

INTERIM FINANCIAL INFORMATION

3Q2023

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FINANCIAL RESULTS

(Figures in R\$'000 unless otherwise indicated)
(Information not reviewed by the independent auditors)

Consolidated results

Net income for the quarter

Cemig presented a 4.65% increase in net income, with R\$1,237,307 in the third quarter of 2023 and R\$1,182,353 in same period of 2022.

The main variations in revenue, costs, expenses and financial result are presented separately by segment in the sequence of this report.

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

Cemig's consolidated Ebitda, adjusted by the exclusion of non-recurring items, increased by 27.99% in the third quarter of 2023, compared to the same period of 2022, whereas the adjusted Ebitda margin went from 16.64% in the third quarter of 2022 to 20.84% in the third quarter of 2023.

Ebitda – Jul to Sep, 2023 - R\$'000	Generation	Transmission	Trading	Distribution	Gas	Holding / Investee	Total
Net income for the year	338,718	87,658	177,506	475,927	139,339	18,159	1,237,307
Income tax and Social Contribution tax	93,507	15,687	78,275	54,973	69,265	(69,370)	242,337
Net financial revenue (expenses)	28,977	36,236	(9,523)	99,428	(1,205)	60,939	214,852
Depreciation and amortization	80,826	(60)	4	205,258	23,769	6,896	316,693
Ebitda according to "CVM Resolution n. 156" (1)	542,028	139,521	246,262	835,586	231,168	16,624	2,011,189
Non-recurring and non-cash effects							
Net income attributable to non-controlling interests	-	-	-	-	(599)	-	(599)
Reversal of impairment – Small Hydro Plants held for sale (Note 30)	(45,791)	-	-	-	-	-	(45,791)
Adjusted EBITDA (2)	496,237	139,521	246,262	835,586	230,569	16,624	1,964,799

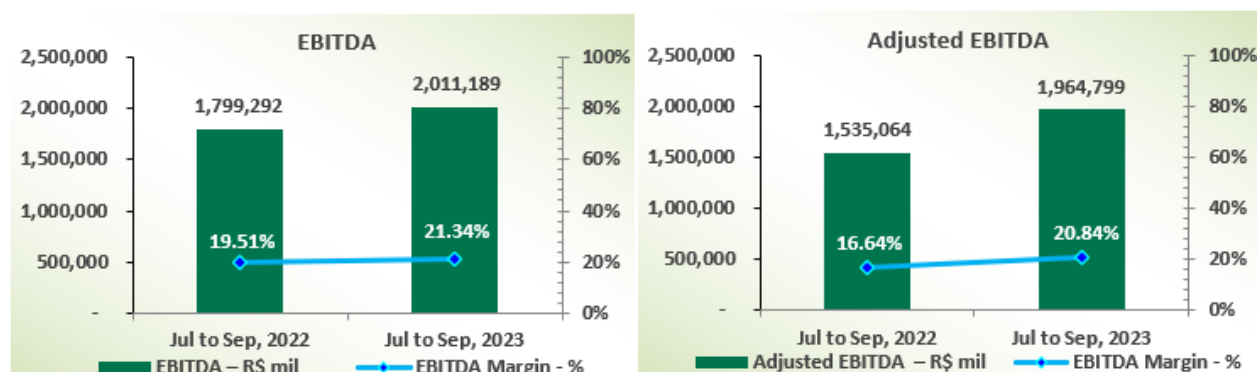
Ebitda – Jul to Sep, 2022 – R\$'000	Generation	Transmission	Trading	Distribution	Gas	Holding / Investee	Total
Net income for the period	12,378	88,740	102,888	506,930	112,814	358,603	1,182,353
Income tax and social contribution tax	64,662	58,301	27,053	175,268	48,991	(164,404)	209,871
Net financial revenue	46,242	28,656	(6,414)	(11,466)	(22,043)	74,486	109,461
Depreciation and amortization	82,280	1	4	188,247	23,018	4,057	297,607
EBITDA according to "CVM Resolution 156" (1)	205,562	175,698	123,531	858,979	162,780	272,742	1,799,292
Efeitos não recorrentes e não caixa							
Non-controlling interest	-	-	-	-	(485)	-	(485)
Gain from the sale of non-current asset held for sale	-	-	-	-	-	(504)	(504)
Reversal of tax provisions – Social security contributions on profit sharing	(40,648)	(37,360)	(6,839)	(42,433)	-	(8,834)	(136,114)
Tax provisions – Indemnity of employees' future benefit (the 'Anuênio')	16,475	15,142	2,772	95,861	-	3,581	133,831
PUT Option - SAAG	-	-	-	-	-	(34,748)	(34,748)
Estimate for expected losses (3)	-	-	-	(130,569)	-	-	(130,569)
Impairment	-	-	37,182	-	-	-	37,182
Result of the agreement between FIP Melbourne and AGPar	-	-	-	-	-	(132,821)	(132,821)
Ebitda adjusted (2)	181,389	153,480	156,646	781,838	162,295	99,416	1,535,064

* Term of Debt Recognition Agreement

(1) Ebitda is a non-accounting measure prepared by the Company, reconciled with the consolidated financial statements in accordance with CVM Circular SNC/SEP n. 1/2007 and CVM Resolution n. 156 of June 23, 2022. It comprises Net income adjusted by the effects of net financial revenue (expenses), Depreciation and amortization, and Income and Social Contribution taxes. 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. The Company 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 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.



Revenue

The breakdown of revenue is as follows:

	Consolidated	
	Jul to Sep, 2023	Jul to Sep, 2022
Revenue from supply of energy - captive customers, in Cemig's concession area	8,130,020	7,105,782
Revenue from use of the energy distribution systems (TUSD) - free customers	1,125,693	985,150
CVA, and Other financial components	80,237	(395,653)
Restitution of PIS/Pasep and Cofins credits to consumers - Realization	311,748	706,087
Revenues from transmission		
Revenues from operation and maintenance	95,828	105,628
Revenue of transmission construction	39,394	100,492
Financial remuneration of the transmission contract assets	115,693	50,300
Generation indemnity revenue	23,867	24,783
Revenue of distribution construction	1,165,087	1,063,302
Adjustment of cash flow expectation of the financial asset of distribution concession	49,577	(10,361)
Revenues from financial actualization of the concession bonus	85,073	59,722
Settlement in the CCEE	36,195	134,890
Transactions in the mechanism of sale of surplus - MVE	-	125,463
Gas supply	989,284	1,218,147
Fine for violation of the continuity indicator standard	(21,480)	(13,668)
Other operational revenues	590,628	873,241
Taxes and charges levied on revenue	(3,390,215)	(2,909,994)
Net operating revenues	9,426,629	9,223,311

Revenue from supply of energy

Revenue from supply of energy increased by 14.41% when comparing the periods from July to September 2023 and 2022, with R\$8,130,020 in the third quarter of 2023 and R\$7,105,782 in the same period of 2022.

	Jul to Sep, 2023			Jul to Sep, 2022			Change %	
	MWh (3)	R\$	Average price/MWh billed (R\$/MWh) (1)	MWh (3)	R\$	Average price/MWh billed (R\$/MWh) (1)	MWh	R\$
Residential	2,874,159	2,698,430	938.86	2,706,219	2,079,671	768.48	6.21	29.75
Industrial	4,616,519	1,517,529	328.72	4,733,637	1,548,322	327.09	(2.47)	(1.99)
Commercial, Services and Others	2,260,311	1,507,626	667.00	2,124,316	1,339,523	630.57	6.40	12.55
Rural	884,495	664,428	751.19	928,222	541,205	583.06	(4.71)	22.77
Public authorities	214,818	190,624	887.37	201,625	144,977	719.04	6.54	31.49
Public lighting	263,431	120,576	457.71	287,126	120,307	419.00	(8.25)	0.22
Public services	255,403	203,362	796.24	359,448	192,393	535.25	(28.95)	5.70
Subtotal	11,369,136	6,902,575	607.13	11,340,593	5,966,398	526.11	0.25	15.69
Own consumption	6,783	-	-	6,761	-	-	0.33	-
Net unbilled retail supply	-	91,649	-	-	61,143	-	-	49.89
	11,375,919	6,994,224	607.13	11,347,354	6,027,541	526.11	0.25	16.04
Wholesale supply to other concession holders (2)	4,410,689	1,042,287	236.31	4,597,695	1,037,053	225.56	(4.07)	0.50
Wholesale supply unbilled, net	-	93,509	-	-	41,188	-	-	127.03
Total	15,786,608	8,130,020	503.48	15,945,049	7,105,782	439.41	(0.99)	14.41

(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.

(3) Data not audited by external auditors.

The main changes in relation to supply of electricity were as follows:

Residential

Residential consumption in 3Q23 was up 6.2% year-on-year. The main factors in this are:

- (i) an increase in the number of consumers;
- (ii) higher average monthly consumption per consumer (up from 121.4 kWh in 3Q22 to 124.9 kWh/month in 3Q23);
- (iii) higher temperatures; and,
- (iv) increased action by the company for recovery of energy losses.

Industrial

The lower total consumption by clients in the *industrial* category this year reflects a slowdown in physical production of industry, though with variations between the largest sectors.

Rural

Consumption by consumers in the *Rural* category was 4.71% lower in 3Q23 than in 3Q22. This mainly reflects regular a lower number of consumers in this category, due to (a) reclassification of consumers to other categories, and (b) migration of clients to mini-and micro-distributed generation.

Revenue from Use of Distribution Systems (TUSD)

This is revenue from charging Free Customers the Tariff for Use of the Distribution System (TUSD), on the volume of energy distributed.

On the third quarter of 2023, this was R\$1,125,693, compared to R\$985,150 in the same period of 2022 - an increase of 14.27%. This is mainly due to the effects on the ICMS calculation base referred to above; and also the increase in the average tariff on Free Consumers being 1.62% higher in the third quarter of 2023 than in the same period of 2022.

CVA and Other financial components in tariff adjustments

Company recognizes in its interim financial information the positive or negative variations between actual non-controllable costs and the costs that are used in calculating rates charged to customers. These balances represent the amounts that should be reimbursed to the customers or passed on to the Company in the next tariff adjustments of Cemig D.

In the third quarter of 2023, a revenue of R\$80,237 was recognized, compared to a reduction in revenue of R\$395,653 in the same period of 2022. This variation is mainly due to the lower realization of the amount approved in the last tariff process, associated with increases in (i) the National Grid transmission charge, and (ii) the costs of the Reserve Energy Charge.

See more information in note 11.3 of this interim financial information.

Reimbursement, paid to consumers, of credits of PIS, Pasep and Cofins taxes - Amount realized

The tariff review process of 2023 approved the return of the remaining balance of PIS, Pasep and Cofins tax credits to consumers, making the replenishment of revenue lower in the third quarter of 2023 than in the same period of 2022, considering that the value approved in the tariff review of 2022 was higher.

In the third quarter of 2023 the Company posted a replenishment of revenue totaling R\$311,748 for realization of the reimbursement to consumers of credits of PIS, Pasep and Cofins taxes in the third quarter of 2023, compared to R\$706,087 in the same period of 2022.

Transmission concession revenue

The main variations in revenue are presented below:

- revenue from operation and maintenance of infrastructure was R\$95,828 in the third quarter of 2023, compared to R\$105,628 in the same period of 2022;
- revenues related to construction, strengthening and enhancement of infrastructure totaled R\$39,394 in the third quarter of 2023, compared to R\$100,492 in the same period of 2022, a reduction of 60.80%. This difference reflects expectation for the projects that are in the final phase of execution, resulting in lower amounts of investment in the third quarter of 2023 than in the same period of 2022. Also, the new projects are at the initial

phase, with disbursements associated with the planning and decision phases, which have lower costs;

- financial remuneration on transmission contract assets was 130.01% higher in the third quarter of 2023, at R\$107,485, compared to R\$50,300 in the same period of 2022. This increase mainly reflects the lower IPCA inflation index - the indexor used for remuneration of the contract – which was 0.61% in the third quarter of 2023, compared to 1.32% in the same period of 2022.

Distribution Construction Revenue

Due to the higher volume of execution of the Company's investment plan in the third quarter of 2023 than in the same period of 2022, with greater activity by teams in the construction phase, and also the increase in the average cost of works, with higher prices of various materials and services this year, construction revenue for the distribution activity was 9.57% higher this year.

The construction revenues associated with infrastructure of the distribution concession in the third quarter of 2023 totaled R\$1,165,087, compared to R\$1,063,302 in the same period of 2022.

Taxes and regulatory charges reported as deductions from revenue

The sector charges and taxes that are treated as deductions from revenue totaled R\$3,390,215 in the third quarter of 2023, compared to R\$2,909,994 in the same period of 2022.

In the third quarter of 2023, the basis for calculation of ICMS tax was lower, due to Complementary Law 194 of 2022, which excluded charges relating to transmission and distribution. Subsequently, Decree 45572 of February 2023 re-included these amounts in the calculation basis of ICMS tax, thus increasing the total of taxes levied on revenue.

Costs and expenses

Costs and expenses totaled R\$7,803,049 in the third quarter of 2023, compared to R\$7,977,811 in the same period of 2022.

The following paragraphs comment on the main variations. See more on the breakdown of costs and expenses in Note 25 of these interim financial information.

Energy bought for resale

The expense on electricity purchased for resale was R\$3,778,480 in the third quarter of 2023, compared to R\$4,125,675 in the same period of 2022. The main factors are:

- the total cost of energy acquired in the Free Market was 15.29% lower in 3Q23 – at R\$ 1,569,959, compared to R\$ 1,853,431 in 3Q22. A higher volume of supply was bought in the Free Market in 2022, to make up a shortfall in the stock of conventional and incentive-bearing energy contracted. Also the average purchase price across the whole

portfolio was lower in 2023, due to the termination of certain contracts in 2022, and start of new ones at lower prices in 2023;

- expenses on electricity acquired at auctions in the regulated market 7.52% lower, at R\$979,149 in the third quarter of 2023, compared to R\$910,654 in the same period of 2022. This increase reflects the annual contractual adjustments, linked to the IPCA, and the entry into a new auction;
- the expense on electricity from Itaipu Binacional was 23.98% lower: R\$323,440 in the third quarter of 2023, compared to R\$425,463 in the same period of 2022. The lower figure mainly reflects reduction, by issue of a resolution, in the price for demand from Itaipu, in US dollars - from US\$5.12/kW to US\$4.84/kW;
- expenses on Distributed Generation 12.42% higher in 2023, at R\$551,037 in the third quarter of 2023, compared to R\$490,163 in the same period of 2022. This higher figure reflects the higher number of generation units installed and the higher volume of energy injected into the grid.

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 26a of these interim financial information.

Charges for use of the transmission network and other system charges

Charges for use of the transmission network in the third quarter of 2023 totaled R\$769,491 compared with the same period of 2022 (R\$588,444).

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.

These charges are payable by energy distribution and generation agents for use of the facilities that are components of the national grid as well as the electric system. The amounts to be paid and/or received by the Company are set by a Resolution from the Regulator (Aneel).

Outsourced services

The expense with outsourced services was R\$466,584 in the third quarter of 2023, compared to R\$409,378 in the same period of 2022, representing an increase of 13.97%. The main variations that explain this increase are:

- 22.50% increase in expenses with maintenance and conservation of electrical facilities and equipment, being R\$157,918 in the third quarter of 2023, compared to R\$128,916 in the same period of 2022. This mainly reflects the total billed for contracted services being 20% higher, plus the increase in corrective maintenance services in 2023 due to a longer rainy period;
- expenses on IT services were 40.73% higher, at R\$39,870 in 3Q23, compared to R\$28,331 in the same period of 2022. This reflects (i) strengthening of cybersecurity and resilience

practices, as part of Cemig's structuring digital transformation plan; and (ii) startup of the service of a Cybersecurity Operations Center, to conduct monitoring and defense of the information technology environment.

Impairment

Following the sale of the small hydroelectric plants and small generation centers (PCHs and CGHs) by public auction on August 10, 2023, a reversal of provisions totaling R\$ 45.8 million was made to the provision made previously (in 1Q23) for impairment of those plants.

Another provision for impairment, of R\$ 37.2 million, was made in 3Q22, for receivables from White Martins, which are now the subject of an arbitration proceeding.

Expected credit losses (PCE)

In 3Q22 a reversal of provisions for client default totaling R\$ 84,852 was made, following (a) an adjustment to the Company's method of accounting levels of default, designed to give a more faithful picture of the reality in practice, and (b) an increased level of regular discharge of debts by clients. A new provision for default, of R\$ 43,160, arising from the normal course of business, was made in 3Q23.

Net financial result

The Company reports net financial expense of R\$214,852 in the third quarter of 2023, compared to R\$109,461 in the same period of 2022. This variation is mainly due to the following factors:

- a net expense of R\$10,973 in 3Q23 on monetary updating on the balances of the CVA account, and of the Other financial components element in the tariff calculation; compared to a gain (posted as revenue) of R\$38,210 in the same period of 2022. This results basically from a lower amount of CVA items being ratified in the tariff increase process in 2023 than in 2022;
- appreciation of the dollar against the Real in the third quarter of 2023 of 3.91%, compared to appreciation, of 3.22%, in the third quarter of 2022 - generating a posting of expenses of R\$142,451 in the third quarter of 2023 and R\$500,200, in the third quarter of 2022.

For a breakdown of financial revenues and expenses see Note 26.

Income tax and social contribution tax

In the third quarter of 2023, the expense on income tax and the Social Contribution tax totaled R\$242,337, on pre-tax profit of R\$1,479,644, an effective rate of 16.38%. In the same period of 2022, the Company's expense on income tax and the Social Contribution tax totaled R\$209,871, on pre-tax profit of R\$1,392,224, an effective rate of 15.07%.

There is a reconciliation of these effective rates with the nominal tax rates in Note 8(d).

Results by segment

Distribution - Results

Cemig D reports, in the third quarter of 2023, net profit of R\$475,927, compared to R\$506,930 in the same period of 2022. The main variations are presented below:

Net revenue

Net revenue in the third quarter of 2023 was R\$5,994,696, 4.42% higher than in the same period of 2022 (R\$5,740,890) due mainly to:

- revenue increase from the gross supply of electricity was R\$5,489,766 in the third quarter of 2023, compared to R\$4,499,920 in the same period of 2022, representing a reduction of 6.90%. The main impacts on revenue are due to the reduction in the average price of the MWh billed and, additionally, the reduction in the ICMS rate in the second half of 2022, with a reduction in the energy tariff. It should be noted that this reduction in ICMS has no impact on the company's results, since the reduction in gross sales was offset by a reduction in ICMS payments;
- revenue from charging free consumers the Tariff for Use of the Distribution System (Tarifa de Uso do Sistema de Distribuição, or TUSD) on the volume of energy distributed was R\$1,133,966 in the third quarter of 2023, or 14.33% more than in the same period of 2022 (R\$991,869);
- the sector charges, and taxes, that are treated as deductions from revenue totaled R\$2,632,732 in the third quarter of 2023, or 27.57% more than in the same period of 2022 (R\$2,063,713). In the period from July to September 2022, the ICMS calculation base was reduced due to Complementary Law 194/22, which removed transmission and distribution charges from the calculation base. With the advent of Decree 45,572 of February 2023, these charges were once again included in the ICMS calculation base, increasing the amount of taxes levied on revenue.

Cost of electricity

In the third quarter of 2023 the cost of electricity was R\$2,361,047, compared to R\$2,460,498 in the same period of 2022, 4.04% lower, mainly due to:

- reduction of 23.98% in the cost of energy from Itaipu, at R\$323,440 in 3Q23, compared to R\$425,463 in the same period of 2022. This reduction is mainly due to the fall in the Real-US\$ exchange rate between the two quarters: it was US\$5.12 at the end of 3Q22, but fell to US\$4.84 at the end of 3Q23;
- increase of 9.19% in the cost of energy acquired in Regulated Market auctions: R\$1,010,691 in 3Q23, compared to R\$925,614 in 3Q22. This reflects the annual adjustments to contracts, by the IPCA inflation index, and entry of one new auction;
- expenses on distributed generation were 12.42% higher, at R\$551,036, in 3Q23, compared to R\$490,163 in 3Q22. This higher figure reflects the increase in the number of

generating facilities installed, and the higher quantity of energy injected into the network (1,192,135 MWh in 3Q20, compared to 757,705 MWh in 3Q22).

Costs and expenses

Costs of operation and construction in the third quarter of 2023 totaled R\$1,163,880, 23.47% more than in the same period of 2022 (R\$942,625), mainly due to:

- construction costs representing assets related to the infrastructure of the distribution concession totaled R\$1,030,177 in the third quarter of 2023, compared to R\$1,050,012 in the same period of 2022, basically reflecting the higher volume of execution of Cemig D's investment plan than in the previous year;
- increase in outsourced services, being R\$389,523 in the third quarter of 2023, compared to R\$338,420 in the same period of 2022, due, mainly, to the increase in expenses with maintenance and conservation of electrical installations and equipment.

Detailed information on the variations and effects presented in this segment can be found in the financial statements of Cemig D.

Transmission - Results

In the third quarter of 2023, the transmission segment produced net profit of R\$87,658, compared to R\$88,740 in the same period of 2022.

