- (3) Cemig Distribuição.
- (4) Parent Company, Arising from merger of Cemig Telecom.
- (5) Gasmig; The proceeds from the 8th debenture issue, concluded by Gasmig on September 10, 2020, in the amount of R\$850,000, were used to redeem the Promissory Notes issued on September 26, 2019, with maturity at 12 months, whose proceeds were used in their entirety for payment of the concession grant fee for the gas distribution concession contract.
- (6) Discount on the sale price of the 2nd series of the Seventh issue of Cemig Distribuição.
- (7) In August 2021, Cemig GT carried out a partial buyback of its Eurobonds issue, in the principal amount of US\$500 million, There are more details on this transaction later in this Note.
- (8) Cemig Controladora, Decorrente da Incorporação da Cemig Telecom.

The debentures issued by the subsidiaries are non-convertible, there are no agreements for renegotiation, nor debentures held in treasury.

Funding raised

On June 29, 2022, Cemig D completed settlement of its 8th issue of non-convertible debentures, with surety guarantee, in two Series, for a total of R\$1,000,000, which were the subject of a public offering for distribution, with limited efforts, in accordance with CVM regulations.

The following were placed in this restricted offering:

- i. 1st Series: 500,000 Debentures, with total amount of R\$500,000, remuneration at the CDI Rate + 1.35%, and maturity at five years, the proceeds to be allocated to strengthening the Company's cash position; and
- ii. 2nd Series: 500,000 Debentures, with total amount of R\$500,000, remuneration at the CDI Rate + 6.10%, and maturity at seven years, the proceeds to be allocated to expenditure on the project to expand electricity distribution, as detailed in the issue documents of the Debentures.

Financing source	Entry date	Main maturity	Financial charges annual	Value
Brazilian currency				
Debentures – 8rd Issue, 1rd Series	June, 2022	2027	CDI + 1.35%	500,000
Debentures – 8rd Issue, 2rd Series	June, 2022	2029	6.10% of IPCA	500,000
(-) Transaction costs				(12,091)
(-) Discount (1)				(375)
Total				987,534

(1) Discount on emission of the 2nd Series of the Debentures.

Guarantees

The guarantees of the debt balance on loans and financing, on September 30, 2022, were as follows:

	Sep. 30, 2022
Promissory notes and sureties	6,469,139
Guarantee and receivables	2,797,616
Sureties	1,015,319
Receivables	9,980
Shares	57,580
Unsecured	1,019,318
TOTAL	11,368,952

The composition of loans, financing and debentures, by currency and index, with the respective amortization, is as follows:

Consolidated	2022	2023	2024	2025	2026	2027 onwards	Total
Currency							
US dollar	187,950	-	5,406,600	-	-	-	5,594,550
Total, currency denominated	187,950	-	5,406,600	-	-	-	5,594,550
Index							
IPCA (1)	57,209	294,987	395,350	1,322,523	1,040,326	1,173,829	4,284,224
UFIR/RGR (2)	809	2,379	-	-	-	-	3,188
CDI (3)	181,891	597,263	270,000	-	-	500,000	1,549,154
URTJ/TJLP (4)	4,476	-	-	-	-	-	4,476
Total by index	244,385	894,629	665,350	1,322,523	1,040,326	1,673,829	5,841,042
(-) Transaction costs	(2,425)	(2,910)	(6,529)	(3,967)	(3,983)	(23,498)	(43,312)
(±) Interest paid in advance	-	-	(10,432)	-	-	-	(10,432)
(-) Discount	-	-	-	(6,267)	(6,267)	(362)	(12,896)
Overall total	429,910	891,719	6,054,989	1,312,289	1,030,076	1,649,969	11,368,952

Parent company	2022	Total
Indexers		
CDI (3)	57,580	57,580
Total, governed by indexers	57,580	57,580

- (1) Expanded National Customer Price (IPCA) Index.
 (2) Fiscal Reference Unit (Ufir / RGR).
 (3) CDI: Interbank Rate for Certificates of Deposit.
 (4) Interest rate reference unit (URTJ) / Long-Term Interest Rate (TJLP).

The US dollar and index used for monetary updating of loans and financings had the following variations:

Currency	Accumulated change from January to September of 2022 (%)	Accumulated change from January to September of 2021 (%)	Indexer	Accumulated change from July to September of 2022 (%)	Accumulated change from July to September of 2021 (%)
US dollar	(3.12)	4.67	IPCA	4.09	6.90
			CDI	8.85	2.50
			TJLP	31.77	7.25

Currency	Accumulated change from Jul to Sep 30, 2022 (%)	Accumulated change from Jul to Sep 30, 2021 (%)	Indexer	Accumulated change from Jul to Sep 30, 2022 (%)	Accumulated change from Jul to Sep 30, 2021 (%)
US dollar	3.22	8.74	IPCA	(1.32)	3.02
			CDI	3.26	1.21
			TJLP	2.79	5.86

The changes in loans, financing and debentures are as follows:

	Consolidated	Parent company
Balances on December 31, 2021	11,363,963	52,430
Loans obtained	1,000,000	-
Transaction costs	(12,091)	-
Discount on the issuance of debentures	(375)	-
Loans obtained, net	987,534	-
Monetary variation	132,591	-
Exchange rate variation	(173,900)	-
Financial charges provisioned	727,571	5,150
Amortization of transaction cost	5,298	-
Financial charges paid	(537,616)	-
Amortization of financing	(1,136,489)	-
Balances on September 30, 2022	11,368,952	57,580

Borrowing costs, capitalized

Costs of loans directly related to acquisition, construction or production of an asset, that necessarily requires a substantial time to be concluded for the purpose of use or sale are capitalized as part of the cost of the corresponding asset. All other costs of loans are recorded in Expenses in the period in which they are incurred. Borrowing costs include interest and other costs incurred by the Company in relation to loans, financings and debentures.

The subsidiaries Cemig D and Gasmig considered the costs of loans and financing linked to construction in progress as construction costs of intangible and concession contract assets, as follows:

	Jan to Sep, 2022	Jan to Sep, 2021
Costs of loans and financing	727,571	889,114
Financing costs on intangible assets and contract assets	(33,980)	(5,701)
Net effect in Profit or loss	693,591	883,413

- (1) The average capitalization rate p.a. on September 30, 2022 was 11,42% (6,91% on September 30, 2021),

The amounts of the capitalized borrowing costs have been excluded from the statement of cash flows, in the additions to cash flow of investment activities, as they do not represent an outflow of cash for acquisition of the related asset.

Restrictive covenants

There are early maturity clauses for cross-default in the event of non-payment by Cemig D, GT or by the Company, of any pecuniary obligation with individual or aggregate value greater than R\$50 million (“cross default”).

The Company and its subsidiaries have contracts with financial covenants as follows:

Title - Security	Covenant	Ratio required – Issuer	Ratio required Cemig (guarantor)	Compliance required
Eurobonds Cemig GT (1)	Net debt / Ebitda adjusted for the Covenant (3)	The following or less: 2,5 on/after Dec 31, 2021	The following or less: 3,0 on/after Dec 31, 2021	Semi-annual and annual
7th Debentures Issue Cemig D	Net debt / Ebitda adjusted	Less than 3,5	Less than 3,0	Semi-annual and annual
	Overall indebtedness (Total liabilities/Total assets)	Less than 0,6	-	Annual
	Ebitda / Debt servicing	1,3 or more	-	Annual
Debentures Gasmig (2)	Ebitda / Net finance income (expenses)	2,5 or more	-	Annual
	Net debt / Ebitda	The following or less 2,5	-	Annual
8th Debentures Issue Gasmig Single series (3)	EBITDA/Debt servicing	1,3 or more	-	Annual
	Net debt/EBITDA	3,0 or less	-	Annual

- (1) Ebitda is defined as: (i) Profit before interest, income tax and Social Contribution tax on profit; depreciation; and amortization, calculated in accordance with CVM Resolution 156, of June 23, 2022; – less: (ii) non-operational profit; any non-recurring non-monetary credits or gains that increase net profit; any payments in cash made on consolidated basis during the period relating to non-monetary charges that were newly added in the calculation of Ebitda in any prior period; and any non-recurring non-monetary expenses or charges.
- (2) If Gasmig does not achieve the required covenants, it must, within 120 days from the date of notice in writing from BNDES or BNDESPar, constitute guarantees acceptable by the debenture holders for the total amount of the debt, subject to the rules of the National Monetary Council (CMN), unless the required ratios are restored within that period. Certain contractually specified situations can cause early maturity of other debts (cross-default).
- (3) Non-compliance with the financial covenants results in automatic early maturity. If early maturity is declared by the debenture holders, Gasmig must make the payment after receipt of notification.

Management monitors this index systematically and constantly, so that the condition is met.

The information on the derivative financial instruments (swaps) contracted to hedge the debt servicing of the Eurobonds (principal, in foreign currency, plus interest), and the Company’s exposure to interest rate risks, are disclosed in Note 30.

22. REGULATORY CHARGES

	Consolidated	
	Sep. 30, 2022	Dec. 31, 2021
Liabilities		
Global Reversion Reserve – RGR	27,376	28,198
Energy Development Account – CDE	129,813	109,618
Grantor inspection fee – Aneel	2,890	2,526
Energy Efficiency	252,479	237,426
Research and development	118,674	112,267
Energy system expansion research	3,802	4,377
National scientific and technological development fund	7,620	8,759
Proinfra – Alternative energy program	13,647	16,623
Royalties for use of water resources	13,634	5,374
Emergency capacity charge	26,325	26,325
Customer charges – Tariff flags	16	251,837
CDE on R&D	2,403	2,767
CDE on EEP	3,731	4,583
Others	4,625	4,638
	607,035	815,318
Current liabilities	540,031	610,695
Non-current liabilities	67,004	204,623

23. POST-EMPLOYMENT OBLIGATIONS

Consolidated	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities on December 31, 2021	2,670,153	3,468,504	66,017	6,204,674
Expense recognized in Statement of income	213,613	283,493	5,452	502,558
Contributions paid	(202,885)	(142,890)	(2,719)	(348,494)
Net liabilities on September 30, 2022	2,680,881	3,609,107	68,750	6,358,738
			Sep. 30, 2022	Dec. 31, 2021
Current liabilities			374,460	346,733
Non-current liabilities			5,984,278	5,857,941

Parent company	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities on December 31, 2021	498,434	220,585	5,047	724,066
Expense recognized in Statement of income	39,935	17,711	410	58,056
Contributions paid	(9,985)	(8,121)	(164)	(18,270)
Net liabilities on September 30, 2022	528,384	230,175	5,293	763,852
			Sep. 30, 2022	Dec. 31, 2021
Current liabilities			28,454	26,917
Non-current liabilities			735,398	697,149

Amounts recorded as current liabilities refer to contributions to be made by Cemig and its subsidiaries in the next 12 months for the amortization of the actuarial liabilities.

The amounts reported as expense in the income statement refer to the portions of the costs of post-employment obligations, in amount of R\$468,710 from January to September, 2022 (R\$324,905 in the same period of 2021), plus the financial costs and monetary updating of the debt agreed with Forluz, in the amount of R\$33,847 from January to September, 2022 (R\$50,272 in the same period of 2021).

Life insurance

Until the end of the Collective Agreement in effect until October 2021, the Company made available coverage of 50% of the life insurance policy cost, with certain specific characteristics for retirees.

However, as a result of the amendment in the Collective Labor Agreement for 2021-2023, in relation to offer and payment of life insurance for the employees and former employees, the Company wrote off, in the fourth quarter of 2021, the balance of the obligation, remeasured using the revised actuarial assumptions, recognized in the income statement and Shareholders' equity, in the amounts of R\$415,438, and R\$59,495.

On February of 2022, the Association of Retired Electricity Workers and Pension Holders of Cemig and its Subsidiaries (Associação dos Eletricitários Aposentados e Pensionistas da Cemig e Subsidiárias – AEA/MG) filed an injunction requesting the Company to comply with and maintain in full the same terms relating to coverage of the life insurance premium as it was previously practiced. However, the Regional Employment Law Appeal Court of the 3rd Region refused this claim, on the grounds that this had been validly decided in the Collective Labor Agreement. In view of this, the company and its legal advisers have assessed the chances of loss in this legal action as 'remote'.

Debt with the pension fund - Forluz

On September 30, 2022 the Company and its subsidiaries has recognized an obligation for past actuarial deficits relating to the pension fund in the amount of R\$289,155 (R\$384,513 on December 31, 2021). This amount has been recognized as an obligation payable, and will be amortized until June of 2024, through monthly installments calculated by the system of constant installments (known as the 'Price' table) and adjusted by the IPCA (Expanded National Customer Price) inflation index (published by the Brazilian Geography and Statistics Institute – IBGE) plus 6% per year. The Company is required to pay this debt even if Forluz has a surplus, thus, the Company maintain recorded the debt in full and record the effects of monetary updating and interest in finance income in the statement of income.

Agreement to cover the deficit on Forluz Pension Plan 'A'

Forluz and the sponsors Cemig, Cemig GT and Cemig D have signed a Debt Assumption Instrument to cover the deficit of Plan A for the years of 2015, 2016 and 2017. On September 30, 2022 the total amount payable by Cemig and its subsidiaries as a result of the Plan A deficits was R\$551,157 (R\$538,934 on December 31, 2021 referring to the Plan A deficits of 2015, 2016 and 2017). The monthly amortizations, calculated by the constant installments system (Price Table), will be paid up to 2031 for the 2015 and 2016 deficits, in the amount of R\$366,731, and up to 2033 for the 2017 deficit, in the amount of R\$184,426. Remuneratory interest applicable to the outstanding balance is 6% p.a., plus the effect of the IPCA. If the plan reaches actuarial surplus before the full period of amortization of the debt, also Company will not be required to pay the remaining installments and the contract will be extinguished.

Deposits on consignment to Forluz

Resolution of the 2019 deficit

On December of 2020, in accordance with the applicable legislation, Forluz proposed to Cemig a new Debt Assumption Instrument to be signed between Forluz and the sponsors Cemig, Cemig GT and Cemig D, in accordance with the plan to cover the deficit of Plan A, which occurred in 2019. The total amount to be paid by the Company as a result of the deficit found in Plan A, without considering parity of contribution, is R\$160,425, through 166 monthly installments. The remuneration interest rate applicable to the outstanding balance is 6% p.a., plus the effect of the IPCA, If the plan reaches actuarial surplus before the full period of amortization of the debt, also Company will not be required to pay the remaining installments and the contract will be extinguished.

The Company recognized the legal obligation in relation to the deficit of Plan A, corresponding to 50% of the minimum amount, and, thus, obeying the contribution parity rule, made the payments of R\$14,141 (R\$6,783 on December 31, 2021) with remain at the disposal of Forluz to be redeemed at an account with an official bank. Due to the refusal by Forluz to receive this amount, on May 26, 2021 the Company proposed an Action of Consignment in Payment.

Due to the Debt Assumption Instrument not being signed for coverage of the minimum amount proposed in the plan for solution of the Plan A actuarial deficit for 2019, and the refusal of the payments in consignment made by the Company, on April 27, 2021 Forluz filed legal action against sponsors Cemig, Cemig GT and Cemig D, applying for approval and confirmation of the request to ensure compliance with the contracting of the debt for coverage of the deficit of Plan A, in the amount of R\$160,425, for the 2019 business year.

In May 2022 the first instance of the Employment Law Appeal Court of Minas Gerais gave a decision in favor of Forluz, and against the Company's requests – but in this dispute appeal lies to hire instances. As a result the Company, based on the assessments of its specialists, has opted to maintain its assessment of the chances of loss in the action as 'possible'.

Resolution of the 2020 deficit

On March 31, 2022, in view of the divergences mentioned in the previous item, payment in consignment of the 2020 deficit of Plan A was begun, with deposit of the first tranche, limited to 50% of the amounts specified in the Plan proposed by Forluz, in obedience to the constitutional rule of parity of contribution. Forluz appealed, exercising its procedural right, on April 18, 2022. The amount deposited by the Company, on September 30, 2022, was R\$7,239, which will be held in escrow, available to Forluz, by an official bank.

The total amount to be paid by the Company arising from the deficit ascertained in Plan A, without considering parity, is R\$251,644, in 158 monthly payments, with remuneratory interest of 6% per year on the outstanding balance, plus inflation as measured by the IPCA-IBGE (Expanded National Consumer Price index). If the plan reaches actuarial balance before

the full period of amortization of the contract, the Company is dispensed from payment of the remaining installments and the contract is extinguished.

24. PROVISIONS

	Consolidated				
	Dec. 31, 2021	Additions	Reversals	Settled	Sep. 30, 2022
Provisions to contingencies					
Labor	403,934	68,592	(25,062)	(57,369)	390,095
Civil					
Customer relations	32,235	31,429	-	(24,291)	39,373
Other civil actions	38,548	11,136	(462)	(9,352)	39,870
	70,783	42,565	(462)	(33,643)	79,243
Tax	1,295,661	284,847	(150,144)	(2,621)	1,427,743
Regulatory	47,842	7,547	(4,864)	(4,640)	45,885
Others	70,752	17,303	(6,076)	(12,854)	69,125
Total	1,888,972	420,854	(186,608)	(111,127)	2,012,091

	Parent company				
	Dec. 31, 2021	Additions	Reversals	Settled	Sep. 30, 2022
Labor	43,075	4,015	(5,304)	(4,015)	37,771
Civil					
Customer relations	1,220	1,570	-	(198)	2,592
Other civil actions	2,421	1,094	-	(7)	3,508
	3,641	2,664	-	(205)	6,100
Tax	177,722	85,172	(45,169)	(2,153)	215,572
Regulatory	11,166	4,151	(3,038)	(4,125)	8,154
Others	1,391	523	(179)	(421)	1,314
Total	236,995	96,525	(53,690)	(10,919)	268,911

Provisions for contingencies

The Company and its subsidiaries are involved in certain legal and administrative proceedings at various courts and government bodies, arising in the normal course of business, regarding employment-law, civil, tax, environmental and regulatory matters, and other issues.

Provisions, made for legal claims in which the probability of loss have been assessed as 'probable'

Labor claims

The Company and its subsidiaries are involved in various legal claims filed by its employees and by employees of service providing companies. Most of these claims relate to overtime and additional pay, severance payments, various benefits, salary adjustments and the effects of such items on a supplementary retirement plan. In addition to these actions, there are others relating to outsourcing of labor, complementary additions to or re-calculation of retirement pension payments by Forluz, and salary adjustments.