Transmission concession revenue

The following paragraphs comment on the main variations:

- revenue from operation and maintenance of infrastructure was R\$95,828 in the third quarter of 2023, compared to R\$105,628 in the same period of 2022;
- the revenues posted for construction, strengthening and enhancement of infrastructure totaled R\$39,394 in the third quarter of 2023, compared to R\$100,492 in the same period of 2022, 60.80% lower. This difference reflects expectation for the projects that are in the final phase of execution, resulting in lower amounts of investment in the third quarter of 2023 than in the same period of 2022. Also, the new projects are at the initial phase, with disbursements associated with the planning and decision phases, which have lower costs;
- financial remuneration on transmission contract assets was 130.01% higher in the third quarter of 2023, at R\$107,485, compared to R\$50,300 in the same period of 2022. This increase mainly reflects the lower IPCA inflation index - the indexor used for remuneration of the contract - which was 0.61% in the third quarter of 2023, compared to 1.32% in the same period of 2022.

Construction cost

Construction cost in the third quarter of 2023 was R\$26,542, compared to R\$72,112 in the same period of 2022, a reduction of 63.19%. This difference reflects expectation for the projects that are in the final phase of execution, resulting in lower amounts of investment in the third quarter of 2023 than in the same period of 2022. Also, the new projects are at the initial phase, with disbursements associated with the planning and decision phases, which have lower costs;

Detailed information on the variations and effects presented in this segment can be found in the financial statements of Cemig GT.

Generation - Results

Cemig's generation segment produced net profit of R\$338,718 in the third quarter of 2023, compared to R\$12,378 in the same period of 2022.

Due to the hydrological conditions in the third quarter of 2022, there was a need for a greater volume of energy purchases to mitigate hydrological risk, to protect against exposure to the PLD. With the improvement of the hydrological scenario in the third quarter of 2023, there was a considerable reduction in the need to purchase electricity for hydrological risk, favoring the generation segment's net profit.

Detailed information on the variations and effects presented in this segment can be found in the financial statements of Cemig GT.

Trading - Results

In the third quarter of 2023 the Trading segment reported net profit of R\$177,506, or 72.52% higher than in the same period of 2022 (R\$102,888).

Receita de transações com energia

Net revenue from the Trading segment was R\$2,020,456 in the third quarter of 2023, compared to R\$2,122,165 in the same period of 2022, a decrease of 4.79%.

Custo com energia elétrica comprada para revenda

The cost of electricity purchased for resale was R\$1,758,373 in the third quarter of 2023, compared to R\$1,948,778 in the same period of 2022, representing a reduction of 9.77%.

Gas - Results

Supply of gas

The Company reports revenue from supply of gas totaling R\$989,284 in 3Q23, compared to R\$1,218,147 in 3Q22. There was a reduction in the volume of gas supplied, due to scheduled maintenance shutdowns at some of the main industrial customers.

Gas bought for resale

The total cost of gas purchased for resale was lower due to lower volume purchased – totaling R\$527,146 in 3Q23, compared to R\$782,453 in 3Q22.

Results of equity holdings, and the holding company

The results of the affiliated companies, the jointly-controlled subsidiaries and the holding company are calculated as a single segment, in accordance with the Company's business strategies. The equity investments and holding segment reported a net income of R\$157,498 in the third quarter of 2023, compared to R\$471,417 in the same period of 2022.

The other changes in the results of investees, which justify the better results obtained in the third quarter of 2023, are presented in more detail in Note 13.

Interim Financial Information

STATEMENTS OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2023 AND DECEMBER 31, 2022

ASSETS (In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
CURRENT					
Cash and cash equivalents	4	2,355,680	1,440,661	155,069	190,483
Marketable securities	5	1,812,392	1,744,546	346,365	100,292
Receivables from customers, traders and concession holders	6	4,992,945	4,769,431	449,182	305,464
Concession financial assets	11	834,993	1,055,378	-	-
Concession contract assets	12	831,592	728,404	-	-
Recoverable taxes	7	802,885	1,916,701	10,998	1,087
Income tax and social contribution tax credits	8a	683,444	775,492	53,446	-
Dividends receivables	27	68,837	145,908	1,739,426	1,975,639
Public lighting contribution		239,530	207,280	-	-
Receivable related to tariff subsidies	10	195,834	159,426	-	-
Other assets		692,802	521,976	11,334	27,342
		13,510,934	13,465,203	2,765,820	2,600,307
Assets classified as held for sale	30	408,422	-	-	-
TOTAL CURRENT		13,919,356	13,465,203	2,765,820	2,600,307
NON-CURRENT					
Marketable securities	5	-	133,631	-	376
Receivables from customers, traders and concession holders	6	44,523	43,449	1,827	-
Recoverable taxes	7	1,263,355	1,357,846	540,533	523,371
Income tax and social contribution tax recoverable	8a	222,747	172,718	57,142	95,750
Deferred income tax and social contribution tax	8c	2,963,432	3,119,522	986,933	995,149
Dividends receivable	27	-	-	679,794	679,794
Escrow deposits	9	1,231,984	1,206,595	317,358	310,325
Derivative financial instruments - Swap	28b	378,531	702,734	-	-
Accounts receivable from the State of Minas Gerais		13,366	13,366	13,366	13,366
Concession financial assets	11	5,621,191	4,937,187	-	-
Concession contract assets	12	7,410,163	5,976,420	-	-
Investments - Equity method	13	4,797,643	5,105,724	22,576,467	19,637,444
Property, plant and equipment	14	2,958,286	2,409,351	1,220	1,240
Intangible assets	15	14,864,580	14,621,853	191	547
Leasing - right of use assets	16a	376,497	329,077	2,008	2,151
Other assets		99,776	76,161	67,111	78,718
TOTAL NON-CURRENT		42,246,074	40,205,634	25,243,950	22,338,231
TOTAL ASSETS		56,165,430	53,670,837	28,009,770	24,938,538

The accompanying notes are an integral part of the individual and consolidated interim financial information.

**STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2023 AND DECEMBER 31, 2022**

**LIABILITIES
(In thousands of Brazilian Reais)**

	Note	Consolidated		Parent company	
		Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
CURRENT					
Suppliers	17	2,783,365	2,832,049	337,283	152,356
Regulatory charges payable	20	531,494	510,247	-	-
Profit sharing		120,919	105,207	13,744	13,590
Taxes payable	18	546,699	544,146	98,868	139,603
Income tax and social contribution	8b	78,159	239,674	-	-
Interest on equity and dividends payable		2,101,947	1,862,798	2,100,110	1,860,681
Loans and debentures	19	1,162,186	955,497	-	-
Payroll and related charges		246,979	260,015	13,306	13,823
Public lighting contribution		384,611	312,475	-	-
Accounts payable related to energy generated by residential consumers		608,389	455,273	-	-
Post-employment obligations	21	374,385	388,447	29,570	29,166
Amounts to refund to customers	18	1,193,429	1,495,598	-	-
Derivative financial instruments - Swaps	28b	41,742	90,526	-	-
Derivative financial instruments - Put Option	28b	-	672,416	-	-
Leasing liabilities	16b	75,788	57,438	290	301
Other liabilities		465,608	423,372	8,772	22,332
TOTAL CURRENT		10,715,700	11,205,178	2,601,943	2,231,852
NON-CURRENT					
Regulatory charges	20	36,251	65,360	4,624	4,624
Loans and debentures	19	10,943,728	9,624,001	-	-
Taxes payable	18	361,977	370,168	-	-
Deferred income tax and social contribution	8c	1,017,814	932,235	-	-
Provisions	22	2,169,803	2,029,021	296,819	279,141
Post-employment obligations	21	5,325,007	5,303,538	674,592	641,375
Amounts to refund to customers	18	633,547	1,808,074	-	-
Leasing liabilities	16b	333,422	297,195	2,038	2,125
Other liabilities		194,213	252,801	1,970	2,065
TOTAL NON-CURRENT		21,015,762	20,682,393	980,043	929,330
TOTAL LIABILITIES		31,731,462	31,887,571	3,581,986	3,161,182
EQUITY	23				
Share capital		11,006,853	11,006,853	11,006,853	11,006,853
Capital reserves		2,249,721	2,249,721	2,249,721	2,249,721
Profit reserves		10,394,823	10,394,823	10,394,823	10,394,823
Equity valuation adjustments		(1,836,868)	(1,874,041)	(1,836,868)	(1,874,041)
Retained earnings		2,613,255	-	2,613,255	-
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		24,427,784	21,777,356	24,427,784	21,777,356
Non-Controlling interests		6,184	5,910	-	-
TOTAL EQUITY		24,433,968	21,783,266	24,427,784	21,777,356
TOTAL LIABILITIES AND EQUITY		56,165,430	53,670,837	28,009,770	24,938,538

The accompanying notes are an integral part of the individual and consolidated interim financial information.

STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian Reais, except earnings per share)

	Note	Consolidated		Parent company	
		Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
NET REVENUE	24	26,893,083	24,709,606	2,546,149	1,396,908
COSTS					
Cost of energy and gas	25a	(14,579,853)	(14,730,461)	(1,830,585)	(944,479)
Infrastructure and construction cost	25b	(2,861,150)	(2,397,836)	-	-
Operating costs	25c	(3,304,632)	(2,935,068)	-	-
		(20,745,635)	(20,063,365)	(1,830,585)	(944,479)
GROSS INCOME		6,147,448	4,646,241	715,564	452,429
EXPENSES	25c				
Expected credit losses		(72,352)	(48,606)	(2,117)	-
General and administrative expenses		(484,652)	(499,177)	(29,288)	(26,935)
Other expenses, net		(754,210)	(844,703)	(100,424)	(103,368)
		(1,311,214)	(1,392,486)	(131,829)	(130,303)
Bargain purchase		-	8,641	-	-
Share of income, net, of affiliates, subsidiaries and joint ventures	13	293,238	768,440	3,400,194	2,237,847
Income before financial income (expenses) and taxes		5,129,472	4,030,836	3,983,929	2,559,973
Finance income	26	903,728	1,020,269	(5,869)	36,682
Finance expenses	26	(1,184,684)	(2,517,089)	(2,756)	(7,346)
		(280,956)	(1,496,820)	(8,625)	29,336
Income before income tax and social contribution tax		4,848,516	2,534,016	3,975,304	2,589,309
Current income tax and social contribution tax	8d	(744,313)	(654,736)	(89,651)	-
Deferred income tax and social contribution tax	8d	(223,308)	808,520	(6,724)	97,268
		(967,621)	153,784	(96,375)	97,268
NET INCOME FOR THE PERIOD		3,880,895	2,687,800	3,878,929	2,686,577
Total of net income for the period attributed to:					
Equity holders of the parent		3,878,929	2,686,577	3,878,929	2,686,577
Non-controlling interests		1,966	1,223	-	-
		3,880,895	2,687,800	3,878,929	2,686,577
Basic and diluted earnings per preferred share - R\$	23	1.76	1.22		
Basic and diluted earnings per common share - R\$	23	1.76	1.22		

The accompanying notes are an integral part of the individual and consolidated interim financial information.

STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian Reais, except earnings per share)

	Note	Consolidated		Parent company	
		Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022
NET REVENUE	24	9,426,629	9,223,311	1,009,635	682,060
COSTS					
Cost of energy and gas	25a	(5,075,117)	(5,496,572)	(871,351)	(432,521)
Infrastructure and construction cost	25b	(1,193,629)	(1,135,414)	-	-
Operating costs	25c	(1,114,637)	(1,027,631)	-	-
		(7,383,383)	(7,659,617)	(871,351)	(432,521)
GROSS INCOME		2,043,246	1,563,694	138,284	249,539
EXPENSES	25c				
Expected credit losses		(43,160)	84,852	(1,983)	-
General and administrative expenses		(156,809)	(140,788)	(6,769)	(7,251)
Other expenses, net		(219,697)	(262,258)	(39,287)	(51,200)
		(419,666)	(318,194)	(48,039)	(58,451)
Bargain purchase		-	8,641	-	-
Share of income, net, of affiliates, subsidiaries and joint ventures	13	70,916	247,544	1,161,911	946,214
Income before financial income (expenses) and taxes		1,694,496	1,501,685	1,252,156	1,137,302
Finance income	26	345,678	411,748	(9,554)	5,492
Finance expenses	26	(560,530)	(521,209)	(258)	(2,558)
		(214,852)	(109,461)	(9,812)	2,934
Income before income tax and social contribution tax		1,479,644	1,392,224	1,242,344	1,140,236
Current income tax and social contribution tax	8d	(181,282)	(284,047)	(16,607)	-
Deferred income tax and social contribution tax	8d	(61,055)	74,176	10,971	41,632
		(242,337)	(209,871)	(5,636)	41,632
NET INCOME FOR THE PERIOD		1,237,307	1,182,353	1,236,708	1,181,868
Total of net income for the period attributed to:					
Equity holders of the parent		1,236,708	1,181,868	1,236,708	1,181,868
Non-controlling interests		599	485	-	-
		1,237,307	1,182,353	1,236,708	1,181,868
Basic and diluted earnings per preferred share - R\$	23	0.56	0.54		
Basic and diluted earnings per common share - R\$	23	0.56	0.54		

The accompanying notes are an integral part of the individual and consolidated interim financial information.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian Reais)

	Consolidated		Parent company	
	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
NET INCOME FOR THE PERIOD	3,880,895	2,687,800	3,878,929	2,686,577
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to income or loss in subsequent periods				
Post retirement liabilities - remeasurement of obligations of the defined benefit plans	61,208	-	4,387	-
Income tax and social contribution tax on remeasurement of defined benefit plans (Note 8c)	(20,811)	-	(1,491)	-
Equity gain (loss) on other comprehensive income in subsidiary and jointly controlled entity	-	-	37,501	-
Other comprehensive income	-	393	-	393
	40,397	393	40,397	393
COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAXES	3,921,292	2,688,193	3,919,326	2,686,970
Total of comprehensive income for the year attributed to:				
Equity holders of the parent	3,919,326	2,686,970	3,919,326	2,686,970
Non-controlling interests	1,966	1,223	-	-
	3,921,292	2,688,193	3,919,326	2,686,970

The accompanying notes are an integral part of the individual and consolidated interim financial information.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian Reais)

	Consolidated		Parent company	
	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022
NET INCOME FOR THE PERIOD	1,237,307	1,182,353	1,236,708	1,181,868
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to income or loss in subsequent periods				
Other comprehensive income	-	-	-	-
	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAXES	1,237,307	1,182,353	1,236,708	1,181,868
Total of comprehensive income for the year attributed to:				
Equity holders of the parent	1,236,708	1,181,868	1,236,708	1,181,868
Non-controlling interests	599	485	-	-
	1,237,307	1,182,353	1,236,708	1,181,868

The accompanying notes are an integral part of the individual and consolidated interim financial information.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian Reais, except where otherwise indicated)

	Share capital	Capital reserves	Profit reserves	Equity valuation adjustments	Retained earnings	Total	Non-controlling interests	Total Equity
AS OF DECEMBER 31, 2022	11,006,853	2,249,721	10,394,823	(1,874,041)	-	21,777,356	5,910	21,783,266
Net income for the period	-	-	-	-	3,878,929	3,878,929	1,966	3,880,895
Other comprehensive income	-	-	-	40,397	-	40,397	-	40,397
Realization of PP&E deemed cost	-	-	-	(3,224)	3,224	-	-	-
Interest on equity	-	-	-	-	(1,268,898)	(1,268,898)	-	(1,268,898)
Non-controlling interests	-	-	-	-	-	-	(1,692)	(1,692)
AS OF SEPTEMBER 30, 2023	11,006,853	2,249,721	10,394,823	(1,836,868)	2,613,255	24,427,784	6,184	24,433,968

	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
Capital increase	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

The accompanying notes are an integral part of the individual and consolidated interim financial information.

STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
CASH FLOW FROM OPERATIONS					
Net income for the year		3,880,895	2,687,800	3,878,929	2,686,577
ADJUSTMENTS:					
Deferred income tax and social contribution	8	223,308	(808,520)	6,724	(97,268)
Depreciation and amortization	25	922,622	869,536	475	931
Loss on write-off of net residual value of unrecoverable concession financial assets, concessional contract asset, PP&E and Intangible assets		53,787	197,273	-	-
Adjustment of assets in progress		(15,582)	(19,197)	-	-
Share of loss, net, of subsidiaries and joint ventures		(293,238)	(768,440)	(3,400,194)	(2,237,847)
Remeasuring of concession financial and concession contract assets		(956,879)	(924,340)	-	-
Interest and monetary variation	26	742,927	2,059,745	(39,917)	(20,832)
Exchange variation on loans	26	(158,859)	(173,900)	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers - realization		(1,569,255)	(1,641,578)	-	-
Gains arising from the sale of equity interest	13	(30,487)	(6,644)	-	-
Appropriation of transaction costs	19	9,655	5,298	-	-
Provisions		407,472	246,667	35,715	42,834
Change in fair value of derivative financial instruments	28	60,307	301,940	-	-
CVA (Parcel A items Compensation) Account and other financial components in tariff adjustments	11	63,572	1,367,693	-	-
Post-employment obligations	21	446,853	502,558	57,670	58,056
Others		2,165	118,936	(11)	-
		3,789,263	4,014,827	539,391	432,451
(Increase) decrease in assets					
Receivables from customers, traders and concession holders	6	(296,940)	(254,645)	(147,662)	(135,329)
Recoverable taxes	7	868,966	997,234	(996)	2
Income tax and social contribution tax credits	8	21,625	248,082	120,097	205,902
Escrow deposits	9	35,776	(34,852)	7,015	(1,915)
Dividends received from investees		278,906	480,332	1,624,335	562,564
Contractual assets and concession financial assets	11 e 12	685,665	652,218	-	-
Others		(110,602)	55,730	27,616	(50,598)
		1,483,396	2,144,099	1,630,405	580,626
Increase (decrease) in liabilities					
Suppliers	17	(48,684)	57,393	184,927	68,367
Taxes payable	18	(99,340)	174,075	(160,061)	23,449
Income tax and social contribution tax payable	8	582,798	724,793	89,651	-
Payroll and related charges		(13,036)	35,557	(517)	(309)
Regulatory charges	20	(7,862)	(208,283)	-	-
Post-employment obligations	21	(378,238)	(348,494)	(19,662)	(18,270)
PIS/Pasep and Cofins taxes to be refunded to customers	18	138,699	47,783	-	-
Others		82,279	(38,379)	(29,421)	(10,385)
		256,616	444,445	64,917	62,852
Cash generated by operating activities		5,529,275	6,603,371	2,234,713	1,075,929
Interest paid on loans and debentures	19	(520,561)	(537,616)	-	-
Interest paid on leasing contracts	16	(2,863)	(2,436)	(12)	(11)
Income tax and social contribution tax paid		(411,944)	(648,587)	(70,089)	(13)
Cash inflows from settlement of derivatives instruments	28	172,669	156,184	-	-
NET CASH FROM (USED IN) OPERATING ACTIVITIES		4,766,576	5,570,916	2,164,612	1,075,905
INVESTING ACTIVITIES					
Marketable securities	5	65,785	(835,890)	(245,697)	258,754
Investments					
Acquisition of equity investees and additions in investees		(36,532)	(27,469)	(1,043,947)	(79,880)
Arising from the sale of equity interest, net of costs of sales		30,487	6,644	-	-
Settlement of put option		(780,348)	-	-	-
Property, plant and equipment	14	(733,509)	(121,502)	(3)	-
Intangible assets	15	(95,977)	(63,602)	(31)	(30)
Contract assets - distribution of gas and energy infrastructure	12	(2,605,573)	(2,127,312)	-	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES		(4,155,667)	(3,169,131)	(1,289,678)	178,844
FINANCING ACTIVITIES					
Proceeds from loans and debentures	19	1,987,943	987,534	-	-
Interest on capital and dividends paid		(912,093)	(1,034,686)	(910,121)	(1,108,634)
Payment of loans and debentures	19	(719,848)	(1,136,489)	-	-
Leasing liabilities paid	16	(51,892)	(52,640)	(227)	(212)
NET CASH USED IN FINANCING ACTIVITIES		304,110	(1,236,281)	(910,348)	(1,108,846)
Net (decrease) increase in cash and cash equivalents		915,019	1,165,504	(35,414)	145,903
Cash and cash equivalents at the beginning of the period	4	1,440,661	825,208	190,483	26,692
Cash and cash equivalents at the end of the period	4	2,355,680	1,990,712	155,069	172,595

The accompanying notes are an integral part of the individual and consolidated interim financial information.

STATEMENTS OF ADDED VALUE
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian Reais)

	Consolidated		Parent company	
	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
REVENUES				
Sales of energy, gas and services	32,614,546	32,447,196	2,955,203	1,623,944
Distribution construction revenue	2,757,357	2,199,838	-	-
Transmission construction revenue	148,599	269,760	-	-
Interest revenue arising from the financing component in the transmission contract asset	400,432	446,808	-	-
Adjustment to expectation of cash flow from reimbursement of distribution concession financial assets	127,152	28,401	-	-
Revenue from the Construction of own assets	615,792	66,417	-	-
PIS/Pasep and Cofins credits to be refunded to consumers	-	(829,783)	-	-
Estimated credit losses	(72,352)	(44,011)	(2,117)	211
	36,591,526	34,584,626	2,953,086	1,624,155
INPUTS ACQUIRED FROM THIRD PARTIES				
Energy bought for resale	(11,585,865)	(11,587,259)	(2,017,174)	(1,040,748)
Charges for use of national grid	(2,424,624)	(2,245,907)	-	-
Outsourced services	(2,520,619)	(1,951,772)	(10,122)	(13,243)
Gas bought for resale	(2,177,004)	(2,588,314)	-	-
Materials	(2,004,818)	(1,615,748)	(41)	(38)
Other operating costs	(894,898)	(622,949)	(36,459)	(38,577)
	(21,607,828)	(20,611,949)	(2,063,796)	(1,092,606)
GROSS VALUE ADDED	14,983,698	13,972,677	889,290	531,549
RETENTIONS				
Depreciation and amortization	(922,622)	(869,536)	(475)	(931)
NET ADDED VALUE PRODUCED BY THE COMPANY	14,061,076	13,103,141	888,815	530,618
ADDED VALUE RECEIVED BY TRANSFER				
Share of income, net, of associates and joint ventures	293,238	768,440	3,400,194	2,237,847
Bargain purchase	-	8,641	-	-
Gain on financial updating of the Concession Grant Free	314,676	352,585	-	-
Generation indemnity revenue	69,812	24,783	-	-
Financial revenues	1,044,914	1,104,891	(5,869)	36,682
ADDED VALUE TO BE DISTRIBUTED	15,783,716	15,362,481	4,283,140	2,805,147
DISTRIBUTION OF ADDED VALUE				
Employees	1,470,168	1,504,746	76,495	72,550
Direct remuneration	867,648	815,272	13,791	11,476
Post-employment obligations and other benefits	552,490	592,631	60,822	59,515
FGTS fund	49,979	48,134	1,882	1,559
Voluntary retirement program	51	48,709	-	-
Taxes	9,192,379	8,609,814	324,937	38,641
Federal	5,844,459	4,395,898	164,845	(46,602)
State	3,338,584	4,205,267	159,883	84,970
Municipal	9,336	8,649	209	273
Remuneration of external capital	1,240,274	2,560,121	2,779	7,379
Interest	1,229,736	2,547,347	2,756	7,346
Rentals	10,538	12,774	23	33
Remuneration of own capital	3,880,895	2,687,800	3,878,929	2,686,577
Interest on capital	1,268,898	1,069,529	1,268,898	1,069,529
Retained Earnings	2,610,031	1,617,048	2,610,031	1,617,048
Non-controlling interest in retained earnings	1,966	1,223	-	-
	15,783,716	15,362,481	4,283,140	2,805,147

The accompanying notes are an integral part of the individual and consolidated interim financial information.

**NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIODS ENDED AS OF SEPTEMBER 30, 2023
(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. Constituted to 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, provision of distributed generation services and energy efficiency solutions, for the purpose of commercial operation.

b) Transmission Auction 02/2022

The Cemig GT won the auction for Lot 1 of Aneel Transmission Auction 2/2022, held on December 16, 2022: the contract for the new 165-kilometer 230kV Governador Valadares 6 - Verona high voltage transmission line. The Company's bid was for RAP of approximately R\$17 million. The deadline for start of operation is March 30, 2028, and the concession is for 30 years.

On April 13, 2023 the Board of Directors approved transfer of funds totaling R\$221,519 by the Cemig GT into the investee Centroeste over the period March 2023 to June 2026, depending on the needs and cash generation of Centroeste. The objective is construction of the 230 kV Governador Valadares 6 – Verona transmission line, which will be operated by Centroeste. The expected start date for construction is January 2025.

c) Statement of interest in extension of concession

To guarantee its right to request a new grant of concessions for plants whose current concessions terminate in 2026 and 2027, Cemig GT filed Statements of Interest in relation to extension of the concession of the Sá Carvalho hydroelectric plant: (a) through transfer of stockholding control of its wholly-owned subsidiary Sá Carvalho, as per Decree 9271/2018, in February 2023; and (b) in July 2023, under the regime of Physical Guarantee Quotas as per Law 12783/2013.

Cemig GT reiterates that the sole objective of these statements of interest is to ensure its right to a potential extension of Concession Contract 01/2004, for up to 30 years, at the option of the concession-granting power, in accordance with the legislation – which still contains some matters of condition yet to be decided by the Mining and Energy Ministry.

Additionally, in the correspondence sent to the Mining and Energy Ministry and to Aneel in July 2023, the Cemig GT reaffirmed its interest in extension, under the Physical Guarantee Quotas regime, of the concessions of the *Emborcação* and *Nova Ponte* hydroelectric plants (Concession Contract 07/1997).

Cemig GT emphasizes that this statement of interest is of a non-binding nature, its objective being to ensure that it has the right to any extension of Concession Contract 01/2004, and to reaffirm the same interest in Concession Contract 07/1997. Any decision on the subject will only take place after publication by the Brazilian Mining and Energy Ministry and by the Brazilian electricity regulator, Aneel, of all the conditions for extension of the concessions, which will be submitted to decision by Cemig's governance bodies.

Cemig GT further clarifies that this statement of interest will not suspend analysis of any legal alternatives which may be in progress for the extension of the concessions in question.

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 new rules, or alterations to rules, that came into effect on January 1, 2023, and the change in the presentation of the operating segments, this interim accounting information has been prepared in accordance with principles, practices and criteria consistent with those adopted the preparation of the annual financial statements for the year ended December 31, 2022.

Thus, this interim financial information should be read in conjunction with the said annual financial statements, approved by the Company's management on March 25, 2023.

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 these interim financial information on November 9, 2023.

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
Dec. 31, 2022	Jun. 30, 2023	
1	1	Operational context
2	2	Basis of preparation
3	3	Consolidation principles
5	30	Operational segments
6	4	Cash and cash equivalents
7	5	Marketable securities
8	6	Customers and traders
9	7	Recoverable taxes
10	8	Income tax and social contribution tax
12	9	Escrow deposits
13	10	Reimbursement of tariff subsidies
14	11	Concession financial assets
15	12	Contract assets
16	13	Investments
17	14	Property, plant and equipment
18	15	Intangible assets
19	16	Leasing transactions
20	17	Suppliers
21	18	Taxes
22	19	Loans and debentures
23	20	Regulatory charges
24	21	Post-employment obligations
25	22	Provisions
26	23	Equity and remuneration to shareholders
27	24	Revenues
28	25	Costs and expenses
29	26	Financial revenue and expenses
30	27	Related party transactions
31	28	Financial instruments and risk management
32	30	Assets classified as held for sale
35	31	Parliamentary Committee of Inquiry ('CPI')
36	-	Subsequent events

The explanatory notes of financial statements as of December 31, 2022 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
4	Concessions and authorizations
11	Accounts receivable from the State of Minas Gerais
33	Insurance
34	Commitments

2.3 New pronouncements, or revisions of pronouncements, applied for the first time in 2023

Regarding the changes made to (i) CPC 23 / IAS 8 (Accounting policies, change of estimates and correction of errors), (ii) CPC 26 / IAS 1 (Presentation of financial statements), (iii) CPC 32 / IAS 12 (Taxes on profit), and the application of CPC 50 / IFRS 17 (Insurance contracts), in force for annual periods beginning January 1, 2023 or after this date, the Company is following the debate and so far has not identified the possibility of significant impacts on its interim accounting information.

3. PRINCIPLES OF CONSOLIDATION

The reporting dates of financial statements 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 as of the same reporting date of the Company. Accounting practices are applied uniformly in line with those used by the parent company.

The direct equity investments of Cemig, included in the consolidation, are the following:

Subsidiary	Jun. 30, 2023 and Dec. 31, 2022	
	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. CASH AND CASH EQUIVALENTS

	Consolidated		Parent company	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Bank accounts	46,345	95,486	1,991	3,495
Cash equivalents				
Bank certificates of deposit (CDBs) (1)	1,898,897	1,049,244	74,713	170,185
Overnight (2)	410,438	293,688	78,365	16,803
Others	-	2,243	-	-
	2,309,335	1,345,175	153,078	186,988
Total	2,355,680	1,440,661	155,069	190,483

- (1) *Bank Certificates of Deposit (Certificados de Depósito Bancário, or CDBs)*, accrued interest between 50% 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, 2023 (80.05% to 112% on December 31, 2022). 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) *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 12.40% to 12.64% on September 30, 2023 (13.62% to 13.64% on December 31, 2022). 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 28 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.

5. MARKETABLE SECURITIES

	Consolidated		Parent company	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Investments				
Current				
Bank certificates of deposit (CDBs) (1)	557,914	191,338	106,522	10,947
Financial Notes (LFs) - Banks (2)	846,015	1,139,525	161,529	65,197
Treasury Financial Notes (LFTs) (3)	395,352	401,659	75,484	22,981
Others	13,111	12,024	2,830	1,167
	1,812,392	1,744,546	346,365	100,292
Non-current				
Bank certificates of deposit (CDBs) (1)	-	127,052	-	-
Debentures (4)	-	6,579	-	376
Others	-	-	-	-
	-	133,631	-	376
	1,812,392	1,878,177	346,365	100,668

- (1) Bank Certificates of Deposit (Certificados de Depósito Bancário, or CDBs), accrued interest between 103% and 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, 2023 (103% to 104.4% on December 31, 2022).
- (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 105.1% and 110.59% of the CDI rate on September 30, 2023 (103.3% and 110.26% on December 31, 2022).
- (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 12.88% and 12.97% on September 30, 2023 (13.65% and 13.88% on December 31, 2022).
- (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 115.29% of the CDI Rate on September 30, 2023 (TR + 1% to 114.29% of the CDI Rate em 31 de dezembro de 2022).

Note 28 provides a classification of these marketable securities. Investments in marketable securities of related parties are shown in Note 27.

The Company and its subsidiaries consistently classify the income related to these securities as part of the cash flow of the investment activity, because they believe that this is the most appropriate presentation to properly reflect the activities.

6. 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, 2023	Dec. 31, 2022
Billed supply	1,623,161	602,904	551,939	822,879	3,600,883	3,240,333
Unbilled supply	1,263,427	-	-	-	1,263,427	1,243,735
Other concession holders - wholesale supply	37,146	36,620	-	47	73,813	67,445
Other concession holders - wholesale supply, unbilled	335,244	-	-	-	335,244	368,970
CCEE (Power Trading Chamber)	33,834	21,944	-	2,134	57,912	162,104
Concession Holders - power transport	73,351	21,058	13,795	49,376	157,580	180,356
Concession Holders - power transport, unbilled	368,289	-	-	-	368,289	370,261
(-) Provision for expected credit losses	(134,357)	(23,375)	(132,396)	(529,552)	(819,680)	(820,324)
	3,600,095	659,151	433,338	344,884	5,037,468	4,812,880
Current assets					4,992,945	4,769,431
Non-current assets					44,523	43,449

	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, 2023	Dec. 31, 2022
Billed supply	36,759	19,485	7,460	23,003	86,707	43,877
Unbilled supply	355,677	-	-	-	355,677	271,709
CCEE (Power Trading Chamber)	24,792	-	8,947	-	33,739	12,881
(-) Provision for expected credit losses	-	(935)	(1,176)	(23,003)	(25,114)	(23,003)
	417,228	18,550	15,231	-	451,009	305,464
Current assets					449,182	305,464
Non-current assets					1,827	-

The expected credit losses are 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, 2023	Dec. 31, 2022
Residential	309,437	272,406
Industrial	153,627	168,215
Commercial, services and others	228,616	202,739
Rural	37,487	32,741
Public authorities	25,836	27,567
Public lighting	556	833
Public services	27,014	32,580
Charges for use of the network (TUSD)	37,107	83,243
	819,680	820,324

Changes in the expected credit losses are as follows:

	Consolidated
Balance at December 31, 2022	820,324
Additions, net (Note 25)	72,352
Amounts written off	(72,996)
Balance at September 30, 2023	819,680

7. RECOVERABLE TAXES

	Consolidated		Parent company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Current				
ICMS (VAT)	454,025	449,054	1,618	12
PIS/Pasep (a)	58,242	257,680	1,503	24
Cofins (a)	270,460	1,189,190	6,947	121
Others	20,158	20,777	930	930
	802,885	1,916,701	10,998	1,087
Non-current				
ICMS (VAT)	677,871	547,156	-	-
PIS/Pasep (a)	126,736	166,193	118,715	114,944
Cofins (a)	458,748	644,497	421,818	408,427
	1,263,355	1,357,846	540,533	523,371
Total	2,066,240	3,274,547	551,531	524,458

a) Pis/Pasep and Cofins taxes credits over ICMS

As of September 30, 2023, the Company carries current asset and non-current asset in the amount of R\$323,621 and R\$582,153, 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.

In the period from January to September of 2023, credits of PIS/Pasep and Cofins taxes were offset against payable federal taxes in the amount of R\$1,132,045 (R\$1,089,377 in the same period of 2022).

8. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Income tax and social contribution tax recoverable

	Consolidated		Parent company	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Income tax	620,780	707,263	109,028	97,568
Social contribution tax	285,411	240,947	1,560	(1,818)
	<u>906,191</u>	<u>948,210</u>	<u>110,588</u>	<u>95,750</u>
Current	683,444	775,492	53,446	-
Non-current	222,747	172,718	57,142	95,750

The balances of income tax and the Social Contribution tax posted in Non-current assets arise mainly from payments in advance, as required by the tax legislation, which were greater than the amounts of these two taxes as calculated by the Company at the end of the calendar year.

b) Income tax and social contribution tax payable

	Consolidated	
	Sep. 30, 2023	Dec. 31, 2022
Current		
Income tax	43,255	197,619
Social contribution tax	34,904	42,055
	<u>78,159</u>	<u>239,674</u>

The company has some uncertainties relating to the treatments of certain taxes on income, 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 22.

c) Deferred income tax and social contribution tax

	Consolidated		Parent company	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Deferred tax assets				
Tax loss carryforwards	1,190,357	986,659	735,744	767,103
Provisions	644,274	602,084	100,789	94,790
Impairment on investments	56,746	56,398		-
Fair value of derivative financial instruments (PUT SAAG)	-	228,621		-
Provision related to the exclusion of ICMS from the PIS/Pasep and Cofins calculation basis (1)	154,610	598,380	588	588
Income sharing provision	35,756	29,824	2,585	2,118
Post-employment obligations	1,895,079	1,852,232	237,183	223,779
Estimated credit losses	323,251	318,982	9,123	8,405
Provision for onerous concession	11,700	11,579	-	-
Others	23,521	24,928	199	93
Total	4,335,294	4,709,687	1,086,211	1,096,876
Deferred tax liabilities				
Deemed cost	(155,866)	(155,882)	-	-
Fair value of assets acquired in business combination	(444,081)	(456,418)	(99,278)	(101,727)
Borrowing costs capitalized	(178,344)	(169,801)	-	-
Taxes on unredeemed income - presumed income	(6,251)	(9,262)	-	-
Adjustment to expectation of cash flow - Concession assets	(321,455)	(263,041)	-	-
Adjustment of contract assets	(941,815)	(940,026)	-	-
Adjustment to fair value: Swap - Loss	(115,577)	(209,599)	-	-
Updating on escrow deposits	(9,258)	(7,950)	-	-
Reimbursement of costs - GSF	(240,158)	(274,036)	-	-
Others	23,129	(36,385)	-	-
Total	(2,389,676)	(2,522,400)	(99,278)	(101,727)
Total, net	1,945,618	2,187,287	986,933	995,149
Total assets	2,963,432	3,119,522	986,933	995,149
Total liabilities	(1,017,814)	(932,235)	-	-

(1) In 2022, a provision was recorded as a result of Law 14385/22, which specifies that 100% of the amounts arising from tax charged in excess (as defined by the court ruling that PIS, Pasep and Cofins taxes could not be charged on amounts of ICMS tax included within electricity bills) should be reimbursed to consumers. The amount refers to the period as from the 11th year, i.e. as from the date of the final judgment subject to no further appeal, net of the portion included in the 2022 and 2023 Annual Tariff Adjustment.

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

	Consolidated	Parent company
Balance at December 31, 2022	2,187,287	995,149
Effects allocated to net income	(223,308)	(6,724)
Effects allocated to Statement of comprehensive income	(20,811)	(1,491)
Others	2,450	(1)
Balance at June 30, 2023	1,945,618	986,933

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

	Consolidated		Parent company	
	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
Income before income tax and social contribution tax	4,848,516	2,534,016	3,975,304	2,589,309
Income tax and social contribution tax - nominal expense (34%)	(1,648,495)	(861,565)	(1,351,603)	(880,365)
Tax effects applicable to:				
Gain in subsidiaries by equity method (net of effects of Interest on Equity)	85,543	196,167	808,319	604,852
Tax incentives	47,106	32,656	99	-
Difference between Presumed Income and Real Income	68,468	64,250	-	-
Non-deductible penalties	(71,464)	(25,498)	(29)	(13)
Interest on equity declared	431,425	363,640	431,425	363,640
Estimated losses on doubtful accounts receivable from related parties	290	233,931	290	-
Disposal of goodwill	-	108,416	-	-
Selic rate on tax overpayments (1)	96,791	-	15,979	-
Others	22,715	41,787	(855)	9,154
Income tax and Social Contribution - effective gain (expense)	(967,621)	153,784	(96,375)	97,268
Current tax	(744,313)	(654,736)	(89,651)	-
Deferred tax	(223,308)	808,520	(6,724)	97,268
	(967,621)	153,784	(96,375)	97,268
Effective rate	19.96%	(6.07)%	2.42%	(3.76)%

	Consolidated		Parent company	
	Jul to sep, 2023	Jul to Sep, 2022	Jul to sep, 2023	Jul to Sep, 2022
Income before income tax and social contribution tax	1,479,644	1,392,224	1,242,344	1,140,236
Income tax and social contribution tax - nominal expense (34%)	(503,079)	(473,356)	(422,397)	(387,680)
Tax effects applicable to:				
Gain in subsidiaries by equity method (net of effects of Interest on Equity)	9,455	22,439	265,907	260,189
Tax incentives	24,384	16,534	48	-
Difference between Presumed Income and Real Income	22,089	18,238	-	-
Non-deductible penalties	(13,632)	(2,721)	(2)	88
Interest on equity declared	142,111	160,320	142,111	160,320
Estimated losses on doubtful accounts receivable from related parties	290	-	-	-
Selicit rate on tax overpayments (1)	96,791	-	15,979	-
Others	(20,746)	48,675	(7,282)	8,715
Income tax and Social Contribution - effective gain (expense)	(242,337)	(209,871)	(5,636)	41,632
Current tax	(181,282)	(284,047)	(16,607)	-
Deferred tax	(61,055)	74,176	10,971	41,632
	(242,337)	(209,871)	(5,636)	41,632
Effective rate	16.38%	15.07%	0.45%	(3.65)%

- (1) This corresponds to the monetary updating on differences between credits of PIS, Pasep and Cofins taxes on ICMS tax amounts that the company has stated separately in customer tax invoices and the amounts paid. In the 2022 financial year the balance of this update was taxed, but with the favorable judgment by the Federal Supreme Court (STF), the balance became excluded in the calculation for 2023.

9. ESCROW DEPOSITS

	Consolidated		Parent company	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Labor claims	231,970	259,294	26,783	30,806
Tax contingencies				
Income tax on Interest on Equity	32,492	31,297	363	337
PIS/Pasep and Cofins taxes (1)	74,640	70,453	-	-
Donations and legacy tax (ITCD)	62,848	59,591	61,790	58,574
Urban property tax (IPTU)	99,813	95,831	70,363	67,011
Finsocial tax	45,375	43,633	45,375	43,633
Income and Social Contr. Tax on indemnity for employees' 'Anuênio' benefit (2)	315,959	305,427	15,167	14,668
Income tax withheld at source on inflationary income	9,273	9,058	9,273	9,058
Income tax and contribution tax effective rate (3)	141,957	105,850	1,551	313
Others (4)	110,765	122,730	65,985	65,395
	893,122	843,870	269,867	258,989
Others				
Regulatory	48,388	45,642	10,131	9,311
Third party	11,808	9,156	2,883	3,202
Customer relations	6,010	7,890	422	971
Court embargo	24,159	19,991	3,502	3,310
Others	16,527	20,752	3,770	3,736
	106,892	103,431	20,708	20,530
	1,231,984	1,206,595	317,358	310,325

- (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 22 - 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.

10. REIMBURSEMENT OF TARIFF SUBSIDIES

The Company recognizes as revenue from tariff subsidies the amounts applying to the tariffs paid by or relating to:

- (i) users of public electricity distribution service from incentive-bearing sources;
- (ii) rural supply;
- (iii) nocturnal irrigation;
- (iv) generation by incentive-bearing sources; and
- (v) public services.

These amounts are reimbursed through transfers of funds from the Energy Development Account (*Conta de Desenvolvimento Energético – CDE*). Also reimbursed from the CDE are:

- (i) subsidies for low-income users;
- (ii) the subsidy related to the Electricity Compensation System (SCEE), which Aneel released for application in the Tariff Review of 2023 for compensation of distributed generation; and
- (iii) the allowance for the amounts contributed by Eletrobras or its subsidiaries under CNPE Resolution No. 15/2021, passed on to holders of electricity distribution concessions and permissions.