The aggregate amount of the contingency is approximately R\$1,543,647 (R\$1,570,680 at December 31, 2021), of which R\$390,097 (R\$403,934 at December 31, 2021) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

Customers claims

The Company and its subsidiaries are involved in various civil actions relating to indemnity for personal injury and for material damages, arising, principally, from allegations of irregularity in measurement of consumption, and claims of undue charging, in the normal course of business, totaling R\$264,843 (R\$180,858 at December 31, 2021), of which R\$39,373 (R\$32,235 at December 31, 2021) has been recorded – this being the probable estimate for funds needed to settle these disputes.

Other civil proceedings

The Company and its subsidiaries are involved in various civil actions claiming indemnity for personal and material damages, among others, arising from incidents occurred in the normal course of business, in the amount of R\$567,623 (R\$460,540 on December 31, 2021), of which R\$39,869 (R\$38,548 at December 31, 2021) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

Tax

The Company and its subsidiaries are involved in numerous administrative and judicial claims actions relating to taxes, including, among other matters, subjects relating to the Urban Property Tax (*Imposto sobre a Propriedade Territorial Urbana*, or IPTU); the Rural Property Tax (ITR); the Tax on Donations and Legacies (ITCD); the Social Integration Program (*Programa de Integração Social*, or PIS); the Contribution to Finance Social Security (*Contribuição para o Financiamento da Seguridade Social*, or Cofins); Corporate Income tax (*Imposto de Renda Pessoa Jurídica*, or IRPJ); the Social Contribution (*Contribuição Social sobre o Lucro Líquido*, or CSLL); and motions to tax enforcement. The aggregate amount of this contingency is approximately R\$258,004 (R\$212,312 on December 31, 2021), of which R\$21,567 (R\$19,041 at December 31, 2021) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

In addition to the issues above the Company and its subsidiaries are involved in various proceedings on the applicability of the IPTU Urban Land Tax to real estate properties that are in use for providing public services. The aggregate amount of the contingency is approximately R\$92,497 (R\$86,847 on December 31, 2021). Of this total, R\$3,559 has been recognized (R\$3,432 on December 31, 2021) – this being the amount estimated as probably necessary for settlement of these disputes. The company has been successful in its efforts to have its IPTU tax liability suspended, winning judgments in favor in some cases – this being the principal factor in the reduction of the total value of the contingency.

Social Security contributions on profit sharing payments

The Brazilian tax authority (*Receita Federal*) has filed administrative and court proceedings against the Company, relating to social security contributions on the payment of profit sharing to its employees over the period 1999 to 2016, alleging that the Company did not comply with the requirements of Law 10.101/2000 on the argument that it did not previously establish clear and objective rules for the distribution of these amounts. In August 2019, the

Regional Federal Court of the First Region published a decision against the Company on this issue. As a result the Company, based on the opinion of its legal advisers, reassessed the probability of loss from 'possible' to 'probable' for some portions paid as profit-sharing amounts, maintaining the classification of the chance of loss as 'possible' for the other portions, since it believes that it has arguments on the merit for defense and/or because it believes that the amounts questioned are already within the period of limitation.

In August 2022, the Higher Tax Appeal Chamber (CSRF) of the Tax Appeals Council (CARF), changing its case law, canceled claims for Social Security contributions on amounts paid as profit-sharing. The Chamber recognized that there was no change in the identity or type of the payment of these amounts, provided that they were paid to the employees after signature of the related agreement, whether or not that signature had been given after the start of the period to which the calculation of targets referred. Based on this decision, the Company altered its expectation for the contingency for losses related to the profit-sharing payments that are still in proceedings in the administrative sphere, from 'probable' to 'possible', resulting in a reduction of R\$136,115 in the provision. The Company continues to monitor the legal actions in progress in the judiciary, for which it has maintained the assessment of chances of loss as 'probable', thus maintaining the related provisioning.

The amount of the contingencies is approximately R\$1,572,117 (R\$1,433,086 on December 31, 2021), of which R\$1,267,583 has been provisioned (R\$1,272,036 on December 31, 2021), this being the estimate of the probable amount of funds to settle these disputes.

Indemnity of employees' future benefit (the 'Anuênio')

In 2006 the Company paid an indemnity to its employees, totaling R\$177,686, in exchange for rights to future payments (referred to as the Anuênio) for time of service, which would otherwise be incorporated, in the future, into salaries. The Company did not pay income tax nor Social Security contributions in relation to these amounts because it believed that amounts paid as indemnity are not taxable. However, given the possibility of dispute and to avoid risk of future penalty payments, the Company and its subsidiaries filed legal actions for recognition of the right of non-taxation on these Anuênio payments, making separate submissions and argument in relation to (a) income tax and (b) the social security contribution, in the aggregate historic amount of R\$121,834. In the action relating to applicability of the social security contribution, a court judgment was given that impedes consideration of an appeal to the Federal Supreme Court – thus consideration by the Higher Appeal Court remains. In October 2022, a judgment was published refusing to recognize the Special Appeal filed by the Company, reducing the chances of success in the action. As a result the assessment of the chances of loss in this action were altered from 'possible' to 'probable', and a provision made for the amount deposited in escrow. This is treated as a modifying subsequent event for the third quarter of 2022. The chances of loss in the action relating to applicability of income tax on the amounts of the *anuênios*, due to its current phase of procedure, have been maintained as 'possible'. The amount of the contingency is approximately R\$300,273 (R\$290,198 on December 31, 2021), of which R\$133,832 (R\$129,336 on December 31, 2021) has been provisioned.

Non-homologation of offsetting of tax credit

The federal tax authority did not ratify the Company's declared offsetting, in corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes – IRPJ, CSLL, PIS/Pasep and Cofins – identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The Company and its subsidiaries are contesting the non-homologation of the amounts offset. The amount of the contingency is R\$168,383 (R\$199,430 on December 31, 2021), of which R\$1,202 (R\$1,152 at December 31, 2021), has been provisioned, since the relevant requirements of the National Tax Code (CTN) have been complied with.

Regulatory

The Company and its subsidiaries are involved in numerous administrative and judicial proceedings, challenging, principally: (i) tariff charges in invoices for use of the distribution system by a self-producer; (ii) alleged violation of targets for continuity indicators in retail supply of energy; and (iii) the tariff increase made during the federal government's economic stabilization plan referred to as the 'Cruzado Plan', in 1986. The aggregate amount of the contingency is approximately R\$461,302 (R\$385,244 on December 31, 2021), of which R\$45,884 (R\$47,842 at December 31, 2021) has been recorded as provision – the amount estimated as probably necessary for settlement of these disputes.

Other legal actions in the normal course of business

Breach of contract – Power line pathways and accesses cleaning services contract

The Company and its subsidiaries are involved in disputes alleging losses suffered as a result of supposed breaches of contract at the time of provision of services of cleaning of power line pathways and firebreaks. The amount recorded is R\$61,192 (R\$55,193 on December 31, 2021), this being estimated as the likely amount of funds necessary to settle this dispute.

'Luz Para Todos' Program

The Company is a party in disputes alleging losses suffered by third parties as a result of supposed breach of contract at the time of implementation of part of the rural electrification program known as the 'Luz Para Todos'. The estimated amount of the contingency is approximately R\$462,056 (R\$419,869 on December 31, 2021). Of this total, R\$892 (R\$810 on December 31, 2021) has been provisioned the amount estimated as probably necessary for settlement of these disputes.

Other legal proceedings

Company and its subsidiaries are involved as plaintiff or defendant, in other less significant claims, related to the normal course of their operations including: environmental matters, removal of residents from risk areas; and indemnities for rescission of contracts, on a lesser scale, related to the normal course of its operations, with an estimated total amount of

R\$467,935 (R\$401,589 at December 31, 2021), of which R\$7,041 (R\$14,749 at December 31, 2021), the amount estimated as probably necessary for settlement of these disputes.

Contingent liabilities – loss assessed as ‘possible’

The Company is a party in legal actions in which the chances of loss have been assessed as ‘possible’, since its legal advisers have assessed that there is a chance of the actions being judged in favor of the Company, and a provision has not been constituted.

Possible loss		
Consolidated	Sep. 30, 2022	Dec. 31, 2021
Labor	1.153.552	1.115.657
Civil		
Customer relations	225.470	148.623
Other civil actions	527.753	421.992
	753.224	570.615
Tax	2.084.899	1.974.135
Regulatory	3.044.857	2.457.013
Others	1.371.168	1.213.396
Total	8.407.700	7.330.817

Possible loss		
Parent company	Sep. 30, 2022	Dec. 31, 2021
Labor	110.093	89.139
Civil		
Customer relations	8.329	2.239
Other civil actions	33.142	34.308
	41.471	36.548
Tax	593.075	415.884
Regulatory	1.402.417	1.240.369
Others	10.035	7.275
Total	2.157.091	1.789.215

Taxes and contributions

The Company and its subsidiaries are involved in numerous administrative and judicial proceedings in relation to taxes, below are details of the main claims:

Social Security contributions

The Brazilian federal tax authority (*Secretaria da Receita Federal*) has filed administrative proceedings related to various matters: employee profit sharing; the Workers’ Food Program (*Programa de Alimentação do Trabalhador*, or PAT); education benefit; food benefit; Special Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers’ support programs) and fines for non-compliance with accessory obligations. The Company and its subsidiaries have presented defenses and await judgment. The amount of the contingency is approximately R\$130,338 (R\$121,223 on December 31, 2021). Management has classified the chance of loss as ‘possible’, also taking into account assessment of the chance of loss in the judicial sphere, (the claims mentioned are in the administrative sphere), based on the evaluation of the claims and the related case law.

Income tax withheld on capital gain in a shareholding transaction

The federal tax authority issued a tax assessment against Cemig as a jointly responsible party with its jointly controlled entity Parati S.A. Participações em Ativos de Energia Elétrica (Parati), relating to withholding income tax (*Imposto de Renda Retido na Fonte*, or IRRF) allegedly applicable to returns paid by reason of a capital gain in a shareholding transaction relating to the purchase by Parati, and sale, by Enlighted, at July 7, 2011, of 100,00% of the equity interests in Luce LLC (a company with head office in Delaware, USA), holder of 75,00% of the shares in the Luce Brasil equity investment fund (FIP Luce), which was indirect holder, through Luce Empreendimentos e Participações S.A., of approximately 13,03% of the total and voting shares of Light S.A. (Light). The amount of the contingency is approximately R\$251,328 (R\$239,467 on December 31, 2021), and the loss has been assessed as ‘possible’.

The social contribution tax on net income (CSLL)

The federal tax authority issued a tax assessment against the Company and its subsidiaries for the years of 2012 and 2013, alleging undue non-addition, or deduction, of amounts relating to the following items in calculating the social contribution tax on net income: (i) taxes with liability suspended; (ii) donations and sponsorship (Law 8,313/91); and (iii) fines for various alleged infringements. The amount of this contingency is R\$499,909 (R\$453,924 on December 31, 2021). The Company has classified the chances of loss as ‘possible’, in accordance with the analysis of the case law on the subject.

ICMS (local state value added tax)

From December 2019 to March 2022, the Tax Authority of Minas Gerais State issued infraction notices against the subsidiary Gasmig, in the total amount of R\$357,435, relating to reduction of the calculation base of ICMS tax in the sale of natural gas to its customers over the period from December 1, 2014 to December 31, 2016, alleging a divergence between the form of calculation used by Gasmig and the opinion of that tax authority, The claims comprises principal amount of R\$124,478, penalty payments of R\$200,546 and interest of R\$32,411.

Considering that the State of Minas Gerais, over a period of more than 25 years, has never made any allegations against the methodology of calculation by the Company, Management and Company’s legal advisors, believe that there is a defense under Article 100, III of the National Tax Code, which removes claims for penalties and interest; and that the contingency for loss related to these amounts is ‘remote’, In relation to the argument on the difference between the amount of ICMS tax calculated by Gasmig and the new interpretation by the state tax authority, the probability of loss was considered ‘possible’. On September 30, 2022 the amount of the contingency for the period relating to the rules on expiry by limitation of time is R\$170,733 (R\$139,938 on December 31, 2021). In July 2021, Gasmig filed a lawsuit for annulment of a tax debit, against the State of Minas Gerais, and this proceeding suspended the tax claim referred to above.

Interest on Equity

The Company filed an application for mandamus, with interim relief, requesting the right to deduct, from the basis of calculation of corporate income tax and Social Contribution tax, the expense relating to payment of Interest on Equity in 4Q20 calculated on the basis of prior periods (the first and second quarters of 2020), and for cancellation of the demand for new supposed credits of corporate income tax and the Social Contribution relating to the amount that was not paid as a result of the deduction of the said financial expense, with application of fines. The amount of the contingencies in this case is approximately R\$64,885 (R\$60,079 on December 31, 2021).

Reversal of credits in calculation of PIS/ Pasep and Cofins taxes

The Brazilian tax authority issued, in August 2021, two infringement notices relating to calculation of the PIS/Pasep and Cofins taxes, from August 2016 to December 2017, alleging insufficiency of payment of these contributions due to supposed undue credits deduction of the expenses on the Proinfra charge, and absence of reversal of the credits related to non-technical losses. The Company is contesting these infringement notices. The amount of the contingency is R\$174,907 (R\$161,780 on December 31, 2021) and the Company has classified the chances of loss as ‘possible’, due to the scarcity of case law on the subject.

Regulatory matters

Public Lighting Contribution (CIP)

Cemig and Cemig D are defendants in several public civil claims (class actions) requesting nullity of the clause in the Electricity Supply Contracts for public illumination signed between the Company and the various municipalities of its concession area, and restitution by the Company of the difference representing the amounts charged in the last 20 years, in the event that the courts recognize that these amounts were unduly charged. The actions are grounded on a supposed error by Cemig in the estimation of the period of time that was used in calculation of the consumption of energy for public illumination, funded by the Public Lighting Contribution (*Contribuição para Iluminação Pública*, or CIP).

The Company and its subsidiaries believes it has arguments of merit for defense in these claims, including a partial favorable decision. As a result it has not constituted a provision for this action, the amount of which is estimated at R\$1,402,607 (R\$1,269,402 at December 31, 2021). The Company has assessed the probability of loss in this action as ‘possible’, due to the Customer Defense Code (*Código de Defesa do Consumidor*, or CDC) not being applicable, because the matter is governed by the specific regulation of the electricity sector, and because Cemig complied with Aneel Resolutions 414 and 456, which deal with the subject.

Accounting of energy sale transactions in the Power Trading Chamber (CCEE)

In a claim dating from August 2002, AES Sul Distribuidora challenged in the court the criteria for accounting of energy sale transactions in the wholesale energy market (*Mercado Atacadista de Energia*, or MAE) (predecessor of the present Power Exchange Chamber –

Câmara de Comercialização de Energia Elétrica, or CCEE), during the period of rationing. It obtained a favorable interim judgment on February 2006, which ordered the grantor (Aneel), working with the CCEE, to comply with the claim by AES Sul and recalculate the settlement of the transactions during the rationing period, not considering the grantor (Aneel) Dispatch 288 of 2002.

This should take effect in the CCEE as from November 2008, resulting in an additional disbursement for Cemig GT, related to the expense on purchase of energy in the spot market on the CCEE, in the approximate amount of R\$478,203 (R\$436,835 on December 31, 2021). On November 9, 2008 Cemig GT obtained an interim decision in the Regional Federal Appeal Court (*Tribunal Regional Federal, or TRF*) suspending the obligatory nature of the requirement to pay into court the amount that would have been owed under the Special Financial Settlement made by the CCEE, Cemig GT has classified the chance of loss as ‘possible’, since this action deals with the General Agreement for the Electricity Sector, in which the Company has the full documentation to support its arguments.

Inefficiency in provision of services

A public class action filled by the Public Attorneys’ Office of Minas Gerais state against the Company, alleging supposed inefficiency in provision of services related to the distribution of electricity to the consumers of the municipality of Rio Vermelho. The Company has presented its contestation and awaits beginning of the instruction stage. The amount of the contingency on September 30, 2022 was R\$293,375. The Company has classified the chances of loss as ‘possible’, due of the documentation received and the nature of the action.

Tariff increases

Exclusion of customers classified as low-income

The Federal Public Attorneys’ Office filed a class action against the Company and the grantor (Aneel), to avoid exclusion of customers from classification in the *Low-income residential tariff* sub-category, requesting an order for Cemig D to pay twice the amount paid in excess by customers. A decision was given in favor of the plaintiffs, but the Company and the grantor (Aneel) have filed an interlocutory appeal and await judgment. The amount of the contingency is approximately R\$455,256 (R\$413,375 on December 31, 2021), Cemig D has classified the chances of loss as ‘possible’ due to other favorable decisions on this matter.

Environmental claims

Impact arising from construction of power plants

The Public Attorneys’ Office of Minas Gerais State has filed class actions requiring the formation of a Permanent Preservation Area (APP) around the reservoir of the *Capim Branco* hydroelectric plant, suspension of the effects of the environmental licenses, and recovery of alleged environmental damage, Cemig GT, based on the opinion of its legal advisers in relation to the changes that have been made in the new Forest Code and in the case law on

this subject, Cemig GT has classified the chance of loss in this dispute as ‘possible’. The estimated value of the contingency is R\$134,494 (R\$123,098 on December 31, 2021).

Other contingent liabilities

Contractual imbalance

Cemig D is party in other disputes arising from alleged non-compliance with contracts in the normal course of business, for an estimated total of R\$218,884 (R\$198,144 on December 31, 2021). Cemig D has classified the chance of loss as ‘possible’, after analysis of the case law on this subject.

Renova: Application to override corporate identity

A receivables investment fund filed an application for Override of Legal Identity (Incidente de Desconsideração da Personalidade Jurídica – IDPJ) in relation to certain companies of the Renova group, aiming to include some shareholders of Renova, including the Company and its subsidiary Cemig GT, as defendants jointly and severally liable. The amount involved in this dispute is estimated at R\$95,732 (R\$86,256 on December 31, 2021). The probability of loss has been assessed as ‘possible’.

25. EQUITY AND REMUNERATION TO SHAREHOLDERS

a) Share capital

On September 30, 2022, the Company’s issued and share capital is R\$11,006,853 (R\$8,466,810 on December 31, 2021) represented by 735,847,624 common shares and 1,465,523,064 preferred shares (566,036,634 and 1,127,325,434 on December 31, 2021, respectively), both of them with nominal value of R\$5,00.

Capital increase

Since the balance of Profit Reserves on December 31, 2021 exceeded the share capital by R\$ 1,522,600, the Annual General Meeting of April 29, 2022 approved the proposal to increase the share capital from R\$8,466,810 to R\$11,006,583, in accordance with Article 199 of the Corporate Law (Law 6,404/76), by capitalization of R\$2,540,043 from the retained earnings reserve, and distribution of a stock bonus, with issuance of 508,008,620 new shares, with nominal value of R\$5,00, comprising 169,810,990 common shares and 338,197,630 preferred shares, in accordance with the by-laws.

b) Earnings per share

Due to the capital increase, on April 29, 2022, with issuance of 508,008,620 new shares, without a corresponding entry of funds into the Company, the basic and diluted profit per share is presented, retrospectively, considering the new number of Company’s shares.