Of this amount, the Company has to receive the total amount of R\$195,834 (R\$159,426 on December 31, 2022), of such amounts, Cemig D has a receivable of R\$187,180 and Cemig GT has a receivable of R\$8,654 in current assets.

11. CONCESSION FINANCIAL AND SECTOR ASSETS AND LIABILITIES

Consolidated	Sep. 30, 2023	Dec. 31, 2022
Concession financial assets		
Energy distribution concessions	1,678,646	1,369,652
Gas distribution concessions	38,141	36,945
Indemnifiable receivable - Generation (11.1)	761,273	691,460
Concession grant fee - Generation concessions (11.2)	3,018,051	2,950,418
	5,496,111	5,048,475
Sector financial assets		
Amounts receivable from Parcel A (CVA) and Other Financial Components (11.3)	960,073	944,090
Total	6,456,184	5,992,565
Current assets	834,993	1,055,378
Non-current assets	5,621,191	4,937,187

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

	Distribution	Generation	Gas	Consolidated
Balance at December 31, 2022	1,369,652	3,641,878	36,945	5,048,475
Transfers of contract assets	182,512	-	-	182,512
Monetary updating	127,152	384,489	1,196	512,837
Amortization	(670)	-	-	(670)
Amounts received	-	(247,043)	-	(247,043)
Balance at September 30, 2023	1,678,646	3,779,324	38,141	5,496,111

11.1 Generation - Indemnity receivable

These balances were recognized in financial assets, at fair value through income 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 Report was concluded, with the following results:

Generation plant	Concession expiration date	Installed capacity (MW) (1)	Net balance of assets on December 31, 2022	Financial Update	Net balance of assets on September 30, 2023
Lot D					
UHE Três Marias	July 2015	396.00	179,083	18,081	197,164
UHE Salto Grande	July 2015	102.00	91,874	9,275	101,149
UHE Itutinga	July 2015	52.00	10,825	1,093	11,918
UHE Camargos	July 2015	46.00	21,042	2,125	23,167
PCH Piauí	July 2015	18.01	4,695	474	5,169
PCH Gafanhoto	July 2015	14.00	5,630	568	6,198
PCH Peti	July 2015	9.40	6,498	656	7,154
PCH Dona Rita	Sep. 2013	2.41	1,683	170	1,853
PCH Tronqueiras	July 2015	8.50	9,063	821	9,884
PCH Joasal	July 2015	8.40	6,727	679	7,406
PCH Martins	July 2015	7.70	4,776	482	5,258
PCH Cajuru	July 2015	7.20	20,238	2,044	22,282
PCH Paciência	July 2015	4.08	4,449	449	4,898
PCH Marmelos	July 2015	4.00	2,585	261	2,846
Others					
UHE Volta Grande	Feb. 2017	380.00	387	39	426
UHE Miranda	Dec. 2016	408.00	97,493	9,843	107,336
UHE Jaguará	Aug. 2013	424.00	147,788	15,015	162,803
UHE São Simão	Jan. 2015	1,710.00	76,624	7,738	84,362
		3,601.70	691,460	69,813	761,273

(1) Data not revised by external auditors..

The remaining balance of R\$761,273 represents management's best estimate for the right to receive cash from the regulator related to the generation entities, based on the evaluation criteria set by regulator (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.

11.2 Concession grant fee - Generation concessions

The concession grant fee paid by the Company for a 30-year concession contracts N^o. 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, 2022	Interest	Amounts received	Sep. 30, 2023
Cemig Geração e Transmissão S.A. (1)	Três Marias	1,671,517	169,657	(132,735)	1,708,439
Cemig Geração e Transmissão S.A. (1)	Salto Grande	524,779	53,498	(41,861)	536,416
Cemig Geração Itutinga S.A.	Itutinga	197,984	22,613	(17,797)	202,800
Cemig Geração Camargos S.A.	Camargos	148,407	16,841	(13,249)	151,999
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência e Piau	194,694	23,575	(18,641)	199,628
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade e Tronqueiras	133,014	17,727	(14,155)	136,586
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto e Martins	80,023	10,765	(8,605)	82,183
		2,950,418	314,676	(247,043)	3,018,051

(1) On May 31, 2023, the wholly-owned subsidiaries Cemig Geração Três Marias S.A. and Cemig Geração Salto Grande S.A. were absorbed by the Cemig GT.

11.3 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, 2023			Dec. 31, 2022		
	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	117,802	842,271	960,073	544,370	399,720	944,090
Current assets	117,802	398,243	516,045	544,370	201,661	746,031
Non-current assets	-	444,028	444,028	-	198,059	198,059
Total current, net	117,802	398,243	516,045	544,370	201,661	746,031
Total non-current, net	-	444,028	444,028	-	198,059	198,059
Total, net	117,802	842,271	960,073	544,370	399,720	944,090

Financial components	Sep. 30, 2023			Dec. 31, 2022		
	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	(1,313)	(422)	(1,735)	140,528	(139,639)	889
Tariff for use of transmission facilities of grid participants	182,632	214,659	397,291	4,297	211,497	215,794
Tariff for transport of Itaipu supply	22,529	31,631	54,160	180	17,786	17,966
Alternative power source program (Proinfa)	(29,195)	-	(29,195)	38,984	(7,872)	31,112
ESS/EER System Service/Energy Charges (2)	(396,353)	122,357	(273,996)	377,682	204,843	582,525
Energy bought for resale (2)	(412,315)	(472,824)	(885,139)	233,721	(1,321,656)	(1,087,935)
Other financial components						
Over contracting of supply (1)	557,983	471,041	1,029,024	40,617	708,966	749,583
Neutrality of Parcel A	(45,783)	426,940	381,157	(32,683)	235,990	203,307
Excess demand and reactive power	(43,864)	(35,245)	(79,109)	(22,983)	(47,707)	(70,690)
Other financial items	283,481	84,134	367,615	(235,973)	537,512	301,539
Total	117,802	842,271	960,073	544,370	399,720	944,090

(1) In 2017 and 2018 Cemig D was overcontracted (i.e. it contracted more supply than the demand that occurred in practice). The gain arising from the sale of the excess supply of energy in the spot market (at prices higher than it was bought for) was provisionally passed through to consumers by Aneel in the tariff adjustments of 2018 and 2019, including the portion in excess of the limit of 105% of the regulatory load – thus reducing the tariff that was set by these annual

adjustments, in the form of application of a negative financial component. Since this is a case of voluntary overcontracting, the Company considers that, based on the regulations in force at the time, the portion above the regulatory limit should be recovered in the subsequent tariff adjustment. In 2020, by SGT/SEM Dispatch 2508, part of the amount relating to the overcontracting of 2017 – a total of R\$ 39,270 – was recognized and taken into account in the tariff adjustment process of 2021. As a result of administrative appeals presented to Aneel, these amounts were adjusted by Aneel Dispatch 2168 of 2022, recognizing the entirety of the overcontracting of 2017 as voluntary. With the publication of the dispatch, and considering the present rules, the gains that had not yet been recovered through the tariff in relation to the overcontracting of 2017, of which the updated value is R\$ 228,477, were recognized by Aneel in the 2023 tariff process. In relation to the over-contracting of 2018, in the amount of R\$29,184, the Company continues to recognize the right to the amount, and awaits publication of the related dispatch.

- (2) The variation in the items ESS/EER and Electricity purchased for resale is mainly due to the effect of the water scarcity 'Flag' tariff, which lasted until April 2022 (CREG/MME Resolution No. 3), and affected the amount presented on December 31, 2022 for ratification by Aneel. With the more favorable hydrological situation, the tariff flag has remained set to 'green' ever since the end of that period of water scarcity – thus producing no effect, in September 2023, on the amounts to be approved.

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

	Consolidated
Balance at December 31, 2022	944,090
Additions	551,674
Amortization	(615,246)
Transfer (1)	(1,550)
Updating - Selic rate (Note 26)	81,105
Balance at September 30, 2023	960,073

- (1) Amounts relating to the reversal, for the purpose of moderation of tariffs, of the credits that could not be returned to consumers in final billing, as specified in §6 of Article 141 of Normative Resolution (REN) 1,000 of 2021.

12. CONCESSION CONTRACT ASSETS

Consolidated	Sep. 30, 2023	Dec. 31, 2022
Distribution - Infrastructure assets under construction	3,231,491	1,849,853
Gas - Infrastructure assets under construction	265,659	116,982
Transmission - National Grid ('BNES' - Basic Network of the Existing System) - Law 12,783/13	1,792,904	1,927,040
Transmission - Assets remunerated by tariff	2,951,701	2,810,949
	8,241,755	6,704,824
Current	831,592	728,404
Non-current	7,410,163	5,976,420

Changes in concession contract assets are as follows:

	Transmission	Distribution	Gas	Total
Balance at December 31, 2022	4,737,989	1,849,853	116,982	6,704,824
Additions	148,599	2,470,103	187,880	2,806,582
Inflation adjustment	400,432	-	-	400,432
Amounts received	(542,597)	-	-	(542,597)
Disposals	182	-	-	182
Others additions	-	(182,512)	-	(182,512)
Transfers to financial assets	-	(921,535)	(39,203)	(960,738)
Transfers to intangible assets	-	15,582	-	15,582
Adjustment of assets in progress	4,744,605	3,231,491	265,659	8,241,755
Balance at September 30, 2023	4,737,989	1,849,853	116,982	6,704,824

The amount of additions in the period ended September 30, 2023 includes R\$52,410 borrowing costs, as presented in note 19. The average rate to determine the amount of borrowing costs was 12.25%. The nature of the additions to contract and intangible assets is shown in note 25b.

The capitalization of financial charges is a non-cash transaction, and therefore is not reflected in the Cash Flow Statements.

The transmission activity

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

	Sep. 30, 2023	Dec. 31, 2022
Current		
Concession contract - 004/05	27,692	28,879
Concession contract - 079/00	45,136	46,685
Concession contract - 006/11	8,605	8,371
Concession contract - 006/97		
National Grid ('BNES' - Basic Network of the Existing System)	462,198	408,395
National Grid - new facilities (RBNI)	287,962	236,073
	831,593	728,403
Non-current		
Concession contract - 004/05	73,523	81,399
Concession contract - 079/00	120,999	142,513
Concession contract - 006/11	90,755	85,391
Concession contract - 006/97		
National Grid ('BNES' - Basic Network of the Existing System)	1,330,706	1,518,645
National Grid - new facilities (RBNI)	2,297,029	2,181,638
	3,913,012	4,009,586
	4,744,605	4,737,989

Concession contract 006/1997

Aneel Dispatch 402 of February 14, 2023 postponed the Periodic Tariff Review (*Revisão Tarifária Periódica – RTP*) of the Permitted Annual Revenue (*Receita Anual Permitida – RAP*) of the transmission concessions that had been extended under Law 12783/2013. The *Report on Physical and Accounting Assessment and Reconciliation* is to be delivered by the later of the following two dates: (a) December 29, 2023; or (b) up to 30 days after closing of the Public Consultation on the revision of Sub-modules 9.1 and 9.2 of the Tariff Regulation Procedures (*Procedimentos de Regulação Tarifária – PRORET*). The time limit for ratification of the RAP in its entirety is July 1, 2024. As specified in the Dispatch, the adjustment for the 2023–24 period was processed through Ratifying Resolution (*Resolução Homologatória*) 3216 of July 4, 2023.

The financial consequences of the new RAPs are being analyzed. No significant impacts are expected for the Company, since there were no significant changes in the assumptions used.

13. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investees	Control	Consolidated		Parent company	
		Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Cemig Geração e Transmissão	Subsidiary	-	-	10,044,521	8,966,797
Guanhães Energia S.A. ("Guanhães Energia")	Jointly controlled	203,748	182,579	-	-
Hidrelétrica Cachoeirão S.A. ("Hidrelétrica Cachoeirão")	Jointly controlled	56,567	47,096	-	-
Hidrelétrica Pipoca S.A. ("Hidrelétrica Pipoca")	Jointly controlled	60,051	46,744	-	-
Madeira Energia ("MESA") (3)	Affiliated	-	9,500	-	-
Fundo de Investimento em Participações Melbourne Multiestratégia ("FIP Melbourne") (3)	Affiliated	-	7,760	-	-
Retiro Baixo Energética S.A. ("Retiro Baixo") (4)	Jointly controlled	-	185,495	-	-
Aliança Norte Participações S.A. ("Aliança Norte") (2)	Jointly controlled	548,285	575,745	-	-
Baguari Energia S.A. ("Baguari Energia") (4)	Jointly controlled	-	160,324	-	-
Aliança Geração de Energia S.A. ("Aliança Geração")	Jointly controlled	1,291,818	1,193,841	-	-
Amazônia Energia Participações S.A. ("Amazônia Energia") (2)	Jointly controlled	838,026	885,529	-	-
Paracambi Energética S.A. ("Paracambi")	Jointly controlled	128,100	134,425	-	-
Cemig Distribuição	Subsidiary	-	-	8,762,263	7,105,260
Transmissora Aliança de Energia Elétrica S.A. ("Taesa")	Jointly controlled	1,561,249	1,548,695	1,561,249	1,548,695
Gasmig	Affiliated	-	-	1,803,299	1,749,549
Cemig Sim	Subsidiary	-	-	331,954	198,880
UFVs (1)	Subsidiary	109,799	127,991	-	-
Sete Lagoas Transmissora de Energia S.A. ("Sete Lagoas")	Jointly controlled	-	-	73,181	68,263
Total of investments	Jointly controlled	4,797,643	5,105,724	22,576,467	19,637,444

(1) Set of photovoltaics business, in which the investee Cemig Sim has a interest.

(2) Indirect interest in the Belo Monte plant through these investees.

(3) On March 20, 2023, Cemig GT completed the sale of its direct and indirect ownership interest in the capital stock of Mesa to Furnas Centrais Elétricas S.A. ("Furnas"). More details will follow in the course of this explanatory note.

(4) The In accordance with CPC 31/IFRS 5, in the second quarter of 2023 the interests held by the Company in these investees were classified as non-current assets held for sale. The sale of Baguari Energia was completed on October 6, 2023; the sale of Retiro Baixo is pending consent by the BNDES (Brazilian Development Bank). For more details please see Note 30.

For the period ended September 30, 2023, the Company concluded that were no indications of possible impairment of its investments, as required by CPC 01/IAS 36 - Impairment of Assets.

Movement of the right to exploitation of the regulated activity

Parent Company			
Investees	Dec. 31, 2022	Amortization	Sep. 30, 2023
Paracambi	73,987	(1,876)	72,111
Taesa	142,141	(6,991)	135,150
Gasmig	380,989	(9,710)	371,279
Sete Lagoas	(4,262)	184	(4,078)
Total	592,855	(18,393)	574,462

Consolidated					
Investees	Dec. 31, 2022	Addition	Amortization	Other (1)	Jun. 30, 2023
Cemig Geração e Transmissão					
Retiro Baixo	26,408	-	(463)	(25,945)	-
Aliança Geração	276,295	-	(18,982)	-	257,313
Aliança Norte	44,688	-	(1,479)	-	43,209
Paracambi	73,987	-	(1,876)	-	72,111
Taesa	142,141	-	(6,991)	-	135,150
Cemig Sim					
UFVs	14,205	3,031	(253)	(10,531)	6,452
Total	577,724	3,031	(30,044)	(36,476)	514,235

(1) In April 2023, the interest held by the Company in this investee was classified as assets held for sale. More details in explanatory note 30.

The right of exploitation is recognized in the business combination in past year and are amortized considering the concession period of each subsidiaries.

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

Parent Company						
Investees	Dec. 31, 2022	Gain (loss) by equity method (Statement of income)	Gain (loss) by equity method (Other comprehensive income)	Dividends / Interest on equity	Additions	Sep. 30, 2023
Cemig Geração e Transmissão	8,966,797	1,557,127	8,635	(488,038)	-	10,044,521
Cemig Distribuição	7,105,260	1,210,896	28,866	(495,074)	912,315	8,762,263
Gasmig	1,749,549	445,609	-	(391,859)	-	1,803,299
Cemig Sim	198,880	1,442	-	-	131,632	331,954
Sete Lagoas	68,263	4,918	-	-	-	73,181
Taesa	1,548,695	180,202	-	(167,648)	-	1,561,249
Total	19,637,444	3,400,194	37,501	(1,542,619)	1,043,947	22,576,467

Consolidated						
Investees	Dec. 31, 2022	Gain (loss) by equity method (Statement of income)	Dividends / Interest on equity	Additions / acquisitions	Other	Jun. 30, 2023
Hidrelétrica Cachoeirão	47,096	6,565	-	-	-	53,661
Guanhães Energia	182,579	18,878	-	-	-	201,457
Hidrelétrica Pipoca	46,744	10,301	-	-	-	57,045
MESA (3)	9,500	(9,500)	-	-	-	-
FIP Melbourne (3)	7,760	22,326	-	-	(30,086)	-
Paracambi	134,425	6,141	(16,408)	-	-	124,158
Baguari Energia (4)	160,324	11,133	(11,579)	-	(159,878)	-
Amazônia Energia (1)	885,529	(26,894)	-	208	-	858,843
Aliança Norte (1)	575,745	(14,570)	-	333	-	561,508
Taesa	1,548,695	122,006	(99,708)	-	-	1,570,993
Aliança Geração	1,193,841	64,356	-	-	-	1,258,197
Retiro Baixo (4)	185,495	5,052	-	-	(190,547)	-
UFV Janaúba Geração de Energia Elétrica Distribuída S.A. ("UFV Janaúba")	3,422	385	-	-	-	3,807
UFV Corinto Geração de Energia Elétrica Distribuída S.A. ("UFV Corinto")	8,441	199	(433)	-	-	8,207
UFV Manga Geração de Energia Elétrica Distribuída S.A. ("UFV Manga")	10,799	104	(654)	-	-	10,249
UFV Bonfinópolis II Geração de Energia Elétrica Distribuída S.A. ("UFV Bonfinópolis II")	6,406	97	(208)	-	-	6,295
UFV Lagoa Grande Geração de Energia Elétrica Distribuída S.A. ("UFV Lagoa Grande")	14,140	695	(686)	-	-	14,149
UFV Lontra Geração de Energia Elétrica Distribuída S.A. ("UFV Lontra")	17,526	830	(1,073)	-	-	17,283
UFV Mato Verde Geração de Energia Elétrica Distribuída S.A. ("UFV Mato Verde")	6,123	420	(375)	-	-	6,168
UFV Mirabela Geração de Energia Elétrica Distribuída S.A. ("UFV Mirabela")	4,199	-	(179)	-	-	4,020
UFV Porteira I Geração de Energia Elétrica Distribuída S.A. ("UFV Porteira I")	4,739	460	(133)	-	-	5,066
UFV Porteira II Geração de Energia Elétrica Distribuída S.A. ("UFV Porteira II")	6,604	369	(389)	-	-	6,584
UFV Brasilândia Geração de Energia Elétrica Distribuída S.A. ("UFV Brasilândia")	14,176	701	(756)	-	-	14,121
Apolo I SPE Empreendimentos e Energia S.A. ("UFV Apolo I")	6,689	119	-	-	-	6,808
Apolo II SPE Empreendimentos e Energia S.A. ("UFV Apolo II")	-	1,597	-	5,759	-	7,356
G2 Campo Lindo I Energia S.A. ("UFV Campo Lindo I") (2)	8,161	210	-	-	-	8,371
G2 Campo Lindo II Energia S.A. ("UFV Campo Lindo II") (2)	8,458	179	-	-	-	8,637
G2 Olaria I Energia S.A. ("UFV Olaria I") (2)	8,108	163	-	-	-	8,271
Total investment	5,105,724	222,322	(132,581)	6,300	(380,511)	4,821,254

- (1) Indirect participation in Belo Monte Dam through these investees.
- (2) On July 20, 2023, control of these investees was acquired and they were consolidated by the Company. Therefore, the Company's interest in these investees is reflected in the Company's consolidated assets and liabilities.
- (3) On March 20, 2023, Cemig GT completed the sale of its direct and indirect ownership interest in the capital stock of Mesa to Furnas Centrais Elétricas S.A. ("Furnas"). More details will follow in the course of this explanatory note.
- (4) The In accordance with CPC 31/IFRS 5, in the second quarter of 2023 the interests held by the Company in these investees were classified as non-current assets held for sale. The sale of Baguari Energia was completed on October 6, 2023; the sale of Retiro Baixo is pending consent by the BNDES (Brazilian Development Bank). For more details please see Note 30.

Changes in dividends receivable are as follows:

	Consolidated	Parent company
Balance at December 31, 2022	145,908	2,655,433
Investees' dividends proposed	201,835	1,542,619
Withholding tax on interest on equity declared by investees	-	(154,497)
Amounts received	(278,906)	(1,624,335)
Balance at September 30, 2023	68,837	2,419,220
Current	68,837	1,739,426
Non-current	-	679,794

Disposal of stockholding interest - Mesa

On March 20, 2023 the Cemig GT completed sale to Furnas Centrais Elétricas S.A of the whole of its direct and indirect stockholding interests in Mesa, equivalent to 7.53% of the share capital of that investee, which is the controlling stockholder of Santo Antônio Energia S.A. (SAE), for R\$55,390.

With the conclusion of the sale, Furnas undertook to assume the guarantees given by Cemig and Cemig GT to the Brazilian Development Bank (BNDES) and other creditors, under agreements for financing of SAE, and to hold Cemig and Cemig GT harmless from any obligation relating to these guarantees, up to the time when these obligations are effectively assumed by Furnas.