The number of shares included in the calculation of basic and diluted earnings, is described in the table below:

	Number of shares	
	Jan to Sep, 2022	Jan to Sep, 2021 (restated)
Common shares already paid up	735,847,624	735,847,624
Shares in treasury	(102)	(102)
Total common shares	735,847,522	735,847,522
Preferred shares already paid up	1,465,523,064	1,465,523,064
Shares in treasury	(846,062)	(846,062)
Total preferred shares	1,464,677,002	1,464,677,002
Total	2,200,524,524	2,200,524,524

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is as follows:

	Jan to Sep, 2022	Jan to Sep, 2021 (restated)
Net income (loss) for the period (A)	2,686,577	2,789,320
Total earnings (B)	2,200,524,524	2,200,524,524
Basic earnings per share (A/B) (R\$)	1.22	1.27

The put option of investments in SAAG, as described in note 30, could potentially dilute basic earnings per share in the future; however, they have not caused dilution of earnings per share in the periods analyzed.

c) Remuneration to shareholders

The Company's Executive Board decided to declare Interest on Equity as follows: (i) on March 23, 2022, in the amount of R\$245,000, payable to shareholders whose names are on the Company's Nominal Share Register on March 28, 2022, with retention of income tax amount to R\$23,159; (ii) on June 7, 2022, in the amount of R\$353,000, payable to shareholders whose names are on the Company's Nominal Share Register on June 24, 2022, with retention of income tax amount to R\$32,112; and (iii) on September 20, 2022, in the amount of R\$471,529, payable to shareholders whose names are on the Company's Nominal Share Register on September 23, 2022, with retention of income tax amount to R\$43,740. The amount of income tax withheld at source, by obligation of the tax legislation, is not considered when the Interest on Equity are attributed to the mandatory dividend and is calculated at the rate of 15%, in the cases where this tax is levied, under the terms of the current legislation.

26. REVENUE

	Consolidated		Parent company	
	Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021
Revenue from supply of energy (a)	23,254,390	21,529,782	1,575,616	-
Revenue from use of the electricity distribution systems - TUSD (b)	2,757,570	2,544,329	-	-
CVA and other financial components (c)	(1,367,693)	1,908,899	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers– realization (1)	1,641,578	876,000	-	-
Transmission revenue				
Operation and maintenance revenue (c)	315,900	236,337	-	-
Transmission construction revenue (c)	269,760	137,828	-	-
Interest revenue arising from the financing component in the transmission contract asset (d) (note 14)	446,808	462,422	-	-
Generation indemnity revenue	24,783	-	-	-
Distribution construction revenue	2,199,838	1,236,369	-	-
Adjustment to expectation of cash flow from indemnifiable financial assets of distribution concession	28,401	37,959	-	-
Revenue on financial updating of the Concession Grant Fee	352,585	368,842	-	-
Transactions in energy on the CCEE	133,109	533,590	48,020	193,671
Mechanism for the sale of surplus	331,312	226,249	-	-
Supply of gas	3,287,582	2,492,309	-	-
Fine for violation of service continuity indicator	(64,867)	(52,358)	-	-
Advances for services provided	-	153,970	-	-
PIS/Pasep and Cofins taxes to be refunded to customers	(829,783)	-	-	-
Other operating revenues (d)	2,158,315	1,282,877	308	360
Deductions on revenue (e)	(10,229,982)	(9,986,014)	(227,036)	(17,971)
Net operating revenue	24,709,606	23,989,390	1,396,908	176,060

	Consolidated		Parent company	
	Jul to Sep, 2022	Jul to Sep, 2021	Jul to Sep, 2022	Jul to Sep, 2021
Revenue from supply of energy (a)	7,105,782	7,740,212	757,223	-
Revenue from use of the electricity distribution systems - TUSD (b)	985,150	886,721	-	-
CVA and other financial components (c)	(395,653)	1,116,248	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers– realization (1)	706,087	445,089	-	-
Transmission revenue				
Operation and maintenance revenue (c)	105,628	72,139	-	-
Transmission construction revenue (c)	100,492	75,695	-	-
Interest revenue arising from the financing component in the transmission contract asset (d) (note 14)	50,300	165,300	-	-
Generation indemnity revenue	24,783	-	-	-
Distribution construction revenue	1,063,302	497,932	-	-
Adjustment to expectation of cash flow from indemnifiable financial assets of distribution concession	(10,361)	17,933	-	-
Revenue on financial updating of the Concession Grant Fee	59,722	125,438	-	-
Transactions in energy on the CCEE	134,890	425,502	38,972	193,671
Mechanism for the sale of surplus	125,463	226,249	-	-
Supply of gas	1,218,147	948,680	-	-
Fine for violation of service continuity indicator	(13,668)	(7,454)	-	-
Other operating revenues (d)	873,241	433,111	100	160
Deductions on revenue (e)	(2,909,994)	(3,644,128)	(114,235)	(17,929)
Net operating revenue	9,223,311	9,524,667	682,060	175,902

(1) For more information, see note 8a.

a) Revenue from energy supply

	Consolidated				Parent company			
	MWh		R\$		MWh		R\$	
	Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021
Residential	8,316,115	8,399,020	7,919,507	8,137,611	-	-	-	-
Industrial	13,489,932	12,122,951	4,461,989	3,869,098	1,264,121	-	290,990	-
Commercial, services and others	6,708,126	6,116,435	4,738,506	3,947,505	194,317	-	55,819	-
Rural	2,318,891	3,089,080	1,572,845	1,928,039	10,055	-	2,905	-
Public authorities	629,253	526,237	500,317	405,600	-	-	-	-
Public lighting	857,722	928,034	423,886	535,882	-	-	-	-
Public services	1,051,354	1,061,925	659,508	630,718	-	-	-	-
Subtotal	33,371,393	32,243,682	20,276,558	19,454,453	1,468,493	-	349,714	-
Own consumption	23,472	24,667	-	-	-	-	-	-
Unbilled revenue	-	-	112,190	(64,922)	-	-	60,928	-
	33,394,865	32,268,349	20,388,748	19,389,531	1,468,493	-	410,642	-
Wholesale supply to other concession holders (1)	12,191,262	9,438,906	2,788,286	2,161,689	3,833,136	-	1,087,531	-
Wholesale supply unbilled, net	-	-	77,356	(21,438)	-	-	77,443	-
Total	45,586,127	41,707,255	23,254,390	21,529,782	5,301,629	-	1,575,616	-

	Consolidated				Parent company			
	MWh		R\$		MWh		R\$	
	Jul to Sep, 2022	Jul to Sep, 2021	Jul to Sep, 2022	Jul to Sep, 2021	Jul to Sep, 2022	Jul to Sep, 2021	Jul to Sep, 2022	Jul to Sep, 2021
Residential	2,706,219	2,757,428	2,079,671	2,857,041	-	-	-	-
Industrial	4,733,637	4,263,189	1,548,322	1,389,273	710,630	-	169,510	-
Commercial, services and others	2,124,316	2,017,714	1,339,523	1,363,317	61,385	-	16,975	-
Rural	928,222	1,169,780	541,205	764,005	3,592	-	1,040	-
Public authorities	201,625	167,875	144,977	140,233	-	-	-	-
Public lighting	287,126	257,999	120,307	174,829	-	-	-	-
Public services	359,448	362,058	192,393	238,744	-	-	-	-
Subtotal	11,340,593	10,996,043	5,966,398	6,927,442	775,607	-	187,525	-
Own consumption	6,761	7,835	-	-	-	-	-	-
Unbilled revenue	-	-	61,143	(14,988)	-	-	36,378	-
	11,347,354	11,003,878	6,027,541	6,912,454	775,607	-	223,903	-
Wholesale supply to other concession holders (1)	4,506,740	3,026,922	1,037,053	757,429	1,727,848	-	509,067	-
Wholesale supply unbilled, net	-	-	41,188	70,329	-	-	24,253	-
Total	15,854,094	14,030,800	7,105,782	7,740,212	2,503,455	-	757,223	-

(1) Includes a CCEAR (Regulated Market Sales Contract), 'bilateral contracts' with other agents, and the revenues from management of generation assets (GAG) for the 18 hydroelectric plants of Lot D of Auction no 12/2015.

b) Revenue from Use of the Distribution System (the TUSD charge)

	MWh	
	Jan to Sep, 2022	Jan to Sep, 2021
Industrial	15,442,796	15,280,809
Commercial	1,278,924	1,104,780
Rural	30,075	31,831
Public service	262	2,631
Public authorities	1,896	-
Concessionaires	226,436	242,979
Total	16,980,389	16,663,030

	MWh	
	Jul to Sep, 2022	Jul to Sep, 2021
Industrial	5,271,247	5,179,727
Commercial	422,502	381,813
Rural	8,961	11,484
Public service	-	1,080
Public authorities	620	-
Concessionaires	89,145	118,642
Total	5,792,475	5,692,746

c) Transmission concession revenue

The margin defined for each performance obligation from the transmission concession contract is as follows:

	Jan to Sep, 2022	Jan to Sep, 2021	Jul to Sep, 2022	Jul to Sep, 2021
Construction and upgrades revenue	269,760	137,828	100,492	75,695
Construction and upgrades costs	(197,998)	(101,728)	(72,112)	(54,604)
Margin	71,762	36,100	28,380	21,091
Mark-up (%)	36,24%	35,49%	39,36%	38,63%
Operation and maintenance revenue	315,900	236,337	105,628	72,139
Operation and maintenance cost	(196,038)	(195,661)	(58,651)	(74,756)
Margin	119,862	40,676	46,977	(2,617)
Mark-up (%)	61.14%	20.79%	80.10%	(3.50)%

d) Other operating revenues

Consolidated	Jan to Sep, 2022	Jan to Sep, 2021
Charged service	14,355	12,456
Services rendered	49,680	38,878
Low-income subsidy	228,388	199,097
Other subsidies (1)	1,430,566	829,398
Rental and leasing (2)	406,223	143,542
Contractual indemnities	-	26,990
Other	29,103	32,516
Total	2,158,315	1,282,877

Consolidated	Jul to Sep, 2022	Jul to Sep, 2021
Charged service	5,257	4,524
Services rendered	18,475	11,956
Low-income subsidy	77,844	67,168
Other subsidies (1)	686,064	277,445
Rental and leasing (2)	84,245	45,230
Contractual indemnities	-	26,990
Other	1,356	(202)
Total	873,241	433,111

- (1) Includes the revenue recognized for the tariff subsidies applied to users of the distribution system, in the amount of R\$710,659 from January to September of 2022 (R\$740,367 from January to September, 2021) and R\$225,535 in the third quarter of 2022 (R\$245,942 in the third quarter of 2021) which includes the subsidies for sources that are subject to incentive, rural, irrigators, public services and the generation sources that are subject to the incentive; and also includes the tariff flag revenue in the amount of R\$271,279 from January to September of 2022 (R\$72,413 from January to September, 2021) and R\$19,790 in the third quarter of 2022 (R\$26,357 in the third quarter of 2021), recognized because of the creditor position assumed by the Company in CCRBT; and reversal in amount of R\$5,464, from January to September of 2022 and R\$32 in the third quarter of 2022, of the revenue recognized in December 2021, relating to the Program to Encourage Voluntary Reduction of Energy Consumption of the revenue recognized in December 2021 arising from the subsidies related to the Program to Encourage Voluntary Reduction of Electricity Consumption, and R\$ 432,412 in the third quarter of 2022 referring to the amounts injected by Eletrobras or by its subsidiaries under CNPE Resolution 15/2021, passed through to companies holding electricity distribution concessions or permissions; and the revenue from subsidies linked to the use of the transmission system in the amount of R\$21,680 from January to September of 2022 (R\$16,618 from January to September of 2021) and R\$8,327 in the third quarter of 2022 (R\$5,146 in the third quarter of 2021).
- (2) This comprises R\$186,871 for the Debt Recognition Agreement signed with a large client in June 2022, referring to use of infrastructure (distribution poles) in the period from January 2019 through May 2022. This amount and its related monetary updating of R\$10,344 will be received in four successive monthly installments starting in July 2022.

e) Taxes and charges levied on revenue

	Consolidated		Parent Company	
	Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021
Taxes on revenue				
ICMS (1)	4,512,749	5,088,874	84,652	-
Cofins	2,149,659	2,029,317	116,986	14,746
PIS/Pasep	468,974	440,550	25,398	3,202
Others	4,232	8,948	-	23
	7,135,614	7,567,689	227,036	17,971
Charges to the customer				
Global reversion reserve – RGR	10,210	11,588	-	-
Energy efficiency program – PEE	50,036	51,821	-	-
Energy development account – CDE	3,054,939	1,992,361	-	-
Research and development - P&D	25,605	24,012	-	-
National scientific and technological development fund - FNDCT	36,427	40,258	-	-
Energy system expansion research – EPE/MME	18,213	20,129	-	-
Customer charges – Proinfa	60,623	44,682	-	-
Energy services inspection fee	24,174	27,107	-	-
Royalties for use of water resources	39,338	28,727	-	-
Customer charges – the ‘Flag Tariff’ system	(251,821)	137,307	-	-
CDE on P&D	10,823	16,246	-	-
CDE on PEE	15,801	24,087	-	-
	3,094,368	2,418,325	-	-
	10,229,982	9,986,014	227,036	17,971

	Consolidated		Parent Company	
	Jul to Sep, 2022	Jul to Sep, 2021	Jul to Sep, 2022	Jul to Sep, 2021
Taxes on revenue				
ICMS (1)	872,328	1,784,706	44,714	-
Cofins	759,118	787,022	57,120	14,731
PIS/Pasep	165,545	171,469	12,401	3,198
Others	1,635	1,271	-	-
	1,798,626	2,744,468	114,235	17,929
Charges to the customer				
Global Reversion Reserve – RGR	2,836	3,866	-	-
Energy Efficiency Program - PEE	17,613	21,854	-	-
Energy Development Account – CDE	1,007,181	667,763	-	-
Research and Development - P&D	8,568	10,361	-	-
National scientific and technological development fund - FNDCT	12,187	14,748	-	-
Energy system expansion research – EPE/MME	6,093	7,374	-	-
Customer charges – Proinfa	20,318	14,011	-	-
Energy services inspection fee	8,677	7,578	-	-
Royalties for use of water resources	18,715	10,527	-	-
Customer charges – the ‘Flag Tariff’ system	-	130,290	-	-
CDE on P&D	3,618	4,387	-	-
CDE on PEE	5,562	6,901	-	-
	1,111,368	899,660	-	-
	2,909,994	3,644,128	114,235	17,929

- (1) On June 23, 2022, Complementary Law 194 came into force with immediate effect, making changes to the National Tax Code (CTN) and to Complementary Law 87/96 (the ‘Kandir Law’). These: (i) classified energy, among other goods, as essential; (ii) prohibited the setting of rates of ICMS tax for transactions with these goods at a level higher than those of transactions in general, and (iii) removed this tax from electricity transmission and distribution services, and from sector charges linked to transactions in electricity. The Company has implemented the reduction of tax rates in its operations; and the non-application to tariff components is at the final phase of implementation. Up to the present date, no material impact on its operations has been identified as a result of this law coming into effect.

27. OPERATING COSTS AND EXPENSES

The breakdown of the operating costs and expenses of the Company and its subsidiaries is as follows:

a) Cost of energy and gas

	Consolidado		Controladora	
	Jan a Set/2022	Jan a Set/2021	Jan a Set/2022	Jan a Set/2021
Energy purchased for resale				
Supply from Itaipu Binacional	1,229,374	1,447,247	-	-
Physical guarantee quota contracts	677,844	616,841	-	-
Quotas for Angra I and II nuclear plants	267,894	183,433	-	-
Spot market	425,611	1,163,634	8,923	-
Proinfa	454,241	286,500	-	-
'Bilateral' contracts	364,800	306,411	-	-
Energy acquired in Regulated Market auctions	2,364,356	4,251,173	-	-
Energy acquired in the free market (1)	4,386,746	3,655,574	1,031,825	56,217
Distributed generation ('Geração distribuída')	1,416,393	867,393	-	-
PIS/Pasep and Cofins credits	(912,241)	(1,058,553)	(96,269)	(5,200)
	10,675,018	11,719,653	944,479	51,017
Charges for use of the national grid				
Transmission charges – Basic network	2,208,828	2,308,436	-	-
Distribution charges	37,079	27,599	-	-
PIS/Pasep and Cofins credits	(228,761)	(234,274)	-	-
	2,017,146	2,101,761	-	-
Gas purchased for resale	2,038,297	1,428,052	-	-
Total	14,730,461	15,249,466	944,479	51,017

	Consolidado		Controladora	
	Jul a Set/2022	Jul a Set/2021	Jul a Set/2022	Jul a Set/2021
Energy purchased for resale				
Supply from Itaipu Binacional	425,463	479,619	-	-
Physical guarantee quota contracts	241,655	215,325	-	-
Quotas for Angra I and II nuclear plants	89,298	61,144	-	-
Spot market	195,796	800,388	(2,054)	-
Proinfa	151,414	95,500	-	-
'Bilateral' contracts	128,054	111,317	-	-
Energy acquired in Regulated Market auctions	910,654	2,091,386	-	-
Energy acquired in the free market (1)	1,853,431	1,596,409	478,661	56,217
Distributed generation ('Geração distribuída')	490,163	338,612	-	-
PIS/Pasep and Cofins credits	(360,253)	(487,395)	(44,086)	(5,200)
	4,125,675	5,302,305	432,521	51,017
Charges for use of the national grid				
Transmission charges – Basic network	645,100	714,790	-	-
Distribution charges	11,989	12,396	-	-
PIS/Pasep and Cofins credits	(68,645)	(73,652)	-	-
	588,444	653,534	-	-
Gas purchased for resale	782,453	560,010	-	-
Total	5,496,572	6,515,849	432,521	51,017

(1) The energy acquired in the Free Market by the parent company arises from the contracts transferred by Cemig GT, as a result of the process of partial segregation of the Company's energy commercialization business.

b) Construction and infrastructure costs

	Consolidado	
	Jan a Set/2022	Jan a Set/2021
Personnel and managers	86,745	66,654
Materials	1,477,941	738,425
Outsourced services	747,446	473,354
Others	85,704	59,664
Total	2,397,836	1,338,097