As a result of the sale a capital gain was recognized in March 2023, as follows:

Parent Company and Consolidated	
Direct stake, %	4.1422%
Indirect stake, %	3.3837%
Sale price:	736,000
Direct stake, %	30,487
Indirect stake, %	24,904
	55,391
Cost of the investment (1):	-

(1) In the calculation the balance of the investment on February 28, 2023 was used, from the last interim balance sheet raised for the investee before the sale (the same as is used for accounting via the equity method). The balance of the investment is zero, so that writing it down did not generate any effects in net profit, for the purposes of calculation of capital gain on the sale.

The capital gain relating to the direct stockholding was recognized in the income statement for the period, with counterpart in Cash and cash equivalents. The taxes on this amount were R\$10,365, representing 34% (25% corporate income tax and 9% Social Contribution tax on Net Profit).

The capital gain on the indirect stockholding was recognized by the equity method, because of its origin in realization of the equity interest held by Fundo Melbourne in SAAG. Due to the sale of the equity interest by the investment fund, which subsists only for operational reasons necessary for its liquidation, the balance receivable from the funds was recognized in the Statement of financial position as a financial instrument in the 'Other assets' group, considering the imminence of receipt of the proceeds.

This disposal is part of the execution of Cemig's disinvestment program, with the aim of redirecting management efforts and allocation of capital to the State of Minas Gerais.

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.

Considering Cemig GT's participation in FIP Melbourne, the Company has a receivable recorded in the amount of R\$255,918 on September 30, 2023, in the statement of financial position under "Other Assets". On October 23, 2023, Cemig GT received the updated amount of R\$257,273.

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. Through the jointly controlled entities referred to above, Cemig GT owns an indirect equity interest in NESA of 11.69%.

On September 30, 2023 NESA had negative net working capital of R\$440,070 (R\$494,493 on December 31, 2022). According to the estimates and projections, the situation of negative net working capital, and the future demands for investments in the hydroelectric plant, will be supported by revenues from future operations.

On September 21, 2015, NESA was awarded a preliminary injunction ordering ANEEL to abstain from applying penalties or sanctions to NESA in relation to the delay in Belo Monte Hydroelectric Plant to start operations, until the hearing of the application for an injunction made in the original case. The legal advisers of NESA have classified the probability of loss as 'possible' and estimated the potential loss on September 30, 2023 to R\$2,820 millions (R\$2,972 millions on December 31, 2022). The potential impact for the Company is limited to its investment interest in NESA.

UFV Três Marias S.A.

In the first half of 2023 the Company injected R\$ 39,216 into this investee: R\$ 32,397 as an Advance Against Future Capital Increase ('AFAC'), for construction of the 78 MW *Três Marias* Floating Photovoltaic Distributed Generation complex; and R\$ 6,819 in fixed assets for construction and operation of the *Três Marias* Photovoltaic Plant, with installed capacity of 1.5 MW.

Advance against Future Capital Increase ('AFAC'), in Cemig Sim

In the period from January to September 2023, the Company made injections, as Advances for Future Capital Increase, in Cemig Sim, in the total amount of R\$131,632, for the purpose of making investments.

Montes Claros photovoltaic plant

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 by an individual, among others, in the special-purpose company ('SPC') *Duceu Geradores de Energia, Máquinas e Equipamentos SPE Ltda.* ('UFV Montes Claros'), owner of the *Montes Claros* photovoltaic plant.

On April 28, 2023, Cemig Sim concluded acquisition of 100% of the shares in the *Montes Claros* photovoltaic generation plant. This was approved by the Brazilian antitrust authority, CADE – its approval is a usual condition precedent in this type of transaction.

This is a preliminary measurement of the fair value of the assets and liabilities acquired:

R\$ '000	Montes Claros photovoltaic plant
– Net equity of the <i>Montes Claros</i> solar plant	19,749
– Added value (fair value – book value)	1,571
– Fair value of net assets	21,320
Price gain on acquisition	1,193
Consideration paid for 100% interest in the <i>Montes Claros</i> solar plant	20,127

Assets	Fair value on date of acquisition	Liabilities	Fair value on date of acquisition
Current	72	Current	352
Other current assets	72	Other current liabilities	352
		Non-current	4,416
Non-current	26,016	Other non-current liabilities	4,416
Fixed assets	18,749		
Rights of use – Leasing	4,696		
Intangible assets	2,571		
		Total fair value	21,320

The acquisition will add to the Cemig Group's participation in the generation sector and total generation output, also contributing to efficient supply to consumers due to the Group's expertise in this market.

Acquisition of interest in special-purpose companies (SPCs)

On July 20, 2023, Cemig Sim concluded acquisition of the remaining 51% interests in the following SPCs:

- (i) G2 Olaria 1 Energia S.A.,
- (ii) G2 Campo Lindo 1 Energia S.A.,
- (iii) G2 Campo Lindo 2 Energia S.A.

– becoming the holder of 100% of the shares in these companies.

On the same date Cemig Sim also concluded acquisition of 100% of the shares in the SPC SPE G2 Olaria 2 Energia S.A. The aggregate value of these acquisitions was R\$ 47.4 million.

These four SPCs own four photovoltaic generation plants in full commercial operation, with installed capacity of 13 MWp, operating in the regime of shared distributed mini-generation, in the city of Lavras, Minas Gerais.

This transaction underlines the Company's strategy of growth in distributed generation, with 100% ownership of generation plants under its management, exclusively in the State of Minas Gerais.

Risks related to compliance with laws and regulations

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 stockholders of Nesa and certain executives of those other stockholders. In this context, the Federal Public Attorneys have started investigations into irregularities involving contractors and suppliers of Nesa and of its other stockholders, which are still in progress. Taking into account the results of the independent internal investigation conducted by it and by the other shareholders, in 2015 the investee made a provision in the amount of R\$ 183,000.

Based on how the subject has developed, the management of Norte Energia concluded that the possibility of future loss or punishment for Nesa is remote, and with this conclusion it reversed the provision in the 2022 business year.

14. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Sep. 30, 2023			Dec. 31, 2022		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	247,435	(31,230)	216,205	247,028	(29,140)	217,888
Reservoirs, dams and watercourses	3,239,409	(2,449,376)	790,033	3,302,646	(2,432,974)	869,672
Buildings, works and improvements	1,094,385	(863,408)	230,977	1,092,227	(859,006)	233,221
Machinery and equipment	2,782,216	(2,059,262)	722,954	2,764,985	(2,059,246)	705,739
Vehicles	19,054	(13,763)	5,291	14,970	(13,050)	1,920
Furniture	13,700	(11,679)	2,021	13,739	(11,514)	2,225
	7,396,199	(5,428,718)	1,967,481	7,435,595	(5,404,930)	2,030,665
In progress	990,805	-	990,805	378,686	-	378,686
Net property, plant and equipment	8,387,004	(5,428,718)	2,958,286	7,814,281	(5,404,930)	2,409,351

Parent company	Sep. 30, 2023			Dec. 31, 2022		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	82	-	82	82	-	82
Buildings, works and improvements	55	(28)	27	55	(26)	29
Machinery and equipment	5,044	(4,983)	61	5,200	(5,124)	76
Furniture	724	(703)	21	727	(700)	27
	5,905	(5,714)	191	6,064	(5,850)	214
In progress	1,029	-	1,029	1,026	-	1,026
Net property, plant and equipment	6,934	(5,714)	1,220	7,090	(5,850)	1,240

Changes in PP&E are as follows:

Consolidated	Dec. 31, 2022	Additions	Disposals – Asset classified as held for sale	Disposals	Depreciation	Transfers / capitalizations	Sep. 30, 2023
In service							
Land (1)	217,888	-	(653)	(207)	(2,471)	1,648	216,205
Reservoirs, dams and watercourses	869,672	-	(22,300)	(1)	(58,067)	729	790,033
Buildings, works and improvements	233,221	-	(4,663)	-	(12,988)	15,407	230,977
Machinery and equipment (2)	705,739	72,111	(29,081)	(726)	(52,129)	27,040	722,954
Vehicles	1,920	-	-	-	(713)	4,084	5,291
Furniture and utensils	2,225	2	-	-	(225)	19	2,021
	2,030,665	72,113	(56,697)	(934)	(126,593)	48,927	1,967,481
In progress	378,686	661,396	(350)	-	-	(48,927)	990,805
Net property, plant and equipment	2,409,351	733,509	(57,047)	(934)	(126,593)	-	2,958,286

(1) Certain land linked to concession agreements with no indemnity provision is amortized over the concession period.

(2) This includes investments in the Boa Esperança and Jusante photovoltaic solar plants – respectively of R\$112,367 and R\$118,693.

Parent company	Dec. 31, 2022	Addition	Depreciation	Sep. 30, 2023
In service				
Land	82	-	-	82
Buildings, works and improvements	29	-	(2)	27
Machinery and equipment	76	-	(15)	61
Furniture and utensils	27	-	(6)	21
	214	-	(23)	191
In progress	1,026	3	-	1,029
Net property, plant and equipment	1,240	3	(23)	1,220

15. INTANGIBLE ASSETS

Consolidated	Sep. 30, 2023			Dec. 31, 2022		
	Historical cost	Accumulated amortization	Residual value	Historical cost	Accumulated amortization	Residual value
In service						
Useful life defined						
Temporary easements	14,689	(5,915)	8,774	14,692	(5,405)	9,287
Onerous concession	13,599	(9,569)	4,030	13,599	(9,116)	4,483
Assets of concession	24,758,304	(10,827,193)	13,931,111	23,813,446	(10,259,144)	13,554,302
Assets of concession - GSF	1,031,161	(300,120)	731,041	1,031,810	(199,809)	832,001
Others	98,896	(79,557)	19,339	92,279	(76,838)	15,441
	25,916,649	(11,222,354)	14,694,295	24,965,826	(10,550,312)	14,415,514
In progress	170,285	-	170,285	206,339	-	206,339
Net intangible assets	26,086,934	(11,222,354)	14,864,580	25,172,165	(10,550,312)	14,621,853

Parent Company	Sep. 30, 2023			Dec. 31, 2022		
	Historical cost	Accumulated amortization	Residual value	Historical cost	Accumulated amortization	Residual value
In service						
Useful life defined						
Software use rights	13,556	(13,515)	41	13,564	(13,136)	428
Others	17	(17)	-	17	(17)	-
	13,573	(13,532)	41	13,581	(13,153)	428
In progress	150	-	150	119	-	119
Net intangible assets	13,723	(13,532)	191	13,700	(13,153)	547

Changes in intangible assets are as follow:

Consolidated	Dec. 31, 2022	Additions	Disposals – Asset classified as held for sale	Disposals	Amortization	Transfers	Sep. 30, 2023
In service							
Useful life defined							
Temporary easements	9,287	-	(3)	-	(510)	-	8,774
Onerous concession	4,483	-	-	-	(453)	-	4,030
Assets of concession	13,554,302	2,586	-	(42,435)	(656,567)	1,073,225	13,931,111
Assets of concession - GSF	832,001	-	(472)	-	(100,488)	-	731,041
Others	15,441	3,252	-	(6,603)	(2,555)	9,804	19,339
	14,415,514	5,838	(475)	(49,038)	(760,573)	1,083,029	14,694,295
In progress	206,339	90,139	(475)	(3,424)	-	(122,294)	170,285
Net intangible assets	14,621,853	95,977	(950)	(52,462)	(760,573)	960,735	14,864,580

Parent Company	Dec. 31, 2022	Addition	Amortization	Sep. 30, 2023
In service				
Softwares use rights	428	-	(387)	41
	428	-	(387)	41
In progress	119	31	-	150
Net intangible assets	547	31	(387)	191

16. LEASING

a) Right of use assets

Changes in the right of use asset are as follows:

Consolidated	Real estate property	Vehicles	Total
Balances on December 31, 2022	213,645	115,432	329,077
Amortization (1)	(9,057)	(26,929)	(35,986)
Business combination adjustment	8,110	-	8,110
Disposals (contracts terminated)	(3,210)	-	(3,210)
Addition	4,748	18,396	23,144
Remeasurement (2)	530	54,832	55,362
Balances on September 30, 2023	214,766	161,731	376,497

- Amortization of the Right of Use recognized in the Statement of income is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R\$530 in the period from January to September of 2023 (R\$471 in the same period of 2022). The weighted average annual amortization rate is 5.53% for Real estate and 24.83% for Vehicles.
- The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The leasing liabilities are restated with adjustment to the asset of Right of Use.

Parent company	Real estate property
Balances on December 31, 2022	2,151
Amortization (1)	(70)
Disposals (contracts terminated)	(73)
Balances on September 30, 2023	2,008

- Amortization of the Right of Use recognized in the Statement of income is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R\$5 in the period from January to September of 2023 (R\$5 in the same period of 2022). The weighted average annual amortization rate is 4.49% for Real estate.

b) Leasing liabilities

The changes in the lease liabilities are as follows:

	Consolidated	Parent company
Balances on December 31, 2022	354,633	2,426
Addition	23,144	-
Business combination adjustment	6,749	-
Interest incurred (1)	27,839	225
Leasing paid	(51,892)	(227)
Interest in leasing contracts paid	(2,863)	(12)
Disposals (contracts terminated)	(3,762)	(84)
Remeasurement (2)	55,362	-
Balances on September 30, 2023	409,210	2,328
Current liabilities	75,788	290
Non-current liabilities	333,422	2,038

- (1) Financial expenses recognized in the Statement of income are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R\$1,447 and R\$17 in the period from January to September of 2023 (R\$1,350 and R\$16 in the same period of 2022), for the consolidated and parent company financial statements, respectively.
- (2) The Company and its subsidiaries identified events that give rise to restatement and modifications of their principal contracts; the leasing liability was remeasured with an adjustment to the asset of Right of Use.

Additions and settled in leases are non-cash transactions, and therefore are not reflected in the Statements of Cash Flows.

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	824,303	409,210	6,899	2,328
Potential PIS/Pasep and Cofins (9.25%)	55,238	19,056	638	215

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)
2023	19,162	78
2024	76,432	310
2025	76,211	310
2026	75,987	310
2027	64,006	310
2028 to 2048	512,505	5,581
Undiscounted values	824,303	6,899
Embedded interest	(415,093)	(4,571)
Lease liabilities	409,210	2,328

17. SUPPLIERS

	Consolidated		Parent company	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Energy purchased for resale	1,407,064	1,162,009	335,720	151,715
Energy on spot market - CCEE	141,067	110,075	-	-
Charges for use of energy network	256,060	206,759	95	95
Itaipu Binacional	51,491	273,618	-	-
Gas purchased for resale	224,967	277,750	-	-
Materials and services	702,716	801,838	1,468	546
	2,783,365	2,832,049	337,283	152,356

18. TAXES PAYABLE AND AMOUNTS TO BE REFUNDED TO CUSTOMERS

	Consolidated		Parent company	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Current				
ICMS	122,286	107,523	21,268	15,318
Cofins (1)	198,052	199,179	29,112	28,128
PIS/Pasep (1)	42,942	43,214	6,458	6,084
INSS	49,789	43,870	2,478	2,011
Others (2)	133,630	150,360	39,552	88,062
	546,699	544,146	98,868	139,603
Non-current				
Cofins (1)	297,413	304,057	-	-
PIS/Pasep (1)	64,564	66,111	-	-
	361,977	370,168	-	-
	908,676	914,314	98,868	139,603
Amounts to be refunded to customers				
Current				
PIS/Pasep and Cofins	852,629	1,154,798	-	-
ICMS (3)	340,800	340,800	-	-
Non-current				
PIS/Pasep and Cofins	633,547	1,808,074	-	-
	1,826,976	3,303,672	-	-

(1) PIS/Pasep and Cofins recorded in current liabilities include the deferral on the financial remuneration of the contract asset and on the construction and improvement revenues linked to the transmission contracts.

(2) The September 30, 2023 balance includes income tax withholdings on interest on equity declared on September 20, 2023, the collection of which occurred in October 2023, in accordance with tax legislation.

(3) 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'), (i) classifying electricity, among other goods, as essential, (ii) prohibiting the setting of rates of ICMS tax for transactions with these goods at a level higher than those of transactions in general, and (iii) removing this tax from electricity transmission and distribution services, and from sector charges linked to transactions in electricity. Both the amounts to be refunded and also the method and structure of refunding are still pending decision – these issues are the subject of (a) Unconstitutionality Action (Ação Direta de Inconstitucionalidade – ADI) No. 7,195 of the Federal District, and (b) an application by Cemig to the tax authority ('Sefaz') of Minas Gerais State. Because of there not being a final decision, the amount provisioned by the Company has not undergone any change in the period. Further, the Company has posted an asset relating to the ICMS tax recoverable from the state of Minas Gerais, in the same proportion, and this, too, has not undergone any change.

The amounts of PIS/Pasep and Cofins taxes to be refunded to customers refer to the credits to be received by the Cemig D following the extinction of the ICMS value added tax within the taxable amount for calculation of those taxes, in amount of R\$1,485,802. Until September 30, 2023 a total of R\$5,512,625, has been reimbursed to clients (R\$3,943,371 until December 31, 2022).

As a result of the analysis by the Brazilian tax authority ('Receita Federal'), for the purpose of auditing and confirming the amount of the tax credit to which Cemig D was entitled, the credit was reduced by R\$ 66,681, of which amount R\$23,223 corresponds to the original credit. This reduction was posted in both Assets and Liabilities, and resulted in the equivalent reduction in the amount to be repaid to consumers.

The subsidiary Gasmig recognized the liability corresponding to the amounts to be refunded to its customers, based on 10 years period, in the updated amount of R\$166,945. The criteria for

restitution to consumers of credits of PIS, Pasep and Cofins taxes are still the subject of discussions with the Minas Gerais State Department of Development.

19. LOANS AND DEBENTURES

Financing source	Principal maturity	Annual financial cost %	Currency	Consolidated			
				Jun. 30, 2023			Dec. 31, 2022
				Current	Non current	Total	Total
FOREIGN CURRENCY							
Eurobonds (1)	2024	9.25%	US\$	131,623	3,786,297	3,917,920	3,974,971
(-) Transaction costs				-	(2,536)	(2,536)	(5,743)
(±) Interest paid in advance (2)				-	(4,245)	(4,245)	(9,423)
Debt in foreign currency				131,623	3,779,516	3,911,139	3,959,805
BRAZILIAN CURRENCY							
Eletrobrás (3)	2023	UFIR + 6.00% a 8.00%	R\$	256	-	256	2,380
Debt in Brazilian currency				256	-	256	2,380
Total of loans and financings				131,879	3,779,516	3,911,395	3,962,185
Debentures - 3th Issue - 3rd Series (3)	2025	IPCA + 5.10%	R\$	320,479	301,731	622,210	911,878
Debentures - 7th Issue - 1st Series (3)	2024	CDI + 0.45%	R\$	407,020	-	407,020	814,697
Debentures - 7th Issue - 2nd Series (3)	2026	IPCA + 4.10%	R\$	23,210	1,929,260	1,952,470	1,864,547
Debentures - 8th Issue - 1st Series (3)	2027	CDI + 1.35%	R\$	21,065	500,000	521,065	503,095
Debentures - 8th Issue - 2nd Series (3)	2029	IPCA + 6.10%	R\$	9,405	524,466	533,871	507,408
Debentures - 9th Issue - Single Series	2026	CDI + 2.05%	R\$	95,919	2,000,000	2,095,919	-
Debentures - 7th Issue- Single Series (4)	2023	CDI + 1.50%	R\$	-	-	-	20,023
Debentures - 8th Issue- Single Series (4)	2031	IPCA + 5.27%	R\$	119,695	950,202	1,069,897	1,043,943
Debentures - 9th Issue - 1st Series (1)	2027	CDI + 1.33%	R\$	29,448	700,000	729,448	703,185
Debentures - 9th Issue - 2nd Series (1)	2029	IPCA + 7.63%	R\$	6,910	312,521	319,431	302,216
(-) Discount on the issuance of debentures (5)				-	(9,538)	(9,538)	(12,048)
(-) Transaction costs				(2,844)	(44,430)	(47,274)	(41,631)
Total, debentures				1,030,307	7,164,212	8,194,519	6,617,313
Total				1,162,186	10,943,728	12,105,914	10,579,498

- (1) Cemig Geração e Transmissão;
(2) Advance of funds to achieve the yield to maturity agreed in the Eurobonds contract;
(3) Debentures issued by Cemig Distribuição;
(4) Gasmig;
(5) Discount on the sale price of the 2nd series of the Seventh issue of Cemig Distribuição.