	Consolidado	
	Jul a Set/2022	Jul a Set/2021
Personnel and managers	30,749	31,286
Materials	740,131	332,135
Outsourced services	328,988	175,763
Others	35,546	13,352
Total	1,135,414	552,536

c) Other operation costs and expenses

	Consolidado								Total Jan a Set/2022	Total Jan a Set/2021
	Custos de operação		PECLD		Despesas gerais e administrativas		Outras despesas operacionais			
	Jan a Set/2022	Jan a Set/2021	Jan a Set/2022	Jan a Set/2021	Jan a Set/2022	Jan a Set/2021	Jan a Set/2022	Jan a Set/2021		
Personnel	713.179	715.609	-	-	270.793	196.989	-	-	983.972	912.598
Employees' and managers' profit sharing	-	-	-	-	3.554	-	94.814	104.481	98.368	104.481
Post-employment benefits – note 23	-	-	-	-	-	-	468.711	324.905	468.711	324.905
Materials	45.752	53.406	-	-	41.699	16.662	-	10	87.451	70.078
Outsourced services	876.599	916.294	-	-	305.895	125.253	-	-	1.182.494	1.041.547
Depreciation and amortization	790.206	689.261	-	-	78.393	77.303	937	-	869.536	766.564
Operating provisions and adjustments for operating losses	191.753	51.032	-	-	-	-	83.164	39.001	274.917	90.033
Impairment (1)	-	-	-	-	-	-	37.182	-	37.182	-
Expected credit losses of accounts receivable	-	-	48.606	79.463	-	-	-	-	48.606	79.463
Reversal of provision for doubtful with related party - Renova	-	-	-	-	-	-	(53.860)	-	(53.860)	-
Write-off of financial asset (note 13)	-	-	-	-	-	-	171.770	-	171.770	-
Other operation costs and expenses	95.854	68.803	-	-	20.568	9.919	48.629	147.624	165.051	226.346
Total	2.713.343	2.494.405	48.606	79.463	720.902	426.126	851.347	616.021	4.334.198	3.616.015

	Consolidado								Total Jul a Set/2022	Total Jul a Set/2021
	Custos de operação		PECLD		Despesas gerais e administrativas		Outras despesas operacionais			
	Jul a Set/2022	Jul a Set/2021	Jul a Set/2022	Jul a Set/2021	Jul a Set/2022	Jul a Set/2021	Jul a Set/2022	Jul a Set/2021		
Personnel	237.241	194.377	-	-	72.517	67.898	-	-	309.758	262.275
Employees' and managers' profit sharing	-	-	-	-	450	-	24.068	55.292	24.518	55.292
Post-employment benefits – note 23	-	-	-	-	-	-	163.946	108.934	163.946	108.934
Materials	19.439	15.819	-	-	14.713	8.057	-	-	34.152	23.876
Outsourced services	311.143	295.182	-	-	98.233	59.290	-	-	409.376	354.472
Depreciation and amortization	270.785	257.357	-	-	25.885	29.043	937	-	297.607	286.400
Operating provisions and adjustments for operating losses	66.305	8.527	-	-	-	-	20.123	30.295	86.428	38.822
Impairment (1)	-	-	-	-	-	-	37.182	-	37.182	-
Expected credit losses of accounts receivable (reversals)	-	-	(84.852)	37.295	-	-	-	-	(84.852)	37.295
Reversal of provision for doubtful with related party - Renova	-	-	-	-	-	-	(504)	-	(504)	-
Other operation costs and expenses	41.049	17.217	-	-	10.659	3.164	16.506	51.385	68.214	71.766
Total	945.962	788.479	(84.852)	37.295	222.457	167.452	262.258	245.906	1.345.825	1.239.132

- (1) In March 2022 the Company received an extra-judicial notice from the client White Martins, advising that its application for provisional remedy relating to alteration of the inflation index used to update prices from the IGP-M to the IPCA index, and exclusion of amounts of ICMS tax from the basis for calculation of PIS/Pasep and Cofins taxes, had been granted. This will be the subject of an arbitration proceeding, in accordance with the conditions contractually agreed. The procedure for the start of these proceedings is in progress, and depends on signature of the arbitration terms of reference. In this context, a provision for impairment was posted in 3Q22, in accordance with CPC 48/IFRS 9 (Financial instruments), for the difference generated by these alterations, considering that receipt of the amount in question will depend on the result of the arbitration, and not on the fact of its being a receivable from a client.

a) Personnel

2022 Programmed Voluntary Retirement Plan ('PDVP')

On April 18, 2022 the Company approved its Programmed Voluntary Severance Plan ('the 2022 PDVP'). All the employees of Cemig, Cemig D or Cemig GT are eligible to join the program, from May 2 to 20, 2022, except as provided for in the Program. The program was reopened for joining by employees in the period from May 30 to June 3, 2022. The program provided the standard legal payments for voluntary termination of employment and a bonus, as an indemnity, which is calculated by the application of a percentage determined by the length of time the employee has worked for Cemig, on the current remuneration, for each year of employment, according to the Program terms, and, for those employees whose job tenure in Cemig is longer than 25 years, the value of 12 remunerations.

The total amount of R\$48,641 has been recorded as expense related to this program, corresponding to enrollment of 297 employees.

In May 2021, the Company approved the Programmed Voluntary Retirement Plan ('the 2021 PDVP'). The total amount of R\$35,238 has been recorded as expense related to this program, corresponding to enrollment of 324 employees, in the period from May 10 to 31, 2021. All the employees were eligible to join the program, except as provided for in the Program, which provided for the standard legal payments for voluntary termination of employment and a bonus, as an indemnity, which was calculated by the application of a percentage determined by the length of time the employee has worked for Cemig, on the current remuneration, for each year of employment, according to the Program terms, and, for those employees whose job tenure in Cemig is longer than 36 years, the value of 10.5 remunerations.

28. FINANCE INCOME AND EXPENSES

	Consolidated		Parent company	
	Jan to Jun, 2022	Jan to Jun, 2021	Jan to Jun, 2022	Jan to Jun, 2021
FINANCE INCOME				
Income from financial investments	315,596	162,071	41,785	46,738
Interest on sale of energy	272,349	350,401	381	-
Foreign exchange variations – Itaipu Binacional	17,666	-	-	-
Foreign exchange variations – Loans, financings and debentures	173,900	-	-	-
Monetary variations	68,001	58,981	8,748	7,817
Monetary variations – CVA	149,426	28,252	-	-
Monetary updating of escrow deposits	56,560	15,134	10,974	2,308
PIS/Pasep and Cofins charged on finance income (1)	(84,622)	(76,972)	(47,003)	(46,153)
Prepayment rents	3,061	-	-	-
Credit charges with related parties	-	1,752	3,024	1,752
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	-	18,554	15,203	4,081
Other finance incomes	48,332	52,660	3,570	2,329
	1,020,269	610,833	36,682	18,872
FINANCE EXPENSES				
Charges on loans, financings and debentures (note 21)	(693,591)	(883,413)	(5,150)	(1,380)
Cost of debt – amortization of transaction cost	(5,298)	(18,870)	-	(55)
Foreign exchange variations – Loans and financings	-	(212,221)	-	-
Discount and premium on repurchase of debt securities (<i>Eurobonds</i>)	-	(491,036)	-	-
Foreign exchange variations – Itaipu Binacional	-	(10,461)	-	-
Monetary updating – Loans, financings and debentures	(132,591)	(220,992)	-	-
Charges and monetary updating on post-employment obligations	(33,847)	(50,272)	(1,665)	(2,473)
Loss on financial instruments – Swap	(301,940)	(577,129)	-	-
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	(1,235,980)	-	-	-
Leasing – Monetary variation	(18,809)	(18,580)	(195)	(185)
Financial expenses (R&D and PEE)	(27,702)	(5,651)	-	-
Other finance expenses	(67,331)	(64,390)	(336)	(267)
	(2,517,089)	(2,553,015)	(7,346)	(4,360)
NET FINANCE INCOME	(1,496,820)	(1,942,182)	29,336	14,512

	Consolidated		Parent company	
	Jul to Sep, 2022	Jul to Sep, 2021	Jul to Sep, 2022	Jul to Sep, 2021
FINANCE INCOME				
Income from financial investments	144,443	69,250	8,273	18,514
Interest on sale of energy	74,121	112,579	159	-
Foreign exchange variations – Itaipu Binacional	15,509	-	-	-
Foreign exchange variations – Loans, financings and debentures	10,247	-	-	-
Monetary variations	23,661	44,894	4,263	6,145
Monetary variations – CVA	38,210	21,325	-	-
Monetary updating of escrow deposits	22,767	8,190	4,244	1,725
Gain on financial instruments – Swap	100,087	35,636	-	-
PIS/Pasep and Cofins charged on finance income (1)	(37,052)	(27,669)	(18,055)	(13,859)
Prepayment rents	1,612	-	-	-
Credit charges with related parties	-	1,752	-	1,752
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	-	427	5,921	2,022
Other finance incomes	18,143	12,443	687	(1,265)
	411,748	278,827	5,492	15,034
FINANCE EXPENSES				
Charges on loans, financings and debentures (Note 21)	(233,923)	(294,081)	(2,027)	(682)
Amortization of transaction cost	(2,088)	(6,264)	-	-
Foreign exchange variations - Loans and financing	(168,600)	(504,600)	-	-
Discount and premium on repurchase of debt securities (<i>Eurobonds</i>)	-	(491,036)	-	-
Foreign exchange variations – Itaipu Binacional	(30,056)	(17,752)	-	-
Monetary updating – Loans, financings and debentures	-	(78,413)	-	-
Charges and monetary updating on post-employment obligations	(3,574)	(16,124)	(176)	(793)
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS	(48,819)	-	-	-
Leasing – Monetary variation	(6,336)	(6,101)	(65)	(61)
Financial expenses (R&D and PEE)	(10,980)	(5,651)	-	-
Other finance expenses	(16,833)	(14,295)	(290)	(22)
	(521,209)	(1,434,317)	(2,558)	(1,558)
NET FINANCE INCOME	(109,461)	(1,155,490)	2,934	13,476

(1) Expenses with PIS/Pasep and Cofins apply on financial income and interest on equity.

(2) The updating of tax credits related to PIS/Pasep and Cofins, resulting from the exclusion of ICMS from its calculation base, and the liability to be refunded to consumers is presented at net value. With the offsetting of the credits, the liability to be refunded to consumers began to exceed the value of the credits to be offset, generating a net financial expense.

29. RELATED PARTY TRANSACTIONS

Cemig's main balances and transactions with related parties and its jointly controlled entities are as follows:

COMPANY (3)	ASSETS		LIABILITIES		REVENUE		EXPENSES	
	Se. 30, 2022	Dec. 31, 2021	Se. 30, 2022	Dec. 31, 2021	Jan to Sep, 2022	Jan to Sep, 2021	Jan to Sep, 2022	Jan to Sep, 2021
Transactions with energy (3)								
Madeira Energia	7,991	7,533	199,330	131,080	71,948	72,681	(1,377,961)	(1,294,797)
Aliança Geração	-	-	20,603	16,785	40,026	35,423	(169,030)	(145,932)
Baguari Energia	-	-	1,142	983	-	117	(6,436)	(6,556)
Norte Energia	2,345	2,338	38,558	35,291	19,332	19,871	(256,902)	(248,852)
Paracambi (formerly Lightger)	-	-	2,396	2,160	-	-	(25,711)	(21,474)
Hidrelétrica Pipoca	-	-	3,378	3,153	-	-	(35,259)	(27,706)
Retiro Baixo	524	570	723	622	4,483	4,637	(4,399)	(4,479)
Taesa	-	-	9,768	9,971	206	187	(102,459)	(87,504)
Customers and traders								
Minas Gerais State Government	70,939	167,366	-	-	121,767	78,949	-	-
Provision of services								
Aliança Geração (5)	529	512	-	-	4,133	3,966	-	-
Baguari Energia (5)	296	211	-	-	1,261	432	-	-
Taesa (5)	157	150	-	-	941	908	-	-
Axxiom (8)	-	-	-	62	-	-	-	-
Accounts Receivable – AFAC								
Minas Gerais State Government (1)	13,366	13,366	-	-	-	1,752	-	-
Contingency								
Aliança Geração (6)	-	-	55,563	52,497	-	-	(3,066)	(8,233)
Adjustment for losses								
Madeira Energia (4)	-	-	-	161,648	-	-	-	-
Hidrelétrica Itaocara (7)	-	-	14,280	20,767	-	-	-	-
Interest on Equity, and dividends								
Retiro Baixo	7,202	-	-	-	-	-	-	-
FIC Pampulha								
Current								
Cash and cash equivalents	201,910	81,027	-	-	-	-	-	-
Marketable securities	2,776,915	1,707,323	-	-	113,305	32,579	-	-
Non-current								
Marketable securities	9,859	351,162	-	-	-	-	-	-
Forluz								
Current								
Post-employment obligations (9)	-	-	194,537	180,635	-	-	(213,613)	(150,397)
Supplementary pension contributions – Defined contribution plan (10)	-	-	-	-	-	-	(55,958)	(54,876)
Administrative running costs (11)	-	-	-	-	-	-	(26,722)	(23,580)
Operating leasing (12)	169,904	169,993	23,640	23,765	-	-	(22,730)	(21,496)
Non-current								
Post-employment obligations (9)	-	-	2,486,345	2,489,518	-	-	-	-
Operating leasing (12)	-	-	167,263	162,913	-	-	-	-
Cemig Saúde								
Current								
Health Plan and Dental Plan (13)	-	-	208,086	184,129	-	-	(288,944)	(192,869)
Non-current								
Health Plan and Dental Plan (13)	-	-	3,469,770	3,350,392	-	-	-	-

The main conditions and characteristics of interest with reference to the related party transactions are:

- (1) This refers to the recalculation of the inflation adjustment of amounts relating to the Advance against Future Capital Increase (AFAC), which were returned to the State of Minas Gerais. These receivables have guarantee in the form of Cemig's right to retain dividends and Interest on Equity otherwise payable to the State (in proportion to the State's equity interest in the Company), for as long as any payments are overdue or in default. For more information, see Note 10.
- (2) The relationship between Cemig and its investees are described in Note 15 – Investments.
- (3) The transactions in sale and purchase of energy between generators and distributors take place through auctions in the Regulated Market and are organized by the federal government. In the Free Market, transactions are made through auctions or through direct contracting, under the applicable

- legislation. Transactions for transport of energy, on the other hand, are carried out by transmission companies and arise from the centralized operation of the National Grid, executed by the National System Operator (ONS).
- (4) In June 2022, the provision relating to contractual obligations assumed by the Company in favor of the investee and the other shareholders was reversed. More details in Note 15.
 - (5) Refers to a contract to provide plant operation and maintenance services.
 - (6) This refers to the aggregate amounts of legal actions realized, and legal actions provisioned arising from the agreement made between Aliança Geração, Vale S.A. and Cemig. The action is provisioned in the amount of R\$157 million (R\$149 million on December 31, 2021), of which Cemig's portion is R\$55 million (R\$52 million on December 31, 2021).
 - (7) A liability was recognized corresponding to the Company's interest in the share capital of Hidrelétrica Itaocara, due to its negative equity (see Note 15).
 - (8) This refers to a contract for development of management software between Cemig D and Axiom Soluções Tecnológicas S.A., instituted in Aneel Dispatch 2657/2017.
 - (9) The contracts of Forluz are updated by the Expanded Customer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*, or IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) plus interest of 6% p.a. and will be amortized up to the business year of 2031 (see Note 23).
 - (10) The Company's contributions to the pension fund for the employees participating in the Mixed Plan, and calculated on the monthly remuneration, in accordance with the regulations of the Fund.
 - (11) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's payroll.
 - (12) Rental of the Company's administrative head office, in effect until August 2024 (able to be extended every five years, up to 2034), with annual inflation adjustment by the IPCA index and price reviewed every 60 months. On September 20, 2021 the lease contract was adjusted upward by 9,68%, corresponding to accumulated IPCA inflation over the prior 12 months, On April 27, 2021, an amendment was signed to the contract with Forluz, following transfer of the office premises of the investees Cemig SIM and Gasmig to the Júlio Soares Building, with consequent reduction of the rental cost for Cemig.
 - (13) Post-employment obligations relating to the employees' health and dental plan (see Note 23).

Dividends receivable

Dividends receivable	Consolidated		Parent company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Cemig GT	-	-	685,082	799,947
Cemig D	-	-	1,106,176	916,961
Gasmig	-	-	284,137	350
Sete Lagoas	-	-	5,745	-
Light	71,206	71,206	71,206	71,206
Aliança Geração	-	224,896	-	-
Taesá	-	31,873	8	31,873
Cemig SIM	-	-	4,187	230
Others (1)	11	7,214	11	11
	71,217	335,189	2,156,544	1,820,578

- (1) The subsidiaries grouped in 'Others' are identified in the table above under "Interest on equity, and dividends".

Guarantees on loans, financing and debentures

Cemig has provided guarantees on loans, financing and debentures of the following related parties – not consolidated in the interim financial information because they relate to jointly controlled entities or affiliated companies:

Related party	Relationship	Type	Objective	Sep. 30, 2022	Maturity
Norte Energia (NESA) (1)	Affiliated	Surety	Financing	2,622,976	2042
Norte Energia (NESA)/Light (2)	Affiliated	Counter-guarantee	Financing	683,615	2042
Santo Antônio Energia S.A. (3)	Jointly controlled entity	Surety	Debentures	507,557	2037
Santo Antônio Energia S.A.	Jointly controlled entity	Guarantee	Financing	1,204,876	2034
Norte Energia (NESA)	Affiliated	Surety	Debentures	79,680	2030
				5,098,704	

- (1) Related to Norte Energia financing.
- (2) Counter-guarantee to Light, related to execution of guarantees of the Norte Energia financing.
- (3) Corporate guarantee given by Cemig to SAE.

On September 30, 2022, Management believes that there is no need to recognize any provisions in the Company's interim financial information for the purpose of meeting any obligations arising under these sureties and/or guarantees.

Purchase of energy guarantee

In the Financing Instruments of Santo Antônio Energia S.A., the Company granted a guarantee of trading of this investee's production, until 57.42 MW average per year, for a

minimum annual revenue of R\$66,114, with base date December 31, 2007, adjusted by the IPCA inflation index, during the period from May 1, 2027 until conclusion of settlement of the obligations arising from those Financing Instruments. Additionally, a guarantee was given for trading of the Assured Energy of this investee, 6.04 MW average, for the period from January 1, 2030 up to completion of settlement of the obligations arising from those financing instruments.

Cash investments in FIC Pampulha – the investment fund of Cemig and its subsidiaries and affiliates

Cemig and its subsidiaries and jointly controlled entities invest part of their financial resources in an investment fund which has the characteristics of fixed income and obeys the Company's cash investment policy. The amounts invested by the fund are reported as cash and cash equivalent, marketable securities line in current and non-current assets, or presented deducted from the Debentures line in current and non-current liabilities, in proportion to the Company's participation in the fund, of 98.20%, on September 30, 2022 (96.25%, on December, 31, 2021).

The funds applied are allocated only in public and private fixed income securities, subject only to credit risk, with various maturity periods, obeying the unit holders' cash flow needs.

Remuneration of key management personnel

The total costs of key personnel, comprising the Executive Board, the Fiscal Council, the Audit Committee and the Board of Directors, are within the limits approved at a General Shareholders' Meeting, and the effects on the income statements of the in period ended September 30, 2022 and 2021, are as follows:

	Jan to Sep, 2022	Jan to Sep, 2021
Remuneration	21,390	20,682
Profit sharing	3,850	2,435
Pension plans	1,574	1,453
Health and dental plans	167	139
Life insurance	39	2
Total	27,020	24,711

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments classification and fair value

The main financial instruments, classified in accordance with the accounting principles, are as follows:

	Level	Sep. 30, 2022		Dec. 31, 2021	
		Balance	Fair value	Balance	Fair value
Assets					
Amortized cost (1)					
Marketable securities	2	419,276	419,276	1,094,473	1,094,473
Customers and Traders; Concession holders (transmission service)	2	4,687,462	4,687,462	4,481,423	4,481,423
Restricted cash	2	14,964	14,964	19,195	19,195
Accounts receivable from the State of Minas Gerais (AFAC)	2	13,366	13,366	13,366	13,366
Concession financial assets – CVA (Parcel 'A' Costs Variation Compensation) Account and <i>Other financial components</i>	3	958,459	958,459	2,147,548	2,147,548
Reimbursement of tariff subsidies	2	96,514	96,514	291,896	291,896
Low-income subsidy	2	52,541	52,541	46,540	46,540
Escrow deposits	2	1,246,581	1,246,581	1,155,169	1,155,169
Concession grant fee – Generation concessions	3	2,917,635	2,917,635	2,792,201	2,792,201
		10,406,798	10,406,798	12,041,811	12,041,811
Fair value through profit or loss					
Cash equivalents – Cash investments	2	1,958,921	1,958,921	708,252	708,252
Marketable securities					
Bank Certificates of Deposit	2	1,051,739	1,051,739	100,554	100,554
Financial Notes – Banks	2	1,251,227	1,251,227	704,364	704,364
Treasury Financial Notes (LFTs)	1	191,466	191,466	178,427	178,427
		4,453,353	4,453,353	1,691,597	1,691,597
Derivative financial instruments (Swaps)	3	744,179	744,179	1,219,176	1,219,176
Concession financial assets – Distribution infrastructure		1,096,904	1,096,904	718,115	718,115
Indemnifiable receivable – Generation	3	669,216	669,216	816,202	816,202
		6,963,652	6,963,652	4,445,090	4,445,090
		17,370,450	17,370,450	16,486,901	16,486,901
Liabilities					
Amortized cost (1)					
Loans, financing and debentures	2	(11,368,952)	(11,368,952)	(11,363,963)	(11,363,963)
Debt with pension fund (Forluz)	2	(289,155)	(289,155)	(384,513)	(384,513)
Deficit of pension fund - Forluz	2	(549,116)	(549,116)	(538,934)	(538,934)
Concessions payable	3	(28,018)	(28,018)	(26,813)	(26,813)
Suppliers	2	(2,740,736)	(2,740,736)	(2,683,343)	(2,683,343)
Leasing	2	(244,715)	(244,715)	(244,023)	(244,023)
Sector financial liabilities		-	-	(51,359)	(51,359)
		(15,220,692)	(15,220,692)	(15,292,948)	(15,292,948)
Fair value through profit or loss					
Derivative financial instruments - Swaps	3	(91,693)	(91,693)	(6,130)	(6,130)
Put Options (SAAG)	3	(653,967)	(653,967)	(636,292)	(636,292)
		(745,660)	(745,660)	(642,422)	(642,422)
		(15,966,352)	(15,966,352)	(15,935,370)	(15,935,370)

(1) On September 30, 2022 and December 31, 2021, the book values of financial instruments reflect their fair values,

Information about (i) classifications of financial instruments at fair value; (ii) methodology for calculation of fair value of positions; and (iii) derivative financial instruments can be found in the financial statements for the year ending December 31, 2021.

b) Derivative financial instruments

Put option – SAAG

A liability of R\$653,967 was recorded in the Company's interim financial information, for the difference between the exercise price and the estimated fair value of the assets, Considering the early liquidation of Funds, and early maturity of put option, this amount was classified as current liabilities.

Also, in the third quarter of 2022, the total value of the liability was adjusted to reflect receipt, by FIP Melbourne, under the agreement arising from Arbitration Judgment 86/2016, of the amounts paid by AGPar. More details in Note 15.

The changes in the value of the options are as follows:

	Consolidated
Balance on December 31, 2021	636,292
Adjustment to fair value	17,675
Balance on June 30, 2022	653,967

This option can potentially dilute basic earnings per share in the future, however, they have not caused dilution of earnings per share in the periods presented.

Swap transactions

Considering that part of the loans and financings of the Company's subsidiaries is denominated in foreign currency, the companies use derivative financial instruments (swaps and currency options) to protect the servicing associated with these debts (principal plus interest).

The derivative financial instruments contracted have the purpose of protecting the operations against the risks arising from foreign exchange variation and are not used for speculative purposes.

The 6-monthly interest on the swap was settled in June 2022, resulting in a negative item of R\$35,505 and cash outflow of the same amount (this compares to a positive amount of R\$1,069,162 in the first half of 2021, with a net cash inflow of R\$912,341).

On August 29, 2022, part of the derivative financial instruments contracted was dismantled, in the amount of US\$250 million, resulting in a gain recorded by Cemig GT of R\$225,516, the net inflow of cash being R\$191,689.

On August 29, 2022 Cemig GT contracted a short-term hedge against variation in the US dollar exchange rate for a volume of US\$280 million, locking in the exchange rate at R\$5.2040/US\$. The instrument contracted was a non-deliverable forward (NDF), without physical delivery of currency, guaranteeing Cemig GT a pre-agreed rate at the moment of maturity, on December 16, 2022.

Assets	Liability	Maturity period	Trade market	Notional amount	Realized gain / loss	
					Jan to Sep, 2022	Jan to Sep, 2021
US\$ exchange variation + Rate (9,25% p,y.)	R\$ 151,99% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US\$500,000	206,154	954,841
US\$ exchange variation + Rate (9,25% p,y.)	R\$ 125,52% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US\$500,000	(16,143)	90,621
US\$ exchange variation higher than R\$5,0984	US\$ exchange variation of less than R\$5,0984	August 3, 2021	Over the counter	US\$600,000	-	23,700
					190,011	1,069,162

The notional amount of derivative transactions are not presented in the statement of financial position, since they refer to transactions that do not require cash as only the gains or losses actually incurred are recorded. The net result of those transactions on September 30, 2022 was a negative adjustment of R\$301,940 (R\$577,129 on September 30, 2021), which was posted in finance income (expenses).

The Company is guarantor of the derivative financial instruments contracted by Cemig GT.

This table presents the derivative instruments as of September 30, 2022 and December 31, 2021:

Assets (1)	Liability	Maturity period	Trade market	Notional amount (2)	Unrealized gain / loss		Unrealized gain / loss	
					Carrying amount Sep. 30, 2022	Fair value Sep. 30, 2022	Carrying amount Dec. 31, 2021	Fair value Dec. 31, 2021
US\$ exchange variation + Rate (9,25% p,y.) (1)	R\$ 151,99% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US\$500,000	418,702	284,347	873,095	706,401
US\$ exchange variation + Rate (9,25% p,y.) (1)	R\$ 125,52% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US\$500,000	552,725	368,139	577,565	506,645
US\$ exchange variation higher than R\$5,2040	US\$ exchange variation of less than R\$5,2040	December 16, 2022	Over the counter	US\$280,000	56,738	68,609	-	-
					1,028,165	721,095	1,450,660	1,213,046
Current asset						68,609		-
Non-current asset						744,179		1,219,176
Current liabilities						(91,693)		(6,130)

- (1) For the US\$1 billion Eurobond issued on December 2017: (i) for the principal, a call spread was contracted, with floor at R\$3.25/US\$ and ceiling at R\$5.00/US\$; and (ii) a swap was contracted for the total interest, for a coupon of 9.25% p.a. at an average rate equivalent to 150.49% of the CDI. For the additional US\$500 issuance of the same Eurobond issued on July 2018 a call spread was contracted for the principal, with floor at R\$3.85/US\$ and ceiling at R\$5.00/US\$, and a swap was contracted for the interest, resulting in a coupon of 9.25% p.a., with an average rate equivalent to 125.52% of the CDI rate. The upper limit for the exchange rate in the hedge instrument contracted by the Company for the principal of the Eurobonds is R\$5.00/US\$. The instrument matures in December 2024. If the USD/BRL exchange rate is still over R\$5.00 in December 2024, the company will disburse, on that date, the difference between the upper limit of the protection range and the spot dollar on that date. The Company is monitoring the possible risks and impacts associated with the dollar being valued above R\$5.00 and assessing various strategies for mitigating the foreign exchange risk up to the maturity date of the transaction. The hedge instrument fully protects the payment of six-monthly interest, independently of the USD/BRL exchange rate.
- (2) In thousands of US\$.

In accordance with market practice, Cemig GT uses a mark-to-market method to measure its derivatives financial instruments for its Eurobonds. The principal indicators for measuring the fair value of the swap are the B3 future market curves for the DI rate and the dollar. The Black & Scholes model is used to price the call spread, and one of parameters of which is the volatility of the dollar, measured on the basis of its historic record over 2 years.

The fair value on September 30, 2022 was R\$721,095 (R\$1,213,046 on December 31, 2021), which would be the reference if Cemig GT would liquidate the financial instrument on September 30, 2022, but the swap contracts protect the Company's cash flow up to the maturity of the bonds in 2024 and they have carrying amount of R\$1,028,165 at September 30, 2022 (R\$1,450,660 on December 31, 2021).

Cemig GT is exposed to market risk due to having contracted this hedge, the principal potential impact being a change in future interest rates and/or the future exchange rates. Based on the futures curves for interest rates and dollar, Cemig GT prepare a sensitivity analyses and estimates that in a probable scenario its results at September 30, 2023, would be positively affected by the swap and call spread at the end of the period in the amount of R\$101,304. The fair value of the financial instrument was estimated in R\$822,399, with a positive amount of R\$849,865 refers to the option (call spread) and a negative amount of R\$27,466 refers to the swap.

Cemig GT has measured the effects on its net income of reduction of the estimated fair value for the 'probable' scenario, analyzing sensitivity for the risks of interest rates, exchange rates and volatility changes, by 25% and 50%, as follows:

Parent Company and Consolidated	Base scenario Sep. 30, 2022	'Probable' scenario Sep. 30, 2023	'Possible' scenario exchange rate depreciation and interest rate increase 25%	'Remote' scenario: exchange rate depreciation and interest rate increase 50%
Swap (asset)	3,033,599	2,982,260	2,759,729	2,546,216
Swap (liability)	(3,100,113)	(3,009,726)	(3,072,249)	(3,133,325)
Option / Call spread	719,000	849,865	817,907	782,253
NDF	68,609	-	-	-
Derivative hedge instrument	721,095	822,399	505,387	195,144

The same methods of measuring marked to market of the derivative financial instruments described above were applied to the estimation of fair value.

c) Risk management

Exchange rate risk

The Company and its subsidiaries are exposed to the risk of appreciation in exchange rates, with effect on loans and financing, suppliers (energy purchased from Itaipu) and cash flow. For Cemig GT debt denominated in foreign currency, were contracted a derivative financial instrument that protects the risks associated with the interest and principal, in the form of a swap and a call spread, respectively, in accordance with the hedge policy of the Company. The Cemig GT exposures to market risk associated to this instrument is described in the topic

“Swap transaction” of this Note. The risk exposure of Cemig D is mitigated by the account for compensation of variation of parcel A items (CVA).

The net exposure to exchange rates is as follows:

Exposure to exchange rates	Sep. 30, 2022		Dec. 31, 2021	
	Foreign currency	R\$	Foreign currency	R\$
US dollar				
Loans and financing (note 21)	(1.034.763)	(5.594.550)	(1.007.557)	(5.622.673)
Suppliers (Itaipu Binacional)	(51.895)	(280.573)	(59.335)	(331.118)
	(1.086.658)	(5.875.123)	(1.066.892)	(5.953.791)
Net liabilities exposed		(5.875.123)		(5.953.791)

Sensitivity analysis

Based on finance information from its financial consultants, the Company estimates that in a probable scenario the variation of the exchange rates of foreign currencies in relation to the Real on September 30, 2023 will be an devaluation of the dollar by 7.89%, to R\$4.98. The Company has prepared a sensitivity analysis of the effects on the Company’s net income arising from depreciation of the Real exchange rate considering the increase of 25%, and 50%, in relation to this ‘probable’ scenario.

Risk: foreign exchange rate exposure	Base Scenario	‘Probable’ scenario US\$=R\$4.98	‘Possible’ scenario US\$= R\$6.23	‘Remote’ scenario US\$=R\$7.47
US dollar				
Loans and financings (note 21)	(5,594,550)	(5,153,120)	(6,446,574)	(7,729,680)
Suppliers (Itaipu Binacional) (note 19)	(280,573)	(258,435)	(323,303)	(387,652)
	(5,875,123)	(5,411,555)	(6,769,877)	(8,117,332)
Net liabilities exposed	(5,875,123)	(5,411,555)	(6,769,877)	(8,117,332)
Net effect of exchange rate fluctuation		463,568	(894,754)	(2,242,209)

Company has entered into swap operations to replace the exposure to the US dollar fluctuation with exposure to fluctuation in the CDI rate, as described in more detail in the item ‘Swap Transactions’ in this Note.

Interest rate risk

The Company and its subsidiaries are exposed to the risk of decrease in Brazilian domestic interest rates on September 30, 2022. This risk arises from the effect of variations in Brazilian interest rates on net financial income comprised by financial revenues from cash investments made by the Company, and also to the financial assets related to the CVA and other financial components, net of the effects on financial expenses associated to loans, financings and debentures in Brazilian currency, and also sectorial financial liabilities.

Part of the loans and financings in Brazilian currency comprises financings obtained from various financial agents that specify interest rates taking into account basic interest rates, the risk premium compatible with the companies financed, their guarantees, and the sector in which they operate.

The Company does not contract derivative financial instruments for protection from this risk, Variations in interest rates are continually monitored with the aim of assessing the need for contracting of financial instruments that mitigate this risk.

This exposure occurs as a result of net assets indexed to variation in interest rates, as follows:

Risk: Exposure to domestic interest rate changes	Sep. 30, 2022	Dec. 31, 2021
Assets		
Cash equivalents – Cash investments (note 5) – CDI	1,958,921	708,252
Marketable securities (note 6) – CDI/Selic	2,913,708	2,077,818
Restricted cash – CDI	-	19,195
CVA and in tariffs – Selic (note 13)	958,459	2,147,548
	5,831,088	4,952,813
Liabilities		
Loans, financing and debentures - CDI (note 21)	(1,549,154)	(1,457,989)
Loans, financing and debentures – TJLP (note 21)	(4,476)	(20,625)
Sector financial liabilities (note 13)	-	(51,359)
	(1,553,630)	(1,529,973)
Net assets exposed	4,277,458	3,422,840

Sensitivity analysis

In relation to the most significant interest rate risk, Company estimates that, in a probable scenario, at September 30, 2023 Selic and TJLP rates will be 13.00% and 6.96%, respectively. The Company made a sensitivity analysis of the effects on its net income arising from increases in rates of 25% and 50% in relation to the ‘probable’ scenario, Fluctuation in the CDI rate accompanies the fluctuation of Selic rate.

Risk: Increase in Brazilian interest rates	Sep. 30, 2022	Sep. 30, 2023		
	Book value	‘Probable’ scenario Selic 13% TJLP 6.96%	‘Possible’ scenario Selic 9.75% TJLP 5.22%	‘Remote’ scenario Selic 6.25% TJLP 3.48%
Assets				
Cash equivalents - Cash investments (note 5)	1,958,921	2,213,581	2,149,916	2,086,251
Marketable securities (note 6)	2,913,708	3,292,490	3,197,795	3,103,099
Restricted cash	-	-	-	-
CVA and Other financial components – Selic (note 13)	958,459	1,083,059	1,051,909	1,020,759
	5,831,088	6,589,130	6,399,620	6,210,109
Liabilities				
Loans and financing – CDI (note 21)	(1,549,154)	(1,750,544)	(1,700,197)	(1,649,849)
Loans and financing – TJLP (note 21)	(4,476)	(4,788)	(4,710)	(4,632)
	(1,553,630)	(1,755,332)	(1,704,907)	(1,654,481)
Net assets exposed	4,277,458	4,833,798	4,694,713	4,555,628
Net effect of fluctuation in interest rates		556,340	417,255	278,170

Increase in inflation risk

The Company and its subsidiaries are exposed to the risk of increase in inflation index on September 30, 2022. A portion of the loans, financings and debentures as well as the pension fund liabilities are adjusted using the IPCA (Expanded National Customer Price). The revenues are also adjusted using the IPCA and IGP-M index, mitigating part of the Company risk exposure.

This table presents the Company’s net exposure to inflation index:

Exposure to increase in inflation	Sep. 30, 2022	Dec. 31, 2021
Assets		
Concession financial assets related to Distribution infrastructure - IPCA (1)	1,096,904	718,115
Concession Grant Fee – IPCA (note 13)	2,917,635	2,792,201
	4,014,539	3,510,316
Liabilities		
Loans, financing and debentures – IPCA and IGP-DI (note 21)	(4,284,224)	(4,321,906)
Debt with pension fund - Forluz (note 23)	(289,155)	(384,513)
Deficit of pension plan - Forluz (note 23)	(549,116)	(538,934)
	(5,122,495)	(5,245,353)
Net liabilities exposed	(1,107,956)	(1,735,037)

(1) Portion of the concession financial assets relating to the Regulatory Remuneration Base of Assets ratified by the grantor (Aneel) after the 4th tariff review cycle.

Sensitivity analysis

In relation to the most significant risk of reduction in inflation index, reflecting the consideration that the Company has more assets than liabilities indexed to inflation indexes, the Company estimates that, in a probable scenario, at September 30, 2023 the IPCA inflation index will be 5.37% and the IGPM inflation index will be 1.13%. The Company has prepared a sensitivity analysis of the effects on its net income arising from a increase in inflation of 25% and 50% in relation to the ‘probable’ scenario.