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

Guarantees

The guarantees of the debt Balance at loans and financing, on September 30, 2023, were as follows:

	Sep. 30, 2023
Promissory notes and Sureties	4,533,194
Guarantee and Receivables	2,346,971
Receivables	4,173,437
Shares	256
Unsecured	1,052,056
TOTAL	12,105,914

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

Consolidated	2023	2024	2025	2026	2027	2028 onwards	Total
Currency							
US dollar (1)	131,623	3,786,297	-	-	-	-	3,917,920
Total, currency denominated	131,623	3,786,297	-	-	-	-	3,917,920
Index							
IPCA (2)	177,968	402,340	1,372,560	1,076,419	117,378	1,351,214	4,497,879
UFIR/RGR (3)	256	-	-	-	-	-	256
CDI (4)	283,453	269,999	1,233,334	1,233,333	733,333	-	3,753,452
Total by index	461,677	672,339	2,605,894	2,309,752	850,711	1,351,214	8,251,587
(-) Transaction costs	(2,545)	(5,477)	(9,299)	(9,379)	(3,950)	(19,160)	(49,810)
(±) Interest paid in advance	-	(4,245)	-	-	-	-	(4,245)
(-) Discount	-	-	(4,615)	(4,615)	-	(308)	(9,538)
Overall total	590,755	4,448,914	2,591,980	2,295,758	846,761	1,331,746	12,105,914

(1) Cemig GT uses derivative financial instruments for protection against risks arising from exchange rate variation. More details in note 29.

(2) Expanded National Customer Price (IPCA) Index.

(3) Fiscal Reference Unit (Ufir / RGR).

(4) CDI: Interbank Rate for Certificates of Deposit.

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

Currency	Accumulated change from January to September 2023 (%)	Accumulated change from January to September 2022 (%)	Indexer	Accumulated change from January to September 2023 (%)	Accumulated change from January to September 2022 (%)
US dollar	(4.03)	(3.12)	IPCA	3.50	4.09
			CDI	9.92	8.85

Currency	Accumulated change in third quarter of 2023 (%)	Accumulated change in third quarter of 2022 (%)	Indexer	Accumulated change in third quarter of 2023 (%)	Accumulated change in third quarter of 2022 (%)
US dollar	3.91	3.22	IPCA	0.61	(1.32)
			CDI	3.22	3.26

The changes in Loans and debentures are as follows:

	Consolidated
Balances on December 31, 2022	10,579,498
Loans obtained	2,000,000
Transaction costs	(12,057)
Loans obtained net	1,987,943
Monetary variation	120,360
Exchange Variation	(158,859)
Accrued financial charges	807,726
Amortization of transaction cost	9,655
Financial charges paid	(520,561)
Amortization of financing	(719,848)
Balance at September 30, 2023	12,105,914

Borrowing costs, capitalized

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/2023	Jan to Sep/2022	Jul to Sep/2023	Jul to Sep/2022
Costs of loans and financing	807,726	727,571	302,146	249,242
Financing costs on intangible assets and contract assets (1)	(52,410)	(33,980)	(22,549)	(15,319)
Net effect in income or loss	755,316	693,591	279,597	233,923

(1) The average capitalization rate p.a. on September 30, 2023 was 12.25% (11.42% on September 30, 2022).

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 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	The following or less: 3.0 on/after Dec. 31, 2021	Semi-annual and annual
7th and 8 th Debentures Issue Cemig D	Net debt / Ebitda adjusted	Less than 3.5	Less than 3.0	Semi-annual and annual
8th Debentures Issue Gasmig Single series (2)	EBITDA/Debt servicing Net debt/EBITDA	1.3 or more 3.0 or less	- -	Annual Annual
9th Debenture Issue CEMIG GT 1st and 2nd Series (3)	Net debt / Adjusted Ebitda	The following or less: 3.5	3.0 from Dec. 31st, 2022 to Jun. 30th, 2026 and, 3.5 from Dec. 31st, 2026 onwards	Semi-annual and annual
9th Debentures Issue Cemig D	Net debt/EBITDA	The following or less: 3.5 on/after Jun. 30, 2023	The following or less: 3.5 on/after Jun. 30, 2023	Semi-annual and annual

(1) Adjusted Ebitda corresponds to earnings before interest, income taxes and social contribution on net income, depreciation and amortization, calculated in accordance with CVM Resolution 156, dated June 23, 2022, from which non-operating income, any credits and non-cash gains that increase net income are subtracted, to the extent that they are non-recurring, and any cash payments made on a consolidated basis during such period in respect of non-cash charges that were added back in the determination of Ebitda in any prior period, and increased by non-cash expenses and non-cash charges, to the extent that they are non-recurring.

(2) Non-compliance with financial covenants implies non-automatic early maturity. If early maturity is declared by the debenture holders, Gasmig must make the payment upon receipt of the notification.

(3) Non-compliance with financial covenants implies early maturity resulting in the immediate enforceability of payment by CEMIG GT of the Unit Nominal Value or Updated Unit Nominal Value of the Debentures, as the case may be, plus remuneration, in addition to the other charges due, regardless of judicial or extrajudicial notice, notification or interpellation.

Management monitors these indexes continuously.

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 28.

20. REGULATORY CHARGES

	Consolidated	
	Sep. 30, 2023	Dec. 31, 2022
Liabilities		
Global Reversion Reserve (RGR)	27,897	28,245
Energy Development Account (CDE)	135,168	127,370
Regulator inspection fee - ANEEL	3,155	2,890
Energy Efficiency Program	178,329	220,802
Research and development (R&D)	151,470	125,864
Energy System Expansion Research	4,356	4,049
National Scientific and Technological Development Fund	8,728	8,114
Proinfa - Alternative Energy Program	10,807	10,291
Royalties for use of water resources	10,165	10,424
Emergency capacity charge	26,325	26,325
Customer charges - Tariff flags	16	16
CDE on R&D	2,760	2,551
CDE on EEP	3,947	4,041
Others	4,622	4,625
	567,745	575,607
Current liabilities	531,494	510,247
Non-current liabilities	36,251	65,360

21. POST-EMPLOYMENT OBLIGATIONS

Changes in net liabilities

Consolidated	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities on December 31, 2022	2,317,621	3,313,138	61,226	5,691,985
Expense recognized in Statement of income	211,614	286,875	5,327	503,816
Past service cost	-	(55,489)	(1,474)	(56,963)
Contributions paid	(224,050)	(151,319)	(2,869)	(378,238)
Actuarial losses (gains)	-	(60,273)	(935)	(61,208)
Net liabilities on September 30, 2023	2,305,185	3,332,932	61,275	5,699,392
			Sep. 30, 2023	Dec. 31, 2022
Current liabilities			374,385	388,447
Non-current liabilities			5,325,007	5,303,538

Parent Company	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities on December 31, 2022	459,146	206,722	4,673	670,541
Expense recognized in Statement of income	41,960	17,465	394	59,819
Past service cost	-	(2,075)	(74)	(2,149)
Contributions paid	(11,023)	(8,469)	(170)	(19,662)
Actuarial losses (gains)	-	(4,295)	(92)	(4,387)
Net liabilities on September 30, 2023	490,083	209,348	4,731	704,162
			Sep. 30, 2023	Dec. 31, 2022
Passivo circulante			29,570	29,166
Passivo não circulante			674,592	641,375

Actuarial losses and gains, net of income tax and Social Contribution tax, do not involve cash, and therefore are not reflected in the Statements of cash flows.

Amounts recorded as current liabilities refer to contributions to be made by the Company in the next 12 months, for the amortization of the actuarial liabilities.

The amounts reported as 'Expense recognized in the Statement of income' refer to the costs of post-employment obligations, totaling R\$429,666 in the period from January to September of 2023 (R\$468,710 in the same period of 2022), plus the finance expenses and monetary updating

on the debt with Forluz, in the amounts of R\$17,188 in the period from January to September of 2023 (R\$33,847 in the same period of 2022).

Health Plan and Dental Plan

As from December 2022, Cemig Saúde offered all active employees of Cemig an alternative, new, health plan, called the Premium Plan, in substitution of the Integrated Health Plan (PSI) that was in effect up to that date. The Premium Plan is financed entirely by the Company. In counterpart to the Company bearing the entire cost, those employees who accept the new plan will no longer receive the contribution from Cemig for payment for the health plan in their retirement. This was available to employees up to January 31, 2023, and migration of some of the employees to the Premium Plan reduced the number of employees covered by the PSI.

In light of CPC 33 (R1) this situation constitutes a curtailment event, requiring the Company to remeasure its post-employment liabilities for the base date March 31, 2023. The effects of the curtailment have been recognized in the income statement as a cost of past service, in the amounts of R\$55,489 for the health plan and R\$1,473 for the dental plan.

The curtailment event that was recognized for the quarter affected the actuarial assumptions, in that it altered the discount rates applicable to the plans. Since the new discount rate was higher, there was a reduction of the liability, and as a result an actuarial gain of R\$60,274 for the health plan, and R\$934 for the dental plan.

22. PROVISIONS

	Consolidated				
	Dec. 31, 2022	Additions	Reversals	Settled	Sep. 30, 2023
Labor	414,809	105,796	(11,833)	(71,273)	437,499
Civil					
Customer relations	41,208	52,955	(10,429)	(40,075)	43,659
Other civil actions	36,296	21,138	(311)	(13,031)	44,092
	77,504	74,093	(10,740)	(53,106)	87,751
Tax	1,474,690	113,111	(2,212)	(313)	1,585,276
Regulatory	47,493	5,558	(387)	(3,691)	48,973
Others	14,525	13,126	(9,472)	(7,875)	10,304
Total	2,029,021	311,684	(34,644)	(136,258)	2,169,803

	Parent company				
	Dec. 31, 2022	Additions	Reversals	Settled	Sep. 30, 2023
Labor	40,743	16,439	(141)	(13,648)	43,393
Civil					
Customer relations	4,527	591	(1,835)	(591)	2,692
Other civil actions	3,609	969	(311)	(969)	3,298
	8,136	1,560	(2,146)	(1,560)	5,990
Tax	221,494	17,253	-	(59)	238,688
Regulatory	8,462	92	(73)	(69)	8,412
Others	306	688	(74)	(584)	336
Total	279,141	36,032	(2,434)	(15,920)	296,819

Additionally, there are lawsuits whose expected loss is considered possible, since the Company's and its subsidiaries' legal advisors assessed them as having a possible chance of success, and no provision was recorded, as follows:

Possible losses				
	Consolidated		Parent company	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Labor	1,342,174	1,198,657	150,695	118,024
Civil				
Customer relations	231,763	230,919	7,655	8,839
Other civil actions	575,926	537,197	36,627	35,989
	807,689	768,116	44,282	44,828
Tax	2,445,863	2,149,475	591,757	470,980
Regulatory	3,053,210	2,976,485	1,538,822	1,432,717
Others	1,678,912	1,361,004	16,489	10,441
Total	9,327,848	8,453,737	2,342,045	2,076,990

The Company and its subsidiaries' management, in view of the extended period and the Brazilian judiciary, tax and regulatory systems, believes that it is not practical to provide information that would be useful to the users of this financial statements in relation to the the timing of any cash outflows, or any possibility of reimbursements.

The Company and its subsidiaries believe that any disbursements in excess of the amounts provisioned, when the respective claims are completed, will not significantly affect the Company and its subsidiaries' result of operations or financial position.

The main provisions and contingent liabilities are provided below, with the best estimation of expected future disbursements for these contingencies:

Tax

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\$338,470 (R\$276,265 at December 31, 2022), of which R\$22,812 (R\$22,664 at December 31, 2022) 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\$188,070 (R\$94,324 at December 31, 2022). Of this total, R\$3,220 has been recognized (R\$3,525 at December 31, 2022) - 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, which is the main fact that led to the reduction of the contingency amount.

Social Security contributions on income 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 income 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 income-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.

The amount of the contingencies is approximately R\$1,763,041 (R\$1,639,980 on December 31, 2022), of which R\$1,417,196 has been provisioned (R\$1,311,148 on December 31, 2022), 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, which is considered sufficient for payment of the lawsuit.

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. Additionally, 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. 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\$315,820 (R\$305,427 on December 31, 2022), of which R\$140,767 (R\$136,131 on December 31, 2022) has been provisioned.

Lack of approval to offset tax credit

The federal tax authority did not approve the Company's offset, 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 lack of approval of the amounts offsetted. The amount of the contingency is R\$173,652 (R\$164,014 on December 31, 2022), of which R\$1,280 (R\$1,221 at December 31, 2022), has been provisioned, since the relevant requirements of the National Tax Code (CTN) have been complied with. The probability of loss related to the amount not provisioned has been assessed as 'possible'.

Social Security contributions

The Brazilian federal tax authority (*Secretaria da Receita Federal*) has filed administrative proceedings related to various matters: employee income 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\$144,416 (R\$124,621 on December 31, 2022). 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\$269,647 (R\$255,792 on December 31, 2022), 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\$570,535 (R\$517,199 on December 31, 2022), and the probability of loss has been assessed as 'possible'.

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 September 30, 2021, 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, 2023 the amount of the contingency for the period relating to the rules on expiry by limitation of time is R\$212,789 (R\$182,058 on December 31, 2022). 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\$79,460 (R\$67,852 on December 31, 2022). The Company has evaluated the tax treatments adopted, which are susceptible to dispute by the tax authorities, and concluded that it is more likely than not that the tax authority will accept the Company's conclusions.

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 Proinfa 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\$195,182 (R\$179,848 on December 31, 2022) and the Company has classified the chances of loss as 'possible', due to the scarcity of case law on the subject.

Labor claims

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, complementary additions to or re-calculation of retirement pension payments by Forluz, and salary adjustments.

The aggregate amount of the contingency is approximately R\$1,779,672 (R\$1,613,466 at December 31, 2022), of which R\$437,499 (R\$414,809 at December 31, 2022) 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\$275,422 (R\$272,127 at December 31, 2022), of which R\$43,659 (R\$41,208 at December 31, 2022) 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\$620,018 (R\$573,493 on December 31, 2022), of which R\$44,092 (R\$36,296 at December 31, 2022) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

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\$758,905 (R\$484,034 on December 31, 2022), of which R\$48,973 (R\$47,493 at December 31, 2022) has been recorded as provision - the amount estimated as probably necessary for settlement of these disputes.

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\$1,552,718 (R\$1,432,813 at December 31, 2022). 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\$572,427 (R\$506,742 on December 31, 2022). 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.

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\$525,747 (R\$483,294 on December 31, 2022), 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\$146,523 (R\$136,795 on December 31, 2022).

Other legal actions in the normal course of business

Energy billing dispute

During 2022, one of the Company's clients filed an arbitration proceeding requesting changes in contractual clauses and questioning the incidence of certain taxes on its electricity bills. In September 2022, the Company was duly notified of the court decision that granted the injunction request, which determined that the Company should start billing the energy supply contract according to the request. After the arbitration procedure was initiated and the parties were heard, in January 2023, the Court revoked the previous decision and determined the reestablishment of the contractual billing system, as well as the payment of the unbilled amounts due to the injunction initially granted in favor of this customer.

The arbitration proceeding is still in progress, in which this client is questioning the points informed above. If the arbitration decision grants the client's request, the Company will have to refund the difference between the contracted amounts and the adjustments demanded, which amounted to R\$218,133 on September 30, 2023. Management, based on the opinion of its legal advisors, classified the probability of loss as possible.

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. In October 2022, the judge authorized the opposing party to withdraw the amount deposited of R\$37,792, converting it into payment of the conviction. In February 2023, the payment of R\$7,272 was made, referring to the residual issues of the process, and the discussion was closed.

'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\$506,951 (R\$470,248 on December 31, 2022). Of this total, R\$152 (R\$141 on December 31, 2022) has been provisioned the amount estimated as probably necessary for settlement of these disputes.

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\$241,648 (R\$223,395 on December 31, 2022). 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\$114,690 (R\$102,760 on December 31, 2022). The probability of loss has been assessed as 'possible'.

Clearance of residential occupation under high-voltage lines

The class action brought by the Public Attorneys of Minas Gerais State requests that the Company remove and resettle the inhabitants currently living within the limits of the safety zone of the high-voltage lines in the region. The amount of the contingent liability in dispute has been estimated at R\$127,403 on September 30, 2023 (R\$25,252 on December 31, 2022).

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\$552,002 (R\$433,911 at December 31, 2022), of which R\$10,153 (R\$5,912 at December 31, 2022), the amount estimated as probably necessary for settlement of these disputes.

23. EQUITY AND REMUNERATION TO SHAREHOLDERS

a) Share capital

On September 30, 2023 and December 31, 2022 the Company's issued and share capital is R\$11,006,853 represented by 735,847,624 common shares and 1,465,523,064 preferred shares, both of them with nominal value of R\$5.00.

b) Equity valuation adjustments

The adjustments to post-employment benefit obligations comprise gains or losses resulting from re-measurements of the net defined-benefit obligation, in accordance with the actuarial report, net of tax effects, whose balance on September 30, 2023 is R\$1,836,868 (R\$1,874,041 on December 31, 2022).

The curtailment event that was recognized for the first quarter of 2023 affected the actuarial assumptions, in that it altered the discount rates applicable to the plans. Since the new discount rate was higher, there was a reduction of the liability, and as a result an actuarial gain on R\$60,274 for the health plan, and R\$934 for the dental plan.

c) Earnings per share

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, 2023	Jan to Sep, 2022
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, 2023	Jan to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022
Total earnings (A)	3,878,929	2,686,577	1,236,708	1,181,868
Total shares (B)	2,200,524,524	2,200,524,524	2,200,524,524	2,200,524,524
Basic and diluted earnings per common share (A/B) (R\$)	1.76	1.22	0.56	0.54

d) Remuneration to shareholders

The Company's Executive Board decided to declare Interest on Equity, as follows:

Declaration date	Amount (R\$ mil)	Entitled shareholders (1)	Income tax withheld (R\$ mil)
March 22, 2023	424,226	March 27, 2023	(40,498)
June 20, 2023	426,698	June 23, 2023	(39,908)
September 20, 2023	417,974	September 25, 2023	(38,942)
	1,268,898		(119,348)

(1) Shareholders who have their names entered in the Register of Registered Shares on the dates indicated are entitled.

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.

24. NET REVENUE

	Consolidated		Parent company	
	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
Revenue from supply of energy (a)	22,754,003	23,254,390	2,880,700	1,575,616
Revenue from use of the electricity distribution systems (TUSD)	3,224,458	2,757,570	-	-
CVA and Other financial components (1)	(63,572)	(1,367,693)	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers-realization (2)	1,569,255	1,641,578	-	-
Transmission revenue				
Transmission operation and maintenance revenue	279,332	315,900	-	-
Transmission construction revenue	148,599	269,760	-	-
Interest revenue arising from the financing component in the transmission contract asset (Note 12)	400,432	446,808	-	-
Generation indemnity revenue (note 11.1)	69,812	24,783	-	-
Distribution construction revenue	2,757,357	2,199,838	-	-
Adjustment to expectation of cash flow from indemnifiable financial assets of distribution concession	127,152	28,401	-	-
Revenue on financial updating of the Concession Grant Fee	314,676	352,585	-	-
Transactions in energy on the CCEE	79,560	133,109	45,422	48,020
Mechanism for the sale of surplus	(3,766)	331,312	-	-
Supply of gas	3,186,417	3,287,582	-	-
Fine for violation of service continuity indicator	(92,859)	(64,867)	-	-
PIS/Pasep and Cofins credits to be refunded to consumers (3)	-	(829,783)	-	-
Other operating revenues (c)	1,681,718	2,158,315	29,081	308
Deductions on revenue (d)	(9,539,491)	(10,229,982)	(409,054)	(227,036)
Net operating revenue	26,893,083	24,709,606	2,546,149	1,396,908

	Consolidated		Parent company	
	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022
Revenue from supply of energy (a)	7,528,639	7,844,552	922,312	503,944
Revenue from use of the electricity distribution systems (TUSD)	1,118,367	912,976	-	-
CVA and Other financial components (4)	(164,649)	(271,933)	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers-realization (2)	561,518	498,773	-	-
Transmission revenue				
Transmission operation and maintenance revenue	95,764	126,485	-	-
Transmission construction revenue	69,802	100,873	-	-
Interest revenue arising from the financing component in the transmission contract asset (note 12)	107,485	204,563	-	-
Generation indemnity revenue	23,469	-	-	-
Distribution construction revenue	915,822	695,971	-	-
Adjustment to expectation of cash flow from indemnifiable financial assets of distribution concession	46,731	19,030	-	-
Revenue on financial updating of the Concession Grant Fee	94,837	161,268	-	-
Transactions in energy on the CCEE	14,002	16,889	4,924	(1,390)
Mechanism for the sale of surplus	-	66,855	-	-
Supply of gas	1,073,563	1,113,427	-	-
Fine for violation of service continuity indicator	(32,910)	(19,305)	-	-
Other operating revenues (c)	599,075	783,716	3,679	99
Deductions on revenue (d)	(3,231,998)	(4,040,760)	(123,593)	(74,360)
Net operating revenue	8,819,517	8,213,380	807,322	428,293

- (1) As per GREG/MME Resolution 3, the effect of the water scarcity tariff 'Flag', which was in force until April 2022, resulted in a significant reduction of revenue in 9M22. Due to the better hydrological conditions, the tariff flag was 'green' as from May 2022, and produced no effect in the whole of 9M23.
- (2) More information in note 18.
- (3) This is the result of recognition of the effects of Law 14.385/22, which ordered that the amounts of credits of PIS, Pasep and Cofins wrongly charged on the ICMS tax component of electricity bills should be reimbursed in their entirety to the customers of electricity distributors.
- (4) The difference arises from the lower realization of the amount approved in the last prior tariff process, associated with increases in (i) the National Grid transmission charge, and (ii) the costs of the Reserve Energy Charge.

a) Revenue from energy supply

	Consolidated				Parent Company			
	MWh (1)		R\$		MWh (1)		R\$	
	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
Residential	8,803,190	8,316,115	7,624,878	7,919,507	-	-	-	-
Industrial	13,519,665	13,489,932	4,432,616	4,461,989	4,591,403	1,264,121	1,174,538	290,990
Commercial, services and others	7,027,875	6,708,126	4,608,027	4,738,506	870,333	194,317	219,180	55,819
Rural	2,216,128	2,318,891	1,595,936	1,572,845	22,396	10,055	5,272	2,905
Public authorities	678,021	629,253	542,041	500,317	-	-	-	-
Public lighting	800,784	857,722	363,918	423,886	-	-	-	-
Public services	779,914	1,051,354	535,589	659,508	-	-	-	-
Subtotal	33,825,577	33,371,393	19,703,005	20,276,558	5,484,132	1,468,493	1,398,990	349,714
Own consumption	21,698	23,472	-	-	-	-	-	-
Unbilled revenue	-	-	57,563	112,190	-	-	87,429	60,928
	33,847,275	33,394,865	19,760,568	20,388,748	5,484,132	1,468,493	1,486,419	410,642
Wholesale supply to other concession holders (2)	12,586,409	12,191,262	2,976,359	2,788,286	5,170,968	3,833,136	1,397,743	1,087,531
Wholesale supply unbilled, net	-	-	17,076	77,356	-	-	(3,462)	77,443
Total	46,433,684	45,586,127	22,754,003	23,254,390	10,655,100	5,301,629	2,880,700	1,575,616

	Consolidated				Parent Company			
	MWh (1)		R\$		MWh (1)		R\$	
	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022
Residential	2,874,159	2,706,219	2,698,430	2,079,671	-	-	-	-
Industrial	4,616,519	4,733,637	1,517,529	1,548,322	1,970,109	710,630	499,954	169,510
Commercial, services and others	2,260,311	2,124,316	1,507,626	1,339,523	283,585	61,384	69,013	16,975
Rural	884,495	928,222	664,428	541,205	11,826	3,592	2,334	1,040
Public authorities	214,818	201,625	190,624	144,977	-	-	-	-
Public lighting	263,431	287,126	120,576	120,307	-	-	-	-
Public services	255,403	359,448	203,362	192,393	-	-	-	-
Subtotal	11,369,136	11,340,593	6,902,575	5,966,398	2,265,520	775,606	571,301	187,525
Own consumption	6,783	6,761	-	-	-	-	-	-
Unbilled revenue	-	-	91,649	61,143	-	-	2,553	36,380
	11,375,919	11,347,354	6,994,224	6,027,541	2,265,520	775,606	573,854	223,905
Wholesale supply to other concession holders (2)	4,410,689	4,597,695	1,042,287	1,037,053	1,987,902	1,727,848	528,587	509,067
Wholesale supply unbilled, net	-	-	93,509	41,188	-	-	39,190	24,251
Total	15,786,608	15,945,049	8,130,020	7,105,782	4,253,422	2,503,454	1,141,631	757,223

(1) Data not audited by external auditors.