Risk: increase in inflation index	Sep. 30, 2022	Sep. 30, 2023		
	Amount Book value	‘Probable’ scenario IPCA 5.14% IGPM 3.81%	‘Possible’ scenario (25%) IPCA 6.43% IGPM 4.76%	‘Remote’ scenario (50%) IPCA 7.71% IGPM 5.72%
Assets				
Concession financial assets related to Distribution infrastructure – IPCA (1)	1,059,552	1,116,450	1,130,648	1,144,952
Concession financial assets related to gas distribution infrastructure – IGPM	37,352	37,774	37,879	37,987
Concession Grant Fee – IPCA (note 13)	2,917,635	3,074,312	3,113,408	3,152,796
	4,014,539	4,228,536	4,281,935	4,335,735
Liabilities				
Loans, financing and debentures – IPCA and IGP-DI (note 21)	(4,284,224)	(4,514,287)	(4,571,695)	(4,629,532)
Debt agreed with pension fund - Forluz – (note 23)	(289,155)	(304,683)	(308,557)	(312,461)
Deficit of pension plan - Forluz (note 23)	(549,116)	(578,604)	(585,962)	(593,375)
	(5,122,495)	(5,397,574)	(5,466,214)	(5,535,368)
Net liabilities	(1,107,956)	(1,169,038)	(1,184,279)	(1,199,633)
Net effect of fluctuation		(61,082)	(76,323)	(91,677)

(1) Portion of the Concession financial assets relating to the Regulatory Remuneration Base of Assets ratified by the grantor (Aneel) after the 4rd tariff review cycle.

Liquidity risk

The information on how the Company manages liquidity risk is given in Note 31 to the financial statements for the year ended December 31, 2021.

The flow of payments of the Company and subsidiaries obligation to suppliers, debts with the pension fund, loans, financing and debentures, at floating and fixed rates, including future interest up to contractual maturity dates, is as follows:

Consolidated	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at interest rates:						
- floating rates						
Loans, financing and debentures	58,562	482,146	1,310,192	10,634,304	566,682	13,051,886
Onerous concessions	348	687	3,075	13,618	15,044	32,772
Debt with pension plan Forluz (note 23)	14,533	29,321	135,807	140,654	-	320,315
Deficit of the pension plan (Forluz) (note 23)	6,422	12,944	60,073	353,107	442,358	874,904
	79,865	525,098	1,509,147	11,141,683	1,024,084	14,279,877
- Fixed rate						
Suppliers	2,353,121	240,427	147,188	-	-	2,740,736
	2,432,986	765,525	1,656,335	11,141,683	1,024,084	17,020,613

Parent company	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at interest rates:						
- Floating rates						
Loans, financing and debentures	-	-	61,773	-	-	61,773
Debt with pension plan (Forluz) (note 23)	715	1,443	6,682	6,920	-	15,760
Deficit of the pension plan (Forluz) (note 23)	316	637	2,956	17,373	21,763	43,045
	1,031	2,080	71,411	24,293	21,763	120,578
- Fixed rate						
Suppliers	801	623	131,625	-	-	133,049
	1,832	2,703	203,036	24,293	21,763	253,627

Risk of debt early maturity

The Company's subsidiaries have loan contracts with restrictive covenants normally applicable to this type of transaction, related to compliance with a financial index, Non-compliance with these covenants could result in earlier maturity of debts.

The Company has not identified any events or conditions that are not in compliance with the restrictive covenants for financial indices requiring half-yearly or annual compliance. More details in Note 22.

Capital management

This table shows comparisons of the Company's net liabilities and its equity:

	Consolidated		Parent company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Total liabilities	33,434,834	32,584,043	3,402,705	3,163,043
(-) Cash and cash equivalents	(1,990,712)	(825,208)	(172,595)	(26,692)
Restricted cash	-	(19,195)	-	(7)
Net liabilities	31,444,122	31,739,640	3,230,110	3,136,344
Total equity	21,079,207	19,461,765	21,073,852	19,456,411
Net liabilities / equity	1.49	1.63	0.15	0.16

Credit risk and other operating risks

With the exception of the change in the method of estimating client default losses, described in Note 7, information on how the Company manages: (i) credit risk; (ii) the risk of over-contracting and under-contracting of supply; (iii) the risk to continuity of the concession; and (iv) hydrological risk is given in Note 31 to the financial statements for the year ended December 31, 2021.

31. OPERATING SEGMENTS

The detailed information on the operational segments is given in Note 5 to the financial statements for the year ended December 31, 2021.

INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2022									
ACCOUNT/DESCRIPTION	ENERGY				Investees / Holding	TOTAL	Inter segment Transactions (1)	Reconciliation (2) (3)	TOTAL
	Generation	Transmission	Trading	Distribution					
NET REVENUE	2,003,330	867,175	5,791,864	14,845,793	2,678,267	26,186,429	(1,113,667)	(363,156)	24,709,606
COST OF ENERGY AND GAS	(232,402)	(204)	(5,111,065)	(8,781,608)	(2,038,297)	(16,163,576)	1,113,667	319,448	(14,730,461)
OPERATING COSTS AND EXPENSES (3)									
Personnel	(114,944)	(95,262)	(18,178)	(665,276)	(90,312)	(983,972)	-	-	(983,972)
Employees and managers' profit sharing	(12,450)	(11,735)	(2,214)	(61,916)	(10,053)	(98,368)	-	-	(98,368)
Post-employment obligations	(49,043)	(31,372)	(7,178)	(315,016)	(66,102)	(468,711)	-	-	(468,711)
Materials, outsourced services and other expenses (revenues)	(320,502)	(56,228)	(9,464)	(1,202,538)	(61,925)	(1,650,657)	-	43,891	(1,606,766)
Depreciation and amortization	(246,456)	180	(10)	(542,503)	(80,564)	(869,353)	-	(183)	(869,536)
Operating provisions and impairment	(7,136)	(963)	(40,634)	(225,980)	(32,132)	(306,845)	-	-	(306,845)
Construction costs	-	(197,998)	-	(2,162,794)	(37,044)	(2,397,836)	-	-	(2,397,836)
Total cost of operation	(750,531)	(393,378)	(77,678)	(5,176,023)	(378,132)	(6,775,742)	-	43,708	(6,732,034)
OPERATING COSTS AND EXPENSES	(982,933)	(393,582)	(5,188,743)	(13,957,631)	(2,416,429)	(22,939,318)	1,113,667	363,156	(21,462,495)
Equity in earnings of unconsolidated investees, net	(1,625)	2,629	15	-	767,421	768,440	-	-	768,440
Gains arising from the sale of non-current asset held for sale	-	-	-	-	6,644	6,644	-	-	6,644
Result of business combination	-	-	-	-	8,641	8,641	-	-	8,641
OPERATING RESULT BEFORE FINANCE AND TAX RESULT	1,018,772	476,222	603,136	888,162	1,044,544	4,030,836	-	-	4,030,836
Finance income and expenses, net	(124,589)	(79,619)	21,199	(1,126,692)	(187,119)	(1,496,820)	-	-	(1,496,820)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	894,183	396,603	624,335	(238,530)	857,425	2,534,016	-	-	2,534,016
Income tax and social contribution tax	(265,339)	(122,831)	(191,370)	221,107	512,217	153,784	-	-	153,784
NET INCOME FOR THE PERIOD	628,844	273,772	432,965	(17,423)	1,369,642	2,687,800	-	-	2,687,800
Equity holders of the parent	628,844	273,772	432,965	(17,423)	1,368,419	2,686,577	-	-	2,686,577
Non-controlling interests	-	-	-	-	1,223	1,223	-	-	1,223

(1) The only inter-segment transactions are from the generation to the trading segment, as explained above.

(2) The reconciliation between the published amounts for the segments and the accounting information on revenue and costs indicates the transactions between the consolidated companies (eliminations).

(3) The information on operational costs and expenses separated by type is segregated in accordance with the internal business model, which has immaterial differences in relation to the accounting information.

INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2021

ACCOUNT/DESCRIPTION	ENERGY				Investees / Holding	TOTAL	Inter segment Transactions (1)	Reconciliation (2) (3)	TOTAL
	Generation	Transmission	Trading	Distribution					
NET REVENUE	2.137.635	716.026	4.836.650	15.754.015	2.044.670	25.488.996	(1.183.134)	(316.472)	23.989.390
COST OF ENERGY AND GAS	(571.507)	(213)	(4.296.855)	(10.409.492)	(1.428.052)	(16.706.119)	1.183.134	273.519	(15.249.466)
OPERATING COSTS AND EXPENSES (3)									
Personnel	(112.864)	(81.723)	(15.068)	(624.359)	(78.584)	(912.598)	-	-	(912.598)
Employees' and managers' profit sharing	(12.044)	(10.791)	(2.021)	(74.167)	(5.458)	(104.481)	-	-	(104.481)
Post-employment obligations	(30.174)	(27.311)	(5.044)	(219.207)	(43.169)	(324.905)	-	-	(324.905)
Materials, outsourced services and other expenses (revenues)	(146.308)	(65.208)	(9.146)	(1.086.463)	(76.881)	(1.384.006)	-	42.953	(1.341.053)
Depreciation and amortization	(179.035)	(2.578)	(389)	(500.923)	(80.557)	(763.482)	-	-	(763.482)
Operating provisions and impairment	(12.643)	(8.050)	(14.108)	(75.844)	(58.851)	(169.496)	-	-	(169.496)
Construction costs	-	(101.728)	-	(1.205.933)	(30.436)	(1.338.097)	-	-	(1.338.097)
Total cost of operation	(493.068)	(297.389)	(45.776)	(3.786.896)	(373.936)	(4.997.065)	-	42.953	(4.954.112)
OPERATING COSTS AND EXPENSES	(1.064.575)	(297.602)	(4.342.631)	(14.196.388)	(1.801.988)	(21.703.184)	1.183.134	316.472	(20.203.578)
Periodic tariff review, net	-	217.063	-	-	-	217.063	-	-	217.063
Gain with renegotiation of hydrological risk - Law 14,052/20, net	1.031.809	-	-	-	-	1.031.809	-	-	1.031.809
Gain from the sale of non-current asset held for sale	-	-	-	-	108.550	108.550	-	-	108.550
Equity in earnings of unconsolidated investees, net	31.095	-	-	-	407.703	438.798	-	-	438.798
OPERATING RESULT BEFORE FINANCE AND TAX RESULT	2.135.964	635.487	494.019	1.557.627	758.935	5.582.032	-	-	5.582.032
Finance income and expense, net	(681.225)	(350.485)	12.655	13.064	(936.191)	(1.942.182)	-	-	(1.942.182)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	1.454.739	285.002	506.674	1.570.691	(177.256)	3.639.850	-	-	3.639.850
Income tax and social contribution tax	(384.302)	(74.339)	(136.079)	(430.925)	176.262	(849.383)	-	-	(849.383)
NET INCOME FOR THE PERIOD	1.070.437	210.663	370.595	1.139.766	(994)	2.790.467	-	-	2.790.467
Equity holders of the parent	1.070.437	210.663	370.595	1.139.766	(2.141)	2.789.320	-	-	2.789.320
Non-controlling interests	-	-	-	-	1.147	1.147	-	-	1.147

(1) The only inter-segment transactions are from the generation to the trading segment, as explained above.

(2) The reconciliation between the published amounts for the segments and the accounting information on revenue and costs indicates the transactions between the consolidated companies (eliminations).

(3) The information on operational costs and expenses separated by type is segregated in accordance with the internal business model, which has immaterial differences in relation to the accounting information.

The information for assets by segment is not presented, because this is not part of the information made available to the Company's management.

32. DISPOSAL OF EQUITY INTEREST

Cemig GT's interest in Renova disposal process

On November 11, 2021, the Company signed a Share Purchase Agreement with AP Energias Renováveis Fundo de Investimento em Participações Multiestratégia, an Angra Partners' investment vehicle, administered and managed by Mantiq Investimentos Ltda, including the sale of the whole equity interest held in Renova S.A. – In-Court Supervised Reorganization ("Renova") and the assignment, for consideration, of all credits owed to the Company by Renova Comercializadora de Energia S.A. – In-Court Supervised Reorganization, for total consideration of R\$60 million and establishes the Company right to an earn-out, depending on certain future events.

According with the agreement the closing of the transaction was subject to compliance with certain precedent conditions that are usual in similar transactions, including prior approval by the grantor authorities, the creditors holding asset guarantees listed in Renova's Court-Supervised Reorganization Plan and the counterparties in certain commercial contracts.

The equity interest held in Renova, which carrying amount since December 31, 2018 is zero due to the equity deficit, was classified as an asset held for sale, according to IFRS 5/CPC 31 – *Non-current Asset held for Sale and Discontinued Operation*, at the fourth quarter of 2021, in view of the high probability of conclusion of its plan for sale, especially after approval by the competent governance body, which preceded signature of the instrument.

Conclusion of the sale transaction

On May 5, 2022, the Company concluded the sale of its entire equity interest held in Renova, as well as the assignment, for consideration, of all credits owed to the Company by Renova for a total consideration of R\$60,000, with a right to receive an earn out subject to certain future events, as provided in Share Purchase Agreement ('the Agreement') entered into with AP Energias Renováveis Fundo de Investimento em Participações Multiestratégia on November 11, 2021.

As a result of conclusion of the transaction, the Company recognized the following accounting effects, in May 2022:

Consolidated	
Number of shares held by Cemig	15,115,372
Total sale price	6,644
Value of assets held for sale on March 31, 2022	-
Accounting capital gain	6,644
Income tax and Social Contribution tax (nominal rate) (1)	(2,259)
Capital gain net of taxes and costs of the sale:	4,385
Amount received for assignment of the credits payable to Cemig GT	53,356
Book value of the credits	-
Gain on assignment of the credits – in other revenues	53,356
Income tax and Social Contribution tax (nominal rate) (1)	(18,141)
Gain on assignment of credits, net of tax	35,215
Estimated expenses of sale (2)	(3,959)
Total receivable, net of estimated expenses	35,641

(1) Realization of deductibility of the total value of the credits, which had been totally provisioned in the accounts, plus the deductibility of the goodwill paid on acquisition of the investment, produced an aggregate tax loss of R\$504,351, reducing expenditure on income tax and Social Contribution tax by R\$315,318.

(2) Estimated expenses based on contracted legal advisory services.

33. NON-CASH TRANSACTIONS

On periods ended on September 30, 2022 and 2021, the Company and its subsidiaries had the following non-cash transactions, which are not reflected in the Cash flow statement:

- Capitalized financial costs of R\$33,980 from January to September, 2022 (R\$5,701 in the same period of 2021);
- Lease addition in the amount of R\$32,033 from January to September, 2022 (R\$10,734 in the same period of 2021).

34. PARLIAMENTARY COMMITTEE OF INQUIRY ('CPI')

On June 17, 2021, the Legislative Assembly of Minas Gerais has established a Parliamentary Committee of Inquiry ('CPI') to investigate management acts of Cemig since January 2019. CPI was entitled to investigate the facts underlying the application for its creation, and requested, through application, several documents and information related, mainly, human resources management and purchasing processes which were fully met by the Company within the stipulated deadlines.

On February 18, 2022 the CPI approved its final report, submitted to the Public Attorneys' Office of Minas Gerais State, and other control bodies, for assessment of what further submissions of it should be made. To date, there have been no decisions on measures that might be adopted by the Public Attorneys' Office of Minas Gerais state due to the results indicated by the Inquiry.

We would note, on the subject of the processes of contracting, that the Company carries out regular audits. At present one of these is being studied: based on the results identified to date, no material impacts on the interim financial information at September 2022, nor for prior business year have been identified.

35. SUBSEQUENT EVENTS

Aumento de capital social

On October 31, 2022 an Extraordinary General Meeting of Stockholders (EGM) approved an increase in the Cemig GT's share capital, from R\$4,123,724 to R\$5,473,724, with no alteration in the number of common shares, by capitalization of the amount of R\$1,350,000 from the injection of capital made by Company in the form of an Advance against Future Capital Increase (*Adiantamento para Futuro Aumento de Capital*, or AFAC).

CONSOLIDATED RESULTS

(Figures in R\$ '000 unless otherwise indicated)

Net income for the quarter

Cemig reports net profit of R\$1,182,353 for the third quarter of 2022, which compares with net profit of R\$421,477 in the same period of 2021. This is a year-on-year increase of 180.53%, mainly reflecting improved Finance income(expenses).

The foreign exchange adjustment on loans and financings was lower, and the Company also obtained a gain on financial instruments (swaps). Additionally, a gain of R\$132,821 was recognized as a consequence of the payment made by AGPar to FIP Melbourne under the accord that arose from the arbitration judgment in favor of the Company (see more details in Note 15).

One of the main factors in Net finance income(expenses) for the third quarter of 2021 was recognition of a premium of R\$491,036 resulting from the partial buyback, via tender offer, of the Company's Eurobonds.

Ebitda (Earnings before interest, tax, depreciation and amortization)

Cemig's consolidated adjusted Ebitda, with the removal of non-recurrent items, higher in 4.58% on third quarter of 2022, compared to the same period of 2021, whereas the adjusted Ebitda margin higher from 15.41% to 16.64%.

From January to September of 2022, the consolidated Ebitda higher 18.67% compared to the same period of 2021, and the margin went from 18.51% to 21.33% in the analyzed periods.

The consolidated Ebitda, measured according to CVM Resolution 156/2022, decreased in 5.80% in the third quarter of 2022, compared to the same period of 2021. The Ebitda margin decreased from 20.05% in the third quarter of 2021 to 19.51% in the same period of 2022.

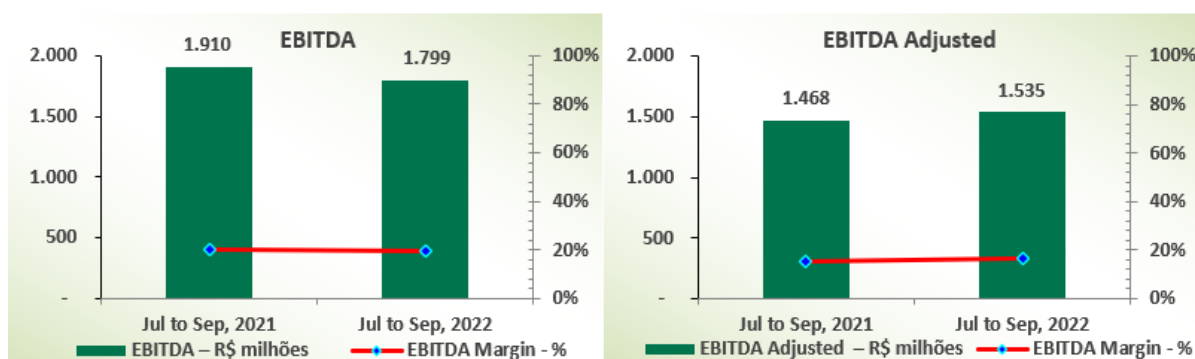
From January to September of 2022, the consolidated Ebitda decreased 22.77%, compared to the same period of 2021, and, the Ebitda margins decreased from 26.45% to 19.83% in the analyzed periods.

The main reasons for these variations are described throughout this report.

EBITDA - R\$'000	Jul to Sep, 2022	Jul to Sep, 2021	Charge %	Jan to Sep, 2022	Jan to Sep, 2021	Charge %
Net income for the period	1,182,353	421,477	180,53	2,687,800	2,790,467	(3,68)
Income tax and social contribution tax	209,871	49,710	322,19	(153,784)	849,383	(118,11)
Net financial revenue	109,461	1,155,490	(90,53)	1,496,820	1,942,182	(22,93)
Depreciation and amortization	297,607	283,318	5,04	869,536	763,482	13,89
EBITDA according to "CVM Resolution 156"	1,799,292	1,909,995	(5,80)	4,900,372	6,345,514	(22,77)
Non-recurrent items						
Non-controlling interest	(485)	(426)	13,85	(1,223)	(1,147)	6,63
Income for periodic tariff review, net	-	-	-	-	(217,063)	-
Gain from the sale of non-current asset held for sale	(504)	-	-	(60,504)	(108,550)	(44,26)
Refunded of PIS/Pasep and Cofins credits on ICMS	-	-	-	829,783	-	-
Reversal of tax provisions – Social security contributions on profit sharing	(136,114)	(11,132)	1,122,73	(136,114)	(89,493)	52,09
Tax provisions – Indemnity of employees' future benefit (the 'Anuênio')	133,831	-	-	133,831	-	-
PUT Option - SAAG	(34,748)	-	-	(34,748)	-	-
Write-off of financial asset	-	-	-	171,770	-	-
TDRA* related to infrastructure	-	-	-	(145,493)	-	-
Reversal of provision for losses (note 15)	-	-	-	(161,648)	-	-
Estimate for expected losses (3) (Note 7)	(130,569)	-	-	(130,569)	-	-
Gain with renegotiation of hydrological risk – Law 14,052/20, net	-	(430,668)	-	-	(1,340,269)	-
Impairment	37,182	-	-	37,182	-	-
Advances for services provided, net	-	-	-	-	(148,350)	-
Result of the agreement between FIP Melbourne and AGPar (Note 15)	(132,821)	-	-	(132,821)	-	-
Ebitda adjusted	1,535,064	1,467,769	4,58	5,269,818	4,440,642	18,67

* Term of Debt Recognition Agreement

- (1) Ebitda is a non-accounting measure prepared by the Company, reconciled with its consolidated interim financial information in accordance with the specifications in CVM Circular SNC/SEP 01/2007 and CVM Resolution 156 of June 23, 2022. It comprises: net income adjusted for the effects of net financial revenue (expenses), depreciation, amortization and income tax and the social contribution tax. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it does not have a standard meaning; and it may be non-comparable with measures with similar titles provided by other companies. Cemig publishes Ebitda because it uses it to measure its own performance, Ebitda should not be considered in isolation or as a substitution for net income or operational profit, nor as an indicator of operational performance or cash flow, nor to measure liquidity nor the capacity for payment of debt.
- (2) The Company adjusts the EBITDA measured according to CVM Resolution 156 removing non-current items, which, because of their nature, do not contribute towards information on the potential of future cash generation, since they are extraordinary items.
- (3) The net recording of estimate for expected losses in the quarter was a reversal of R\$84,852. This amount includes the effect of R\$130,569 of the change in the estimate of expected losses.



Revenue from supply of energy

	Jul to Sep, 2022			Jul to Sep, 2021			Charge %	
	MWh	R\$	Average price billed (R\$/MWh) (1)	MWh	R\$	Average price billed (R\$/MWh) (1)	MWh	R\$
Residential	2,706,219	2,079,671	768.48	2,757,428	2,857,041	1,036.13	(1.86)	(27.21)
Industrial	4,733,637	1,548,322	327.09	4,263,189	1,389,273	325.88	11.04	11.45
Commercial, Services and Others	2,124,316	1,339,523	630.57	2,017,714	1,363,317	675.67	5.28	(1.75)
Rural	928,222	541,205	583.06	1,169,780	764,005	653.12	(20.65)	(29.16)
Public authorities	201,625	144,977	719.04	167,875	140,233	835.34	20.10	3.38
Public lighting	287,126	120,307	419.00	257,999	174,829	677.63	11.29	(31.19)
Public services	359,448	192,393	535.25	362,058	238,744	659.41	(0.72)	(19.41)
Subtotal	11,340,593	5,966,398	526.11	10,996,043	6,927,442	629.99	3.13	(13.87)
Own consumption	6,761	-	-	7,835	-	-	(13.71)	-
Unbilled retail supply, net	-	61,143	-	-	(14,988)	-	-	(507.95)
	11,347,354	6,027,541	526.11	11,003,878	6,912,454	629.99	3.12	(12.80)
Wholesale supply to other concession holders (3)	4,506,740	1,037,053	230.11	3,026,922	757,429	250.23	48.89	36.92
Wholesale supply not yet invoiced, net	-	41,188	-	-	70,329	-	-	(41.44)
Total	15,854,094	7,105,782	441.93	14,030,800	7,740,212	548.02	12.99	(8.20)

(1) The calculation of the average price does not include revenue from supply not yet billed.

(2) Includes Regulated Market Energy Sale Contracts (CCEARs) and 'bilateral contracts' with other agents.

The Company reports a revenue from supply of energy of R\$7,105,782 in the third quarter of 2022, compared to R\$7,740,212 in the same period of 2021. The main variations in revenue are presented below:

- The total billed to *Residential* consumers was 27.21% lower. Average monthly consumption per consumer in 9M22 was lower than in 9M21. The lower figure for consumption by the *Residential* category of consumers is mainly due to migration of clients to micro- and mini- distributed generation.
- The average price billed to the *Public authorities* consumer category was 13.92% lower, and the total volume of energy billed to this consumer category was 20.10% higher, mainly reflecting the increase in the number of consumers in this category, including migration from the *Public services* and *Rural* categories, in compliance with Aneel Normative Resolution (ReN) 901/2020.
- The average price billed to *Rural* consumers was 10.73% lower, and the total volume of electricity billed to these clients was 20.65% lower, mainly due to the reduction in the number of consumers in this category. Many consumers in this category were transferred to other categories as a result of Aneel Normative Resolution (ReN) 901/2020, which required that clients who did not re-register, and provide proof of their qualification for the tariff benefit in the *Rural* category, must be migrated to other categories.
- Decrease of 31.19% on volume of electricity billed to the *Public lighting* user category, mainly as a result of installation of LED lamps in several municipalities.

Revenue from Use of Distribution Systems (the TUSD charge – free customers)

This is revenue from charging Free Customers the Tariff for Use of the Distribution System (TUSD), on the volume of energy distributed. In the third quarter of 2022, this was R\$985,150, compared to R\$886,721 in the same period of 2021 - increase of 11.10%.

CVA and other financial components in tariff adjustments

These items are the recognition of the difference between actual non-controllable costs (in which the contribution to the CDE – the Energy Development Account and energy purchased for resale, are significant components) and the costs that were used in calculating rates charged to customers. The amount of this difference is passed through to customers in the next tariff adjustment of Cemig D.

In the third quarter of 2022 this represented a expenses of R\$395,653, whereas in the same period in 2021 it produced a gain of R\$1,116,248. The change mainly reflects the lower costs of purchase of electricity acquired in the regulatory environment in 2022 compared to the amounts considered in the tariff.

For further details, see Note 13.

Transmission concession revenue

The transmission concession revenue of the Company comprises the sum of revenues recorded for construction, reinforcements, improvements, operation and maintenance, as specified in the transmission contracts. Under the concession contracts, Annual Permitted Revenues (RAPs) of the existing electricity system, and those involved in tenders. These are updated annually, based mainly on the inflation index specified in the contract (the IPCA and IGP-M indexes). Subsequently, all reinforcements and improvements works that are implemented upon specific authorization by Aneel result in the constitution of a new component of RAP.

The main variations in revenue are presented below:

- This infrastructure operation and maintenance revenue was R\$105,628 in the third quarter of 2022, compared to R\$72,139 in the same period of 2021, 46.42% higher. This primarily reflects the annual adjustment of the transmission Company's RAP, as an effect of Aneel Ratifying Resolution (ReH) 2,895/2021, amended by ReH 2,959/2021;
- The revenues posted for construction, strengthening and enhancement of infrastructure totaled R\$100,492 in the third quarter of 2022, compared to R\$75,695 in the same period of 2021, 32.76% higher. This mainly reflects the increased investments in transmission;
- Revenues from financial remuneration of transmission contract assets were 69.57% reduction, at R\$50,300 in the third quarter of 2022, compared to R\$165,300 in the

same period of 2021. This increase mainly reflects the higher value of the IPCA inflation index which was -0.76% in the third quarter of 2022, compared to 3.02% in the same period of 2021, the indexor used for remuneration of the contract.

More details in Note 14.

Revenue from supply of gas

The Company reports revenue from supply of gas totaling R\$1,218,147 in the third quarter of 2022, compared to R\$948,680 in the same period of 2021, 28.40% higher.

Construction revenue

The construction and infrastructure revenues of the distribution segment totaled R\$1,063,302 in the third quarter of 2022, compared to R\$497,932 in the same period of 2021. This increase was mainly due to the larger execution of the Company's investment plan budget in relation to the compared period, highlighting the rural service and market growth, energy metering, and 'bullet-proofing of revenues'; and also, in sub-transmission, expansion and digitalization of High Voltage infrastructure.

This revenue is fully offset by Construction costs, of the same amount, and corresponds to the Company's investments in assets of the concession in the period.

The construction revenues of the Transmission segment have been dealt with in topic *Transmission Concession Revenues*.

Other operating revenues

The other operational revenues line for the Company and its subsidiaries in the third quarter of 2022 totaled R\$873,241, compared to R\$433,111 – an increase of 101.62%. Highlight components of this line are revenues from subsidies, increased by passthrough of funds from the Energy Development Account (CDE), in accordance with Aneel Dispatch 1959/22. This impact was offset in its entirety in the Income statement by an increase in the CDE charges.

Taxes and regulatory charges reported as Deductions from revenue

The taxes and charges that are recorded as deductions from operating revenue totaled R\$2,909,994 in the third quarter of 2022, compared to R\$3,644,128 in the same period of 2021, 20.15% higher.

There was a reduction in the total ICMS tax imposed on the Company's operational revenue, as a result of Complementary Law 194/2022 coming into effect – which classified electricity, among other goods, as essential, and prohibited setting of ICMS tax rates for transactions in these goods at any level higher than those of transactions in general, and removed all application of ICMS tax on transmission and distribution services, and sector charges linked to electricity operations.

The Energy Development Account (CDE)

The amounts of payments to the Energy Development Account (CDE) are determined by an Aneel Resolution. The purpose of the CDE is to cover costs of concession indemnities (reimbursements of costs of assets), tariff subsidies, and the subsidy for balanced tariff reduction, the low-income-customer subsidy, the coal consumption subsidy, and the Fuels Consumption Account (CCC).

CDE charges in the third quarter of 2022 totaled R\$1,007,181, or 50.83% more than in the same period of 2021 (R\$ 667,763). A highlight component of this line is revenues from subsidies, including passthrough of funds from the Energy Development Account (CDE), in accordance with Aneel Dispatch 1959/22 (this impact was offset in its entirety in the income statement by an increase in the CDE charges).

Customer charges - the 'Flag' Tariff system

The 'Flag' tariff bands are activated as a result of low levels of water in the system's reservoirs - tariffs are temporarily increased due to scarcity of rain. The 'Red' band has two levels - Level 1 and Level 2. Level 2 comes into effect when the levels of reservoirs are more critical. Activation of the flag tariffs generates an impact on billing in the subsequent month.

No charges occurred in the third quarter of 2022, compared to the amount of R\$130,290 in the same period of 2021. This variation results from the activation of the most burdensome flags in the period of 2021, compared to no activation in the current quarter.

Other taxes and charges on revenue

The deductions and charges with the most significant impact on revenue are mainly taxes, calculated as a percentage of sales revenue. Thus, their variations are, substantially, in proportion to the variations in revenue.

Operating costs and expenses (excluding financial income/expenses)

Operating costs and expenses totaled R\$7,977,811 in the third quarter of 2022 compared to R\$8,307,517 in the same period of 2021, 3.97% lower. See more on the breakdown of Operating costs and expenses in Note 27.

The following paragraphs comment on the main variations:

Energy purchased for resale

The expense on energy purchased for resale in the second quarter of 2022 was R\$4,125,675 compared to R\$5,302,305 in the same period of 2021, 22.19% lower. The difference is mainly:

- expenses on energy purchased in the spot market were 75.54% lower, at R\$195,796 in the third quarter of 2022 compared to R\$800,388 in the third quarter of 2021. This reduction is due, mainly, to the energy surplus in 2022, when compared to the positions of 2021. Additionally, a reduction of 88.58% was observed in the average price for the settlement of differences (PLD) of the Southeast/Central-West region, with an average value of R\$66.43/MWh in the third quarter of 2022 compared to R\$581.71/MWh in the third quarter of 2021, due to better hydrological conditions;
- expenses on supply of power from Itaipu were 11.29% lower, at R\$425,463 in the third quarter of 2022, compared to R\$479,619 in the same period of 2021, mainly reflecting: the reduction of the price of supply from Itaipu from R\$28.07/kW to R\$24.73/kW;
- expenses on supply acquired at auction were 56.46% lower, at R\$910,654 in the third quarter of 2022, compared to R\$2,091,386 in the same period of 2021. This reduction is mainly due to the reduction in dispatches due to the availability of thermal plants and the reduction in energy acquisition through MCSD;
- the reductions referred above were partially offset by expenses on distributed generation that were 44.76% higher, at R\$490,163 in the third quarter of 2022, compared to R\$338,612 in the same period of 2021. This higher figure reflects the higher number of generation units installed and the higher volume of energy injected into the grid (757,705 MWh in the third quarter of 2022, compared to 494,016 MWh in the same period of 2021);
- costs of electricity acquired in the Free Market 16.10% higher, at R\$1,853,431 in the third quarter of 2022, compared to R\$1,596,409 in the same period of 2021, mainly associated with the transfer of power purchase contracts from Cemig GT to the Company in the third quarter of 2021. For more information, please see Note 1a.

This is a non-manageable cost: the difference between the amounts used as a reference for calculation of tariffs and the costs actually incurred is compensated for in the subsequent tariff adjustment, For more details please see Note 13.

Charges for use of the transmission network

Charges for use of the transmission network in the third quarter of 2022 totaled R\$588,444, compared with R\$653,534 in the same period of 2021, an reduction of 9.96%.

These charges are payable by energy distribution and generation agents for use of the facilities that are components of the national grid. The amounts to be paid are set by a Resolution from the Grantor (Aneel).

The difference is mainly due to costs of the System Service Charge (CCEE-ESS) being 98.46% lower, due to lower dispatching of generation plants outside the merit order, and a reduction, put in place in July 2021, of approximately 10% in the National Grid tariff. The effect of this lower expense was partially offset by a higher Reserve Energy Charge (CCEE-

EER), due to the average spot price being lower in 3Q22 than in 3Q21, placing the company in a debtor position.

This is a non-manageable cost in the distribution activity: the difference between the amounts used as a reference for calculation of tariffs and the costs actually incurred is compensated for in the subsequent tariff adjustment.

Construction cost

Infrastructure construction cost in the second semester of 2022 was R\$1,135,414 in the third quarter of 2022 compared to R\$552,536 in the same period of 2021, 105.49% higher. The difference is mainly due to execution of a larger part of the company's investment plan budget than in the distribution and transmission segments.

This line records the Company's investment in assets of the concession in the period, and is fully offset by the line Construction revenue, in the same amount.

Gas purchased for resale

In the third quarter of 2022, the Company recorded an expense of R\$782,453 on acquisition of gas, compared to R\$560,010 in the same period of 2021, 39.72% higher.

Post-employment obligations

The impact of the post-employment obligations of the Company on operational profit in the third quarter of 2022 was an expense of R\$163,946, compared to an expense of R\$108,934 in the same period of 2021. This variation mainly relates to the increase in the discount rate, and in the expectation for inflation, which increased the projection of costs of post-retirement liabilities for 2022.

Share of profit (loss) of affiliates and jointly controlled entities, net

A net gain of R\$247,544 value of non-consolidated investees was posted by the equity method in the third quarter of 2022, compared to R\$287,319 in the same period of 2021.

The positive value in 2021 was essentially due to improvement in equity income (gain/loss in non-consolidated investees) from the investees Aliança Geração, Amazônia Energia and Aliança Norte (stockholders in Norte Energia S.A. – 'Nesa') and Santo Antônio Energia, due to recognition of the effects of renegotiation of hydrological risk (GSF).

Note 15 gives the breakdown of equity method gains/losses, by investee.

Net Financial Revenue (expenses)

The Company reports net financial expenses of R\$109,461 in the third quarter of 2022, compared to R\$1,155,490 in the same period of 2021. This variation is mainly due to the following factors:

- appreciation of the dollar against the Real in the third quarter of 2022 of 3.22%, compared to 8.74%, in the second quarter of 2021 – generating a posting of revenues of R\$168,600 in the third quarter of 2022 vs. revenues of R\$504,600, in the same period of 2021;
- the fair value of the financial instrument contracted to hedge the risks connected with the Eurobonds resulted in a positive item of R\$100,087 in the third quarter of 2022, compared to R\$35,636 in the third quarter of 2021. This results in the third quarter of 2022 mainly arises the appreciation of the dollar against the Real;
- A gain of R\$491,036 on the partial buyback of Eurobonds was recognized in the third quarter of 2021 as a result of the premium obtained in the repurchase tender offer.

For a breakdown of financial revenues and expenses please see Note 29.

Income tax and social contribution tax

In the third quarter of 2022, the expenses on income tax and the social contribution tax totaled R\$209,871, on pre-tax profit of R\$1,392,224 and effective rate of 15.07. In the same period of 2021, the expense on income tax and the social contribution tax was R\$49,710, on pre-tax profit of R\$471,187 an effective rate of 10.55%.

These effective rates are reconciled with the nominal tax rates in Note 9c.