(2) 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) Transmission concession revenue

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

	Jan to Sep, 2023	Jan to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022
Construction and upgrades revenue	148,599	269,760	39,394	100,492
Construction and upgrades costs	(103,793)	(197,998)	(28,542)	(72,112)
Margin	44,806	71,762	10,852	28,380
Mark-up (%)	43.17%	36.24%	38.02%	39.36%
Operation and maintenance revenue	279,332	315,900	95,828	105,628
Operation and maintenance cost	(219,252)	(196,038)	(77,824)	(58,651)
Margin	60,080	119,862	18,004	46,977
Mark-up (%)	27.40%	61.14%	23.13%	80.10%

c) Other operating revenues

	Consolidated	
	Jan to Jun/2023	Jan to Jun/2022
Charged service	15,611	14,355
Services rendered	64,023	49,680
Low-income subsidy	295,523	228,388
SCEE subsidy (1)	80,407	-
Eletrobras subsidy (2)	50,947	432,412
Tariff flags subsidy	57,782	271,279
Other subsidies (3)	761,216	726,875
Rental and leasing (4)	303,472	406,223
Contractual indemnities	6,152	-
Other	46,585	29,103
Total	1,681,718	2,158,315

	Consolidated	
	Jul to Sep/2023	Jul to Sep/2022
Charged service	5,491	5,257
Services rendered	24,908	18,475
Low-income subsidy	108,200	77,844
SCEE subsidy (1)	48,244	-
Tariff flags subsidy	20,908	19,790
Other subsidies (3)	269,269	666,274
Rental and leasing	109,246	84,245
Other	4,362	1,356
Total	590,628	873,241

- (1) Revenue under the Electricity Offsetting System (Sistema de Compensação de Energia Elétrica – SCEE), governing offsetting for distributed generation, released by Aneel in the 2023 Tariff Review.
- (2) This refers 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.
- (3) This is revenue arising from subsidies applying to tariffs paid by users of distribution service, it includes tariff subsidies applying to tariffs paid by or relating to: supply from incentive-bearing source load; rural supply; nocturnal irrigation; incentive-bearing generation; public services; as well as revenue recognizing subsidies related to the Program to Encourage Voluntary Reduction of Electricity Consumption.
- (4) The amount shown for from January to September 2022 comprises R\$ 186,871 for the debt recognition agreement signed with a major client in June 2022, for use of infrastructure (distribution poles) in the period January 2019 to May 2022.

d) Deductions on revenue

	Consolidated		Parent Company	
	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
Taxes on revenue				
ICMS (1)	3,595,697	4,512,749	159,808	84,652
Cofins	2,221,497	2,149,659	204,783	116,986
PIS/Pasep	482,272	468,974	44,463	25,398
Others	4,774	4,232	-	-
	6,304,240	7,135,614	409,054	227,036
Charges to the customer				
Global Reversion Reserve (RGR)	9,316	10,210	-	-
Energy Efficiency Program (PEE)	32,951	50,036	-	-
Energy Development Account (CDE)	2,946,659	3,054,939	-	-
Research and Development (R&D)	35,016	25,605	-	-
National Scientific and Technological Development Fund (FNDCT)	49,928	36,427	-	-
Energy System Expansion Research (EPE of MME)	24,964	18,213	-	-
Customer charges - Proinfra alternative sources program	48,932	60,623	-	-
Energy services inspection fee	27,189	24,174	-	-
Royalties for use of water resources	34,979	39,338	-	-
Customer charges - the 'Flag Tariff' system	-	(251,821)	-	-
CDE on R&D	14,912	10,823	-	-
CDE on PEE	10,405	15,801	-	-
	3,235,251	3,094,368	-	-
Total	9,539,491	10,229,982	409,054	227,036

	Consolidated		Parent Company	
	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022
Taxes on revenue				
ICMS (1)	1,352,802	872,328	63,369	44,714
Cofins	764,816	759,118	84,481	57,120
PIS/Pasep	166,019	165,545	18,342	12,401
Others	1,630	1,635	-	-
	2,285,267	1,798,626	166,192	114,235
Charges to the customer				
Global Reversion Reserve (RGR)	2,868	2,836	-	-
Energy Efficiency Program (PEE)	15,437	17,613	-	-
Energy Development Account (CDE)	1,007,599	1,007,181	-	-
Research and Development (R&D)	10,663	8,568	-	-
National Scientific and Technological Development Fund (FNDCT)	15,191	12,187	-	-
Energy System Expansion Research (EPE of MME)	7,595	6,093	-	-
Customer charges - Proinfa alternative sources program	16,061	20,318	-	-
Energy services inspection fee	9,470	8,677	-	-
Royalties for use of water resources	10,662	18,715	-	-
CDE on R&D	4,528	3,618	-	-
CDE on PEE	4,874	5,562	-	-
	1,104,948	1,111,368	-	-
Total	3,390,215	2,909,994	166,192	114,235

- (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') including: (i) classifying electricity, among other goods, as essential, (ii) prohibiting the setting of rates of ICMS tax for transactions with these goods at a level higher than those of transactions in general, and (iii) removing this tax from electricity transmission and distribution services, and from sector charges linked to electricity operations. In February 2023 judgment was given in Action for Unconstitutionality (Ação Direta de Inconstitucionalidade – ADI) No. 7195, which suspended the effects of Article 3, Sub-item X, of Complementary Law 87/96, as amended by Complementary Law 194/2022, which had excluded transmission and distribution services, and sector charges related to electricity operations, from the calculation base for ICMS tax. Cemig has adjusted its procedures due to this decision.

25. COSTS AND EXPENSES

The costs and expenses of the Company and its subsidiaries are as follows:

a) Cost of energy and gas

	Consolidated		Parent company	
	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
Energy purchased for resale				
Supply from Itaipu Binacional	896,326	1,229,374	-	-
Physical guarantee quota contracts	673,979	677,844	-	-
Quotas for Angra I and II nuclear plants	271,835	267,894	-	-
Spot market	358,960	425,611	(1,849)	8,923
Proinfa Program	383,683	454,241	-	-
'Bilateral' contracts	381,419	364,800	-	-
Energy acquired in Regulated Market auctions	2,897,167	2,364,356	-	-
Energy acquired in the Free Market (1)	4,061,058	4,386,746	2,019,023	1,031,825
Distributed generation ('Geração distribuída')	1,661,438	1,416,393	-	-
PIS/Pasep and Cofins credits	(894,925)	(912,241)	(186,589)	(96,269)
	10,690,940	10,675,018	1,830,585	944,479
Basic Network Usage Charges				
Transmission charges - Basic Grid	2,381,842	2,208,828	-	-
Distribution charges	42,780	37,079	-	-
PIS/Pasep and Cofins credits	(250,100)	(228,761)	-	-
	2,174,522	2,017,146	-	-
Gas purchased for resale	1,714,391	2,038,297	-	-
Total costs of energy and gas	14,579,853	14,730,461	1,830,585	944,479

	Consolidated		Parent company	
	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022
Energy purchased for resale				
Supply from Itaipu Binacional	323,440	425,463	-	-
Physical guarantee quota contracts	219,039	241,655	-	-
Quotas for Angra I and II nuclear plants	92,000	89,298	-	-
Spot market	107,621	195,796	(17,031)	(2,054)
Proinfa Program	127,894	151,414	-	-
'Bilateral' contracts	128,695	128,054	-	-
Energy acquired in Regulated Market auctions	979,149	910,654	-	-
Energy acquired in the Free Market (1)	1,569,959	1,853,431	977,198	478,661
Distributed generation ('Geração distribuída')	551,037	490,163	-	-
PIS/Pasep and Cofins credits	(320,354)	(360,253)	(88,816)	(44,086)
	3,778,480	4,125,675	871,351	432,521
Basic Network Usage Charges				
Transmission charges - Basic Grid	844,083	645,100	-	-
Distribution charges	14,358	11,989	-	-
PIS/Pasep and Cofins credits	(88,950)	(68,645)	-	-
	769,491	588,444	-	-
Gas purchased for resale	527,146	782,453	-	-
Total costs of energy and gas	5,075,117	5,496,572	871,351	432,521

(1) The energy acquired in the Free Market by the parent company arises from the contracts transferred by Cemig GT.

b) Infrastructure and construction cost

	Consolidated	
	Jan to Sep, 2023	Jan to Sep, 2022
Personnel and managers	106,642	86,745
Materials	1,418,796	1,477,941
Outsourced services	1,014,096	747,446
Others	321,616	85,704
Total	2,861,150	2,397,836

	Consolidated	
	Jul to Sep, 2023	Jul to Sep, 2022
Personnel and managers	39,128	30,749
Materials	533,846	740,131
Outsourced services	425,206	328,988
Others	195,449	35,546
Total	1,193,629	1,135,414

c) Other costs and expenses

	Consolidated								Total Jan to Sep, 2023	Total Jan to Sep, 2022
	Operating costs		ECL		General and administrative expenses		Other expenses			
	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022		
Personnel	731,100	746,581	-	-	228,257	237,391	-	-	959,357	983,972
Employees' and managers' income sharing	-	-	-	-	4,236	3,554	114,139	94,814	118,375	98,368
Post-employment benefits - note 21	-	-	-	-	-	-	429,665	468,711	429,665	468,711
Materials	72,794	61,662	-	-	15,743	25,789	-	-	88,537	87,451
Outsourced services	1,215,718	1,003,839	-	-	175,221	178,655	-	-	1,390,939	1,182,494
Depreciation and amortization	909,461	814,672	-	-	13,161	53,927	-	937	922,622	869,536
Provisions and adjustments for losses	243,442	191,753	-	-	-	-	102,119	83,164	345,561	274,917
Impairment	-	-	-	-	-	-	-	37,182	-	37,182
Expected credit losses	-	-	72,352	48,606	-	-	-	-	72,352	48,606
Reversal of provisions for expected credit losses with related party - Renova	-	-	-	-	-	-	-	(53,860)	-	(53,860)
Writ-off of financial asset (note 11) (2)	-	-	-	-	-	-	-	171,770	-	171,770
Gains arising from the sale of equity interest (note 13)	-	-	-	-	-	-	(30,487)	(6,644)	(30,487)	(6,644)
Other costs and expenses, net (1)	132,117	116,561	-	-	48,034	(139)	138,774	48,629	318,925	165,051
Total	3,304,632	2,935,068	72,352	48,606	484,652	499,177	754,210	844,703	4,615,846	4,327,554

(1) The following expenses were recognized in 2023, posted in Other operational expenses: a regulatory fine of R\$10,660 resulting from an Aneel inspection in 2019 to check the procedures and criteria adopted by the Company in application of the conditions required by regulations established for Micro- and Mini-Distributed

Generation; and financial compensation totaling R\$73,102 for delay in the commercial services arising from alterations in Aneel Normative Resolution 1000 of December 7, 2021.

- (2) In the second quarter of 2022, with the conclusion of the Valuation Report, the Company wrote off the financial asset in the amount of R\$171,770.

Parent Company							Total Jan to Sep, 2023	Total Jan to Sep, 2022
	ECL		General and administrative expenses		Other expenses, net			
	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022		
Personnel	-	-	13,378	13,183	-	-	13,378	13,183
Employees' and managers' income sharing	-	-	4,236	449	7,764	6,880	12,000	7,329
Post-employment benefits - note 21	-	-	-	-	56,824	56,391	56,824	56,391
Materials	-	-	41	38	-	-	41	38
Outsourced services	-	-	10,120	13,238	-	-	10,120	13,238
Depreciation and amortization	-	-	475	-	-	937	475	937
Provisions and adjustments for losses	-	-	-	-	33,599	42,119	33,599	42,119
Expected credit losses	2,117	-	-	-	-	-	2,117	-
Other costs and expenses, net	-	-	1,038	27	2,237	(2,959)	3,275	(2,932)
Total	2,117	-	29,288	26,935	100,424	103,368	131,829	130,303

Consolidated									Total Jul to Sep, 2023	Total Jul to Sep, 2022
	Operating costs		ECL		General and administrative expenses		Other expenses, net			
	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022		
Personnel	232,343	244,488	-	-	70,584	65,270	-	-	302,927	309,758
Employees' and managers' income sharing	-	-	-	-	-	450	43,603	24,068	43,603	24,518
Post-employment benefits - note 21	-	-	-	-	-	-	168,786	163,946	168,786	163,946
Materials	25,405	25,447	-	-	3,073	8,705	-	-	28,478	34,152
Outsourced services (1)	402,279	351,996	-	-	64,305	57,382	-	-	466,584	409,378
Depreciation and amortization	310,883	279,952	-	-	5,810	16,718	-	937	316,693	297,607
Provisions and adjustments for losses	88,021	66,305	-	-	-	-	11,501	20,123	99,522	86,428
Impairment (2)(3)	-	-	-	-	-	-	(45,791)	37,182	(45,791)	37,182
Expected credit losses	-	-	43,160	(84,852)	-	-	-	-	43,160	(84,852)
Reversal of provisions for expected credit losses with related party	-	-	-	-	-	-	-	(504)	-	(504)
Other costs and expenses, net	55,706	59,443	-	-	13,037	(7,737)	41,598	16,506	110,341	68,212
Total	1,114,637	1,027,631	43,160	(84,852)	156,809	140,788	219,697	262,258	1,534,303	1,345,825

- (1) The difference mainly arises from: services of maintenance and conservation of electrical facilities and equipment; conservation and cleaning of power line pathways, roads and fire breaks; and information technology services.
- (2) With the sale of the PCHs/CGHs in the public auction held on August 10, 2023, in the third quarter of 2023 there was a reversal of the impairment of Cemig GT's plants, in the amount of R\$45,791. More details in note 30.
- (3) In March 2022 the Company received an extrajudicial notification from its client White Martins, advising that the courts had granted its application for provisional remedy relating to alteration of the inflation index used to update prices from the IGP-M index to the IPCA index, and exclusion of amounts of ICMS tax from the basis for calculation of PIS and Cofins taxes. In accordance with CPC 48/IFRS 9 – Financial instruments, an impairment was posted in 3Q22 for the difference generated by the alterations referred to above, considering that receipt of the amount in question will now depend on the result of the arbitration, and not on the fact of its being a receivable from a client. The arbitration proceedings are ongoing. More details in Note 22 – Provisions.

Parent Company							Total Jul to Sep, 2023	Total Jul to Sep, 2022
	ECL		General and administrative expenses		Other expenses			
	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022		
Personnel	-	-	3,946	3,538	-	-	3,946	3,538
Employees' and managers' income sharing	-	-	-	449	6,095	4,367	6,095	4,816
Post-employment benefits - note 21	-	-	-	-	20,761	19,176	20,761	19,176
Materials	-	-	28	6	-	-	28	6
Outsourced services	-	-	2,643	3,966	-	-	2,643	3,966
Depreciation and amortization	-	-	154	(733)	-	937	154	204
Provisions and adjustments for losses	-	-	-	-	10,757	25,993	10,757	25,993
Expected credit losses	1,983	-	-	-	-	-	1,983	-
Other costs and expenses, net	-	-	(2)	25	1,674	727	1,672	752
Total	1,983	-	6,769	7,251	39,287	51,200	48,039	58,451

26. FINANCE INCOME AND EXPENSES

	Consolidated		Parent company	
	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
FINANCE INCOME				
Income from financial investments	324,625	315,596	32,133	41,785
Interest on sale of energy	215,349	272,349	3,688	381
Foreign exchange variations - Itaipu Binacional	10,646	17,666	-	-
Foreign exchange variations – loans and debentures	158,859	173,900	-	-
Interest	99,298	68,001	471	8,748
Interest - CVA	81,105	149,426	-	-
Interests of escrow deposits	61,165	56,560	14,048	10,974
PIS/Pasep and Cofins charged on finance income (1)	(141,186)	(84,622)	(99,509)	(47,003)
Prepayments rents	2,860	3,061	-	-
Borrowing costs paid by related parties	-	-	15,194	3,024
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	-	-	26,077	15,203
Other financial income (3)	91,007	48,332	2,029	3,570
	903,728	1,020,269	(5,869)	36,682
FINANCE EXPENSES				
Interest on loans and debentures (Note 19)	(755,316)	(693,591)	-	(5,150)
Cost of debt - amortization of transaction cost	(9,655)	(5,298)	-	-
Interest - loans and debentures	(120,360)	(132,591)	-	-
Charges and monetary updating on post-employment obligations	(17,188)	(33,847)	(846)	(1,665)
Losses with financial instruments – Swap	(60,307)	(301,940)	-	-
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	(17,605)	(1,235,980)	-	-
Interest on leases	(26,392)	(18,809)	(208)	(195)
Financial expenses R&D and PEE	(29,458)	(27,702)	-	-
Other financial expenses	(148,403)	(67,331)	(1,702)	(336)
	(1,184,684)	(2,517,089)	(2,756)	(7,346)
NET FINANCE INCOME (EXPENSES)	(280,956)	(1,496,820)	(8,625)	29,336

	Consolidated		Parent company	
	Jul to Sep, 2023	Jul to Sep, 2022	Jul to Sep, 2023	Jul to Sep, 2022
FINANCE INCOME				
Income from financial investments	120,648	144,443	12,741	8,273
Interest on sale of energy	66,818	74,121	1,783	159
Foreign exchange variations - Itaipu Binacional	-	15,509	-	-
Foreign exchange variations – loans and debentures	-	10,247	-	-
Interest	41,771	23,661	320	4,263
Interest - CVA	-	38,210	-	-
Interests of escrow deposits	23,389	22,767	5,222	4,244
Gains on financial instruments - Swap	102,428	100,087	-	-
PIS/Pasep and Cofins charged on finance income (1)	(49,323)	(37,052)	(36,615)	(18,055)
Prepayments rents	1,348	1,612	-	-
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	-	-	6,329	5,921
Other financial income	38,599	18,143	666	687
	345,678	411,748	(9,554)	5,492
FINANCE EXPENSES				
Interest on loans and debentures (note 19)	(279,597)	(233,923)	-	(2,027)
Cost of debt - amortization of transaction cost	(3,457)	(2,088)	-	-
Foreign Exchange variations – loans and debentures	(142,451)	(168,600)	-	-
Foreign exchange variations - Itaipu Binacional	(2,465)	(30,056)	-	-
Interest - loans and debentures	(26,817)	-	-	-
Interest - CVA	(10,973)	-	-	-
Charges and monetary updating on post-employment obligations	(2,757)	(3,574)	(136)	(176)
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	(26,374)	(48,819)	-	-
Interest on leases	(8,944)	(6,336)	(68)	(65)
Financial expenses R&D and PEE	(9,307)	(10,980)	-	-
Other financial expenses	(47,388)	(16,833)	(54)	(290)
	(560,530)	(521,209)	(258)	(2,558)
NET FINANCE INCOME (EXPENSES)	(214,852)	(109,461)	(9,812)	2,934

(1) PIS/Pasep and Cofins expenses are levied on financial income and interest on own capital.

(2) The interest of the tax credits related to PIS/Pasep and Cofins, arising from the exclusion of ICMS from its calculation basis, and the liability to be refunded to consumers is presented by net value. The amounts for reimbursement to consumers were ratified by Aneel and incorporated into the tariff adjustments of 2020, 2021, 2022 and 2023.

(3) This includes inflation correction, in the amount of R\$14,203, on the court escrow deposits received by the Company as ordered in the arbitration proceedings. More details in note 23 – Provision: Dispute on billing of electricity.

27. RELATED PARTY TRANSACTIONS

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

COMPANY (1)	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022	Jan to Sep, 2023	Jan to Sep, 2022	Jan to Sep, 2023	Jan to Sep, 2022
Transactions with energy (4)								
Aliança Geração	2,384	4,070	19,504	18,567	36,563	40,026	(168,562)	(169,030)
Norte Energia	2,733	2,352	32,012	37,900	21,846	19,332	(205,732)	(256,902)
Paracambi	-	-	2,103	2,476	-	-	(20,886)	(25,711)
Hidrelétrica Pipoca	292	108	3,146	3,491	891	-	(37,173)	(35,259)
Hidrelétrica Cachoeirão	-	-	-	-	1,326	-	-	-
Taesa	366	1,046	-	702	4,053	4,483	(4,772)	(4,399)
Customers and traders								
Governo do Estado de Minas Gerais (2)	39,407	36,558	-	-	133,074	121,767	-	-
Provision of services								
Aliança Geração (5)	1,814	673	-	-	4,925	4,133	-	-
Taesa (5)	373	125	-	-	1,135	941	-	-
Accounts Receivable - AFAC								
Governo do Estado de Minas Gerais (3)	13,366	13,366	-	-	15,194	-	-	-
Other credits								
FIP Melbourne (7)	255,918	160,643	-	-	-	-	-	-
Contingency								
Aliança Geração (6)	-	-	57,169	54,905	-	-	(2,264)	(3,066)
Interest on Equity, and dividends								
Retiro Baixo	-	5,867	-	-	-	-	-	-
Baguari Energia	11,579	-	-	-	-	-	-	-
Hidrelétrica Pipoca	-	3,882	-	-	-	-	-	-
Hidrelétrica Cachoeirão	-	3,867	-	-	-	-	-	-
FIC Pampulha								
Current								
Cash and cash equivalents	410,438	291,598	-	-	-	-	-	-
Marketable securities	1,810,247	1,730,105	-	-	50,678	113,305	-	-
Non-current								
Marketable securities	-	6,533	-	-	-	-	-	-
FORLUZ								
Current								
Post-employment obligations (8)	-	-	175,929	198,569	-	-	(211,614)	(213,613)
Supplementary pension contributions - Defined contribution plan (9)	-	-	-	-	-	-	(56,846)	(55,958)
Administrative running costs (10)	-	-	-	-	-	-	(29,527)	(26,722)
Operating leasing (11)	-	-	25,983	25,607	-	-	(24,809)	(22,730)
Non-current								
Post-employment obligations (8)	-	-	2,129,256	2,119,052	-	-	-	-
Operating leasing (11)	175,215	177,984	177,121	178,661	-	-	-	-
Cemig Saúde								
Current								
Health Plan and Dental Plan (12)	-	-	226,617	218,040	-	-	(292,202)	(288,944)
Non-current								
Health Plan and Dental Plan (12)	-	-	3,167,590	3,156,322	-	-	-	-

The main conditions related to the business between related parties are shown below:

- (1) The relationships between Cemig and its investees are described in the investment note 13;
- (2) Refers to the sale of energy to the State Government of Minas Gerais considering that the price of energy is that defined by Aneel through a resolution on the Company's annual tariff adjustment.
- (3) This refers to the recalculation of the monetary correction of amounts related to AFAC returned to the State of Minas Gerais. These receivables are guaranteed by the retention of dividends or interest on equity distributed to the State, in proportion to its participation, while the delay and/or default persists.
- (4) The sale and purchase of electricity between generators and distributors are carried out through auctions in the regulated contracting environment organized by the Federal Government. In the free contracting environment, in turn, they are carried out by means of auctions or direct contracting, according to the applicable legislation. Electricity transport operations, on the other hand, are carried out by the transmitters and result from the centralized operation of the National Interconnected System by the National System Operator (ONS);
- (5) Refers to service agreement for the operation and maintenance of power plants and transmission networks;

(6) This refers to contractual obligations to the investee Aliança Geração corresponding to contingencies arising from events that occurred before the closing of the transaction that resulted in the contribution of assets by Cemig and Vale S.A. in the capital of this investee. The total value of the shares is R\$146 million (R\$156 million at December 31, 2022), of which R\$51 million (R\$55 million at December 31, 2022) is attributable to Cemig;

(7) In January 2021, a final arbitration award was issued in favor of FIP Melbourne, and in August 2022 an agreement was reached between the parties to close the dispute, with the establishment of an updated compensation amount of R\$200 million, settled on September 12, 2022 (see note 13);

(8) Forluz's contracts are adjusted by the Broad National Consumer Price Index - IPCA of the Brazilian Institute of Geography and Statistics - IBGE, plus interest of 6% per year and will be amortized until 2031;

(9) Company's contributions to the Pension Fund regarding the employees participating in the Mixed Plan and calculated over monthly remunerations in conformity with the Fund's regulation;

(10) Funds for the annual administrative funding of the Pension Fund in accordance with the specific legislation for the sector. The amounts are estimated as a percentage of the Company's payroll;

(11) Rental of the Company's administrative headquarters, valid until August 2024 (Júlio Soares building, which can be extended every 5 years, until 2034), annually adjusted by the IPCA, and its prices are reviewed every 60 months. On September 19, 2023, the rent contract was readjusted in 4.61%, corresponding to the accumulated IPCA of the last 12 months;

(12) Post-employment obligations related to the employees' health and dental plan (see note 21).

Dividends receivable

Dividends receivable	Consolidated		Parent company	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Cemig GT	-	-	1,079,062	1,406,958
Cemig D	-	-	1,336,345	1,183,846
Gasmig	-	-	-	55,170
Sete Lagoas	-	-	3,801	3,801
Aliança Geração	56,884	126,634	-	-
Taesá	-	5,646	-	5,646
Cemig Sim	362	-	-	-
Others (1)	11,591	13,628	12	12
	68,837	145,908	2,419,220	2,655,433
Current	68,837	145,908	1,739,426	1,975,639
Non-current	-	-	679,794	679,794

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

Guarantees on loans and debentures

Cemig has provided guarantees on Loans and debentures of the following related parties - not consolidated in the financial statements because they relate to jointly controlled entities or affiliated companies:

Related party	Relationship	Type	Objective	Sep. 30, 2023	Maturity
Norte Energia (NESA) (1)	Affiliated	Surety	Financing	2,587,306	2042
Norte Energia (NESA)/Light (2)	Affiliated	Counter-guarantee	Financing	683,615	2042
Norte Energia (NESA)	Affiliated	Surety	Debentures	83,322	2030
				3,354,243	

(1) Related to Norte Energia financing

(2) Counter-guarantee to Light, related to execution of guarantees of the Norte Energia financing.

At September 30, 2023, Management believes that there is no need to recognize any provisions in the Company's financial statements for the purpose of meeting any obligations arising under these sureties and/or guarantees.

Remuneration of key management personnel

The total remuneration 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 Statement of income of the in period ended September 30, 2023 and September 30, 2022, are as follows:

	Jan to Sep, 2023	Jan to Sep, 2022
Remuneration	20,765	21,390
Income sharing	2,577	3,850
Pension plans	1,580	1,574
Health and dental plans	142	167
Life insurance	21	39
Total	25,085	27,020

28. 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, 2023		Dec. 31, 2022	
		Book value	Fair value	Book value	Fair value
Financial assets					
Amortized cost					
Marketable securities - Cash investments		13,111	13,111	379,390	379,390
Customers and Traders; Concession holders (transmission service)		5,037,468	5,037,468	4,812,880	4,812,880
Restricted cash		13,937	13,937	15,933	15,933
Accounts receivable from the State of Minas Gerais (AFAC)		13,366	13,366	13,366	13,366
Concession financial assets - CVA (Parcel 'A' Costs Variation Compensation) Account and <i>Other financial components</i>		960,073	960,073	944,090	944,090
Escrow deposits		1,231,984	1,231,984	1,206,595	1,206,595
Concession grant fee - Generation concessions		3,018,051	3,018,051	2,950,418	2,950,418
Receivables - FIP Melbourne		255,918	255,918	160,643	160,643
		10,543,908	10,543,908	10,483,315	10,483,315
Fair value through income or loss					
Cash equivalents - Cash investments	2	2,309,335	2,309,335	1,345,175	1,345,175
Marketable securities					
Bank certificates of deposit	2	557,914	557,914	191,338	191,338
Financial Notes - Banks	2	846,015	846,015	905,790	905,790
Treasury Financial Notes (LFTs)	1	395,352	395,352	401,659	401,659
		4,108,616	4,108,616	2,843,962	2,843,962
Derivative financial instruments (Swaps)	3	378,531	378,531	702,734	702,734
Concession financial assets - Distribution infrastructure	3	1,718,127	1,718,127	1,406,597	1,406,597
Reimbursements receivable - Generation	3	761,273	761,273	691,460	691,460
		6,966,547	6,966,547	5,644,753	5,644,753
		17,510,455	17,510,455	16,128,068	16,128,068
Financial liabilities					
Amortized cost					
Loans and debentures		(12,105,914)	(12,105,914)	(10,579,498)	(10,579,498)
Debt with pension fund (Forluz)		(133,419)	(133,419)	(251,401)	(251,401)
Deficit of pension fund (Forluz)		(530,562)	(530,562)	(545,196)	(545,196)
Concessions payable		(27,323)	(27,323)	(27,291)	(27,291)
Suppliers		(2,783,365)	(2,783,365)	(2,832,049)	(2,832,049)
Leasing transactions		(409,210)	(409,210)	(354,633)	(354,633)
		(15,989,793)	(15,989,793)	(14,590,068)	(14,590,068)
Fair value through income or loss					
Derivative financial instruments - Swaps	3	(41,742)	(41,742)	(90,526)	(90,526)
SAAG put options	3	-	-	(672,416)	(672,416)
		(41,742)	(41,742)	(762,942)	(762,942)
		(16,031,535)	(16,031,535)	(15,353,010)	(15,353,010)

The information applied in the fair value valuation techniques is classified in three levels of fair value hierarchy, as follows:

- Level 1 - Active market - Quoted prices: A financial instrument is considered to be quoted in an active market if the prices quoted are promptly and regularly made available by an exchange or organized over-the-counter market, by operators, by brokers or by a market association, by entities whose purpose is to publish prices, or by regulatory agencies, and if those prices represent regular arm's length market transactions made without any preference.
- Level 2 - No active market - Valuation technique: For an instrument that does not have an active market, fair value should be found by using a method of valuation/pricing. Criteria such as data on the current fair value of another instrument that is substantially similar, or discounted cash flow analysis or option pricing models, may be used. Level 2 is based on information that is observable, either directly or indirectly. The objective of the valuation technique is to establish what would be the transaction price on the measurement date in an arm's-length transaction motivated by business model.
- Level 3 - No active market - No observable inputs: Fair value is determined based on generally accepted valuation techniques, such as on discounted cash flow analysis or other valuation techniques, including non-observable data, such as the measurement at new replacement value (*Valor novo de reposição*, or VNR). Non-observable data should be used to measure fair value where significant observable data is not available, admitting situations in which there is little or no market activity at the measurement date. Non-observable data are developed using the best possible information available in the circumstances, which may include the entity's own data.

The fair value hierarchy prioritizes information (inputs) from valuation techniques, and not the valuation techniques used for measurement of fair value. In some cases information is used from different hierarchy levels in measurement of fair value, and this is classified entirely in the same level of the fair value hierarchy applicable to the significant information of a lower level. For assets and liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization.

Information about (i) methodology for calculation of fair value of positions; and (ii) derivative financial instruments can be found in Note 31 to the financial statements for the year ending December 31, 2022.

b) Derivative financial instruments

Put option - SAAG

Early liquidation of Funds, and early maturity of put option

The judgment of the arbitration tribunal was published on February 10, 2023, ordering Cemig GT to make full payment of the exercise price of the options contained in the contracts.

On May 8, 2023, a Transaction Agreement was signed between Cemig GT and the private pension funds ('the Funds') which participated in the investment structure of the Santo Antônio hydroelectric plant through SAAG (a structure comprising FIP Melbourne, Parma Participações S.A. and FIP Malbec – jointly, 'the Investment Structure').

The total value of the agreement was R\$780 million, which was settled by Cemig GT on May 12, 2023. An additional effect of R\$25 million, relating to the fair value of the liabilities up to the date of settlement, was posted in the second quarter of 2023.

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

	Consolidado e Controladora
Balance on December 31, 2022	672,416
Adjustment to fair value	57,801
Related assets (1)	50,131
Liquidation	(780,348)
Balance on September, 30	-

(1) With the acquisition of the share units then held by the Funds in the Investment Structure, Cemig GT became the holder of the related assets, which have aggregate value of approximately R\$50 million. This amount is recognized in Other assets in the Statement of financial position.

Swap transactions, currency options and NDF

Considering that part of the loans of the Cemig GT is denominated in foreign currency, the Company uses derivative financial instruments (swaps, currency options and NDF) to protect the servicing associated with these debts (principal and interest).

The derivative financial instruments contracted by the Company 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 2023, resulting in a negative item of R\$67,840, and cash outflow of the same amount (this compares to a negative amount of R\$35,505 in the first half of 2022, with a net cash outflow of the same amount). Also in June 2023, a part of the hedge was undone, in the amount of US\$368,890, resulting in a gain of R\$282,951, and net cash inflow of R\$240,508.

Assets	Liability	Maturity	Trade market	Notional amount	Realized gain (loss) Jan to Sep, 2023	Realized gain (loss) Jan to Sep, 2023
US\$ Exchange variation + Rate (9.25% p.y.)	R\$149.99% of CDI	Interest:half-yearly Principal:De.2024	Over the counter	US\$250,000	106,848	206,154
US\$ Exchange variation + Rate (9.25% p.y.)	R\$125.54% of CDI	Interest:half-yearly Principal:De.2024	Over the counter	US\$500,00	108,264	(16,143)
					<u>215,112</u>	<u>190,011</u>

The Company contracted, on April 13, 2023 and June 14, 2023, a short-term hedge against variation in the US dollar exchange rate for a volume of US\$392 million, locking in the exchange rate at R\$5.1110/US\$. The instrument contracted was a non-deliverable forward (NDF), without physical delivery of currency, guaranteeing the Company a pre-agreed rate at the moment of maturity, on December 5, 2023.

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, 2023 was a negative adjustment of R\$60,307 (negative adjustment of R\$301,940 on September 30, 2022), which was posted in finance income (expenses).

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

This table presents the derivative instruments contracted by the Cemig GT as of September 30, 2023 and December 31, 2022:

Assets (1)	Liability	Maturity period	Trade market	Notional amount (2)	Carrying amount on September 30, 2023	Fair value on September 30, 2023	Carrying amount on December 31, 2022	Fair value on December 31, 2022
US\$ exchange variation + Rate (9.25% p.y.)	R\$ + 152.01% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US\$120,000	205,231	154,684	428.134	272,846
US\$ exchange variation + Rate (9.25% p.y.)	R\$ + 125.52% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US\$261,110	285,872	197,230	568.487	339,362
US\$ exchange variation higher R\$5.1110	US\$ Exchange variation lower R\$5,1110	December 5, 2023	Balcão	US\$392,244	(40,552)	(15,125)	-	-
					450,551	336,789	996.621	612,208
Non-current assets						378,531		702,734
Current liabilities						(41,742)		(90,526)

- (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. This does not, however, protect the amount of Income tax withheld at source (Imposto de Renda Retida na Fonte - IRRF) on the payment of interest.
- (2) In thousands of US\$.

In accordance with market practice, the 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, 2023 was R\$336,789 (R\$612,208 on December 31, 2022), which would be the reference if the Cemig GT would liquidate the financial instrument on June 30, 2023, but the swap contracts protect the Cemig GT's cash flow up to the maturity of the bonds in 2024 and they have carrying amount of R\$450,551 at September 30, 2023 (R\$996,621 on December 31, 2022).

The Company 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, the Company prepare a sensitivity analysis and estimates that in a probable scenario, its results would be positively affected by the swap and call spread, on September 30, 2024, in the amount of R\$107,664. The fair value of the financial instrument was estimated in R\$444,453, with a positive amount of R\$450,287 refers to the option (call spread) and a negative amount of R\$5,834 refers to the swap.

Based on the base scenario observed at September 30, 2023, the Company measured the effects on its net income of the ‘probable’ and ‘adverse’ scenarios, in which the projections for interest rates and the US dollar exchange rate are high, simulating a scenario of economic stress.

The results are shown below:

Consolidated	Base scenario September 30, 2023	‘Probable’ scenario Selic 9.37% US\$=R\$4.96	‘Adverse’ scenario Selic 12.75% US\$=R\$6.00
Swap, asset	1,487,287	1,454,603	1,465,827
Swap, liability	(1,521,964)	(1,460,437)	(1,478,732)
Option / Call spread	386,591	450,287	501,290
NDF	(15,125)	-	-
Derivative hedge instrument	336,789	444,453	488,385

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

c) Financial 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, 2023		Dec. 31, 2022	
	Foreign currency	R\$	Foreign currency	R\$
US dollar				
Loans and financing (Note 19)	(782,395)	(3,917,920)	(761,824)	(3,974,971)
Suppliers (Itaipu Binacional)	(10,283)	(51,491)	(52,440)	(273,618)
	(792,678)	(3,969,411)	(814,264)	(4,248,589)
Net liabilities exposed		(3,969,411)		(4,248,589)

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, 2024 will be an depreciation of the dollar by 0.95% to R\$4.96.

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 an adverse scenario in relation to the probable scenario.

Risk: foreign exchange rate exposure	Amount Book value	'Probable' scenario US\$=R\$4.96	'Adverse' scenario US\$= R\$5.97
US dollar			
Loans (Note 19)	(3,917,920)	(3,880,678)	(4,670,897)
Suppliers (Itaipu Binacional)	(51,491)	(51,002)	(61,387)
Net liabilities exposed	(3,969,411)	(3,931,680)	(4,732,284)
Net effect of exchange rate fluctuation		37,731	(762,873)

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, 2023. 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, 2023	Dec. 31, 2022
Assets		
Cash equivalents - Cash investments (Note 4) - CDI	2,309,335	1,345,175
Marketable securities (Note 5) - CDI / Selic	1,812,392	1,878,177
Indemnities receivable - Generation	761,273	691,460
Restricted cash - CDI	13,937	15,933
CVA and in tariffs – Selic (note 11)	960,073	944,090
	5,857,010	4,874,835
Liabilities		
Loans and debentures (Note 19) - CDI	(3,753,452)	(2,041,000)
	(3,753,452)	(2,041,000)
Net assets exposed	2,103,558	2,833,835

Sensitivity analysis

In relation to the most significant interest rate risk, the Company and its subsidiaries estimate that in a probable scenario the Selic rate will be 9.75% and the TJLP rate will be 6.37% on September 30, 2024.

The Company and its subsidiaries made a sensitivity analysis of the effects on results considering an adverse scenario in relation to the probable scenario, as shown in the table below. The CDI rate follows the Selic rate.

Increase in Brazilian interest rates	Sep. 30, 2023	Sep. 30, 2024	
	Amount Book value	'Probable' scenario Selic 9.75% TJLP 6.37%	'Adverse' scenario Selic 8.5% TJLP 5.07%
Assets			
Cash equivalents (Note 4)	2,309,335	2,534,495	2,505,628
Marketable securities (Note 5)	1,812,392	1,989,100	1,966,445
Restricted cash	13,937	15,296	15,122
CVA and Other financial components - SELIC (Note 11)	960,073	1,053,680	1,041,679
	5,095,737	5,592,571	5,528,874
Liabilities			
Loans and financing (Note 19)	(3,753,452)	(4,119,414)	(4,072,495)
	(3,753,452)	(4,119,414)	(4,072,495)
Net assets exposed	1,342,285	1,473,157	1,456,379
Net effect of fluctuation in interest rates		130,872	114,094

Increase in inflation risk

The Company and its subsidiaries are exposed to the risk of increase in inflation index on September 30, 2023. 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, 2023	Dec. 31, 2022
Assets		
Concession financial assets related to Distribution infrastructure - IPCA (1)	1,716,787	1,406,597
Concession Grant Fee - IPCA (Note 11)	3,018,051	2,950,418
	4