OTHER INFORMATION THAT THE COMPANY BELIEVES TO BE MATERIAL

Board of Directors

Meetings

The Board of Directors met 15 times up to September 30, 2022, to discuss strategic planning, projects, acquisition of new assets, various investments, and other subjects.

Membership, election and period of office

The present period of office began with the EGM on April 29, 2022, with election by the multiple voting system.

The periods of office of the present members of the Board of Directors expire at the Annual General Meeting of Shareholders to be held in 2024.

The composition of the Board of Directors will be assessed annually by the Board of Directors itself, aiming to implement a gradual change with a view to increase diversity – for which targets may possibly be established.

Principal responsibilities and duties:

Under the by-laws, the Board of Directors has the following responsibilities and duties, as well as those conferred on it by law:

- Decision on any sale of assets, loans or financings, charge on the company's property, plant or equipment, guarantees to third parties, or other legal acts or transactions, with value equal to 1% or more of the Company's total Shareholders' equity.
- Authorization for issuance of securities in the domestic or external market to raise funds.
- Approval of the Long-term Strategy and the Multi-year Business Plan, and alterations and revisions to them, and the Annual Budget.

Qualification

The Board of Directors of the Company comprises 11 (eleven) sitting members and the same number of substitute members. The members of the Board of Directors are elected for concurrent periods of office of 2 (two) years, and may be dismissed at any time, by the General Meeting of Shareholders, Re-election for a maximum of 3 (three) consecutive periods of office is permitted, subject to any requirements and prohibitions in applicable legislation and regulations.

A list with the names of the members of the Board of Directors and their resumes is on our website at: <http://ri.cemig.com.br>.

The Audit Committee

The Audit Committee is an independent, consultative body, permanently established, with its own budget allocation. Its objective is to provide advice and assistance to the Board of Directors, to which it reports. It also has the responsibility for such other activities as are attributed to it by legislation.

The Audit Committee has four members, the majority of them independent, nominated and elected by the Board of Directors in the first meeting after the Annual General Meeting for periods of office of three years, not to run concurrently. One re-election is permitted.

Under the by-laws, the Audit Committee of Cemig has the following duties, among others:

- to supervise the activities of the external auditors, evaluating their independence, the quality of the services provided and the appropriateness of such services to the Company's needs.
- to supervise activities in the areas of internal control, internal audit and preparation of the interim financial information.
- to evaluate and monitor, jointly with the management and the Internal Audit Unit, the appropriateness of the transactions with related parties.

Executive Board

The Executive Board has 7 (seven) members, whose individual functions are set by the Company's bylaws. They are elected by the Board of Directors, for a period of office of two years, subject to the applicable requirements of law and regulation, and may be re-elected up to three times.

Members are allowed simultaneously also to hold non-remunerated positions in the management of wholly owned subsidiaries, subsidiaries or affiliates of Cemig, upon decision by the Board of Directors. They are also, obligatorily under the by-laws, members, with the same positions, of the Boards of Directors of Cemig GT (Generation and Transmission) and Cemig D (Distribution).

The period of office of the present Chief Officers expires at the first meeting of the Board of Directors held after the Annual General Meeting of 2024.

The composition of the Executive Board will be assessed annually by the Board of Directors itself, aiming to implement a gradual change with a view to increase diversity – for which targets may possibly be established.

The members of the Executive Board and their resumes are on our website: <http://ri.cemig.com.br>.

The members of the Executive Board (the Company's Chief Officers) have individual responsibilities set by the Board of Directors and the by-laws. These include:

- Current management of the Company's business, subject to compliance with the Long-term Strategy, the Multi-year Business Plan, and the Annual Budget, prepared and approved in accordance with these by-laws.
- Authorization of the Company's capital expenditure projects, signing of agreements or other legal transactions, contracting of loans and financings, and creation of any obligation in the name of the Company, based on an approved Annual Budget, which individually or in aggregate have values less than 1% (one per cent) of the Company's Shareholders' equity, including injection of capital into wholly-owned or other subsidiaries, affiliated companies, and the consortia in which the Company participates.
- The Executive Board meets, ordinarily, at least two times per month; and, extraordinarily, whenever called by the Chief Executive Officer or by two Executive Officers with at least two days' prior notice in writing or by email or other digital medium, such notice not being required if all the Executive Officers are present, The decisions of the Executive Board are taken by vote of the majority of its members, and in the event of a tie the Chief Executive Officer shall have a casting vote.

Audit Board

Meetings

In 2022, until September 30, 2022, 10 meetings were held.

Membership, election and period of office

We have a permanent Audit Board, made up of five sitting members and their respective substitute members. They are elected by the Annual General Meeting of Shareholders, for periods of office of two years.

Nominations to the Audit Board must obey the following:

- The following two groups of shareholders each have the right to elect one member, in separate votes, in accordance with the applicable legislation: (i) the minority holders of common shares; and (ii) the holders of preferred shares.
- The majority of the members must be elected by the Company's controlling shareholder; at least one must be a public employee, with a permanent employment link to the Public Administration.

The members of the Audit Board are listed on our website: <http://ri.cemig.com.br>.

Under the by-laws, the Audit Board has the duties and competencies set by the applicable legislation and, to the extent that they do not conflict with Brazilian legislation, those required by the laws of the countries in which the Company's shares are listed and traded.

Qualification and remuneration

The global or individual compensation of the members of the Audit Board is set by the General Meeting of Shareholders which elects it, in accordance with the applicable legislation.

Resume information on its members is on our website: <http://ri.cemig.com.br>.

Corporate risk management and internal controls

As a part of Cemig's corporate governance practices, corporate risk management overall objective is to build and maintain a structure capable of providing material information to senior management to support making of decisions, creating and protecting the company's value. The process of risk management enables the risk of the business's objectives to be managed effectively, making it possible to influence and align strategy and performance in all the areas of the company.

Since 2016 Cemig's corporate risk management activity is subordinated to the office of the CEO. In 2019, a separate senior management unit, Compliance, Corporate Risks and Internal Controls, was created, bringing the processes of risk management and internal controls together under a single administration. This change underlines the intention to increase the synergy between these processes, and the independence from other processes – so as to supply senior management with independent information for decision-making, preserving the value of the company.

Thus, in 2021, the Executive Board and the Board of Directors approved the 'Top Risks' corporate risk matrix, for the years 2021/2022, which comprehends business such as Generation, Transmission, Distribution, Trading, Distributed Generation ('Geração Distribuída'), Holding as well as ordinary business risks.

These risks, related to execution of strategy and scenarios, and also risks of conflicts of interest, fraud and corruption are under responsibility of the Chief Officers and they are monitored and reported periodically to the Management.

Each Chief Officer's Department has responsibility for monitoring and managing the Company's exposure to these risks as they relate to execution of strategy and scenarios, and also risks of conflicts of interest, fraud and corruption. The Chief Officers report on this monitoring periodically to senior management.

In 2019, the Company hired an expert consulting firm to support the review of internal control and risk matrix as well as to monitor periodically the execution and sufficiency of

controls, analysis of failure/weakness and to support the remediation plans development and execution.

To further strengthen governance and internal discussion of risk management, the *Risk Committee* was created in June 2022. This body is linked to and advises the Board of Directors with the requirements of the regulatory and inspection bodies; identification of the principal risks ('top risks'), and monitoring of how they are treated; identification and mensuration of the plans of action for mitigation and control of the risks identified; and assessment of the tolerance limits for the risks to which the Company is exposed.

The matrix of internal controls is also revised and approved annually. The Risk Management and Internal Controls Unit tests and monitors the controls design. The internal audit, in its turn, monitors independently the internal control practices by testing control effectiveness. The conclusion of this assessment is reported periodically to the Board of Directors, the Audit Board, and the Audit Committee.

The internal controls provide reasonable assurance that errors and frauds that might cause an impact on the performance are detected and prevented, aimed at:

- Operational effectiveness and efficiency.
- Reliable financial reporting.
- Compliance with laws, regulations and policies.

The controls linked to mitigation of risks associated with preparation and publication of the financial statements are a part of Cemig's Risks and Internal Controls Matrix. The financial statements are issued in accordance with Section 404 of the Sarbanes-Oxley Law and the rules of the US Public Company Accounting Oversight Board (PCAOB), included as part of the annual 20-F Report filed with the US Securities and Exchange Commission (SEC). Cemig obtained the first certification of its internal controls for the year of 2006, filed with the US Securities and Exchange Commission (SEC) on July 23, 2007.

The Cemig Code of Conduct

On April 18, 2022 the Board of Directors of Cemig approved the new *Cemig Code of Conduct* (<http://ri.cemig.com.br>), which was reviewed and revised with participation by employees of all the areas of the Company. It is based on the pillars of Cemig's identity and policies: respect for life, integrity, generation of value, commitment, innovation, sustainability, social responsibility, and alignment with the Company's cultural identity. It constitutes a pact which aims to incorporate common values, objectives and behavior, developing a culture of integrity. The Code is to be complied with by all the people to whom it is addressed: managers, members of the Board of Directors, members of committees under the bylaws, employees, interns and outsourced parties who have any established relationship with the Company's stakeholders.

The Ethics Committee

This was created on August 12, 2004 and is responsible for coordinating action in relation to management (interpretation, publicizing, application and updating) of the Statement of Cemig Code of Conduct, including assessment of and decision on any possible non-compliances.

The Committee has eight sitting members, It may be contacted through our Ethics Channel – the anonymous reporting channel on the corporate Intranet, or by email, internal or external letter or by an exclusive phone line – these means of communication are widely publicized internally to all staff. These channels enable both reports of adverse activity and also consultations. Reports may result in opening of proceedings to assess any non-compliances with Cemig’s Statement of Cemig Code of Conduct.

The Ethics Channel

Cemig installed this means of communication, available on the internal corporate Intranet, in December 2006.

Through it the Ethics Committee can receive anonymous reports or accusations that can enable Cemig to detect irregular practices that are contrary to its interest, such as: financial fraud, including adulteration, falsification or suppression of financial, tax or accounting documents; misappropriation of goods or funds; receipt of undue advantages by managers or employees; irregular contracting; and other practices considered to be illegal.

It is one more step in improving Cemig’s transparency, compliance with legislation, and alignment with best corporate governance practices. It improves the management of internal controls and dissemination of the ethical culture to Cemig’s employees in the cause of optimum compliance by our business.

Anti-fraud Policy

In its business and activities, Cemig does not accept the practice and concealment of acts of fraud or corruption in all its forms. Suspicions and allegations of such acts are rigorously assessed and where proven, apply disciplinary procedures set out in the internal rules of the Company, as well as lawsuits and criminal charges, when applicable.

Thus, in 2012, Cemig consolidated its Anti-Fraud Policy is applicable to all members of the Board of Directors and Fiscal Officers, employees and contractors. The policy underscores the Company's commitment to the Global Compact principles on the subject, particularly the principle of number ten, which deals with combating corruption in all its forms, including extortion and bribery.

**SHAREHOLDING POSITION OF HOLDERS OF
MORE THAN 5% OF THE VOTING STOCK ON SEPTEMBER 30, 2022**

	COMMON SHARES	%	PREFERRED SHARES	%	TOTAL SHARES	%
State of Minas Gerais	375,031,302	50,97	17,085	-	375,048,387	17.04
Other entities of Minas Gerais State	30,021	-	23,873,766	1,63	23,903,787	1.09
FIA Dinâmica Energia S.A.	233,037,892	31,67	119,401,654	8,15	352,439,546	16.01
BNDES Participações	82,007,784	11,14	-	-	82,007,784	3.73
BlackRock	-	-	218,212,381	14,89	218,212,381	9.91
Others						
In Brazil	27,321,921	3,72	188,097,609	12,83	215,419,530	9.78
Foreign shareholders	18,418,704	2,50	915,920,569	62,50	934,339,273	42.44
Total	735,847,624	100,00	1,465,523,064	100,00	2,201,370,688	100.00

**CONSOLIDATED SHAREHOLDING POSITION OF
THE CONTROLLING SHAREHOLDERS AND MANAGERS, AND FREE FLOAT,
ON SEPTEMBER 30, 2022**

	January to September 2022	
	ON	PN
Controlling shareholder	375,031,302	17,085
Other entities of Minas Gerais State	30,021	23,873,766
Board of Directors	-	111,275
Executive Board	17,806	29,107
Shares in Treasury	102	846,062
Free float	360,768,393	1,440,645,769
Total	735,847,624	1,465,523,064

Investor Relations

In 2019 we expanded Cemig's exposure to the Brazilian and global capital markets, through strategic actions intended to enable investors and shareholders to make a correct valuation of our businesses and our prospects for growth and addition of value.

We maintain a constant and proactive flow of communication with Cemig's investor market, continually reinforcing our credibility, seeking to increase investors' interest in the Company's shares, and to ensure their satisfaction with our shares as an investment.

Our results are published through presentations transmitted via video webcast and telephone conference calls, with simultaneous translation in English, always with members of the Executive Board present, developing a relationship that is increasingly transparent and in keeping with best corporate government practices.

To serve our shareholders – who are spread over more than 40 countries – and to facilitate optimum coverage of investors, Cemig has been present in and outside Brazil at a very large number of events, including seminars, conferences, investor meetings, congresses, roadshows, and events such as Money Shows; as well as holding phone and video conference calls with analysts, investors and others interested in the capital markets.

In April 2021, we held our 26rd Annual Meeting with the Capital Markets, where market professionals had the opportunity to interact with the Company's directors and principal executives. In 2021 the event was held online, due to the Covid-19 pandemic.

Corporate governance

Our corporate governance model is based on principles of transparency, equity and accountability, focusing on clear definition of the roles and responsibilities of the Board of Directors and the Executive Board in the formulation, approval and execution of policies and guidelines for managing the Company's business.

We seek sustainable development of the Company through balance between the economic, financial, environmental and social aspects of our enterprises, aiming always to improve the relationship with shareholders, customers, and employees, the public at large and other stakeholders.

Cemig's preferred and common shares (tickers: CMIG4 and CMIG3 respectively) have been listed at Corporate Governance Level 1 on the São Paulo Stock Exchange since 2001. This classification represents a guarantee to our shareholders of optimum reporting of information, and also that shareholdings are relatively widely dispersed, Because Cemig has ADRs (American Depositary Receipts) listed on the New York Stock Exchange, representing its preferred (PN) shares (ticker CIG) and common (ON) shares (ticker CIG,C), it is also subject to the regulations of the US Securities and Exchange Commission (SEC) and the New York Stock Exchange Listed Company Manual. Our preferred shares have also been listed on the Latibex of the Madrid stock exchange (with ticker XCMIG) since 2002.

Among the improvements incorporated into the by-laws since the Extraordinary Meeting of Shareholders held after June 11, 2018, it is worth noting:

- Reduction of the number of members of the Board of Directors from 15 to 9, in line with the IBGC Best Corporate Governance Practices Code, and the Corporate Sustainability Evaluation Manual of the Dow Jones Sustainability Index.
- Creation of the Audit Committee (*Comitê de Auditoria*). The Audit Board (*Conselho Fiscal*) remains in existence.
- The Policy on Eligibility and Evaluation for nomination of a member of the Board of Directors and/or the Executive Board in subsidiary and affiliated companies.
- The Related Party Transactions Policy.
- Formal designation for the Board of Directors to ensure implementation of and supervision of the Company's systems of risks and internal controls.
- Optional power for the Executive Board to expand the technical committees (on which members are career employees), with autonomy to make decisions in specific subjects.
- The CEO now to be responsible for directing compliance and corporate risk management activities.
- Greater emphasis on the Company's control functions: internal audit, compliance, and corporate risk management.

Adoption of an arbitration chamber for resolution of any disputes between the Company, its shareholders, managers, and/or members of the Audit Board.

Reynaldo Passanezi Filho
Chief Executive Officer

Leonardo George de Magalhães
Chief Finance and Investor Relations Officer

Marney Tadeu Antunes
Chief Distribution Officer

Marco da Camino Ancona Lopez Soligo
Chief Officer Cemigpar

Thadeu Carneiro da Silva
Chief without portfolio

Dimas Costa
Diretor Cemig Comercialização

Mário Lúcio Braga
Controller
CRC-MG 47.822

José Guilherme Grigolli Martins
Financial Accounting and Equity Interests Manager
Accountant - CRC-1SP/242,451-04



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Report on Review of Interim Financial Information – ITR (Free Translation)

To the Board Directors and Shareholders of
Companhia Energética de Minas Gerais - CEMIG
Campinas - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Companhia Energética de Minas Gerais - CEMIG (“the Company”), included in the Quarterly Information Form (ITR), for the quarter ended September 30, 2022, which comprises the statement of financial position as of September 30, 2022 and the respective statements of income, and other comprehensive income for the three and nine-months period then ended, and changes in shareholders’ equity and cash flows for the nine-month period then ended, and explanatory footnotes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21(R1) and International Standard IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board – (IASB), and for presentation of these interim financial information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and International Standards on Review Engagements (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of the Quarterly Information - ITR and presented in accordance with the rules issued by the Brazilian Securities and Exchange Commission - CVM.

Emphasis of matter

Risks related to compliance with laws and regulations

As mentioned in notes 15 and 34 to the individual and consolidated interim financial information, there are investigations being conducted by public authorities regarding the Company, its subsidiaries and investees Madeira Energia S.A. and Norte Energia S.A., which involve the investees and their executives and other shareholders of these investees. We are currently unable to foresee future developments or potential impacts of these investigations conducted by public authorities. Our conclusion is not modified in respect of this matter.

Other matters

Statements of Value Added

The quarterly information referred to above include the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34. These statements were submitted to the same review procedures followed together with the review of the Company's interim financial information, in order to form our conclusion whether they are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the statements of value added were not prepared, in all material respects, in accordance with the criteria set on that Standard and consistently with the individual and consolidated interim financial information taken as a whole.

Corresponding figures

The corresponding figures related to the individual and consolidated statement of financial position as of December 31, 2021 were audited by other independent auditors who issued an unmodified audit report dated March 29, 2022 and the individual and consolidated Statements of Income and other comprehensive income for the three and nine-month period and Statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2021 were reviewed by other independent auditors who issued an unmodified review report dated November 11, 2021. The corresponding figures related to the individual and consolidated statement of value added (DVA) for the nine-month period ended September 30, 2021 were submitted to the same review procedures by those independent auditors and, based on their review, those auditors issued report reporting that nothing has come to their attention that causes them to believe that the statements of value added were not prepared, in all material respects, in accordance with the criteria set on that Standard and consistently with the individual and consolidated interim financial information taken as a whole.



Belo Horizonte, November 11, 2022

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-MG
Free-translation – Original version issued in Portuguese¹

Thiago Rodrigues de Oliveira
Contador CRC 1SP259468/O-7

¹ A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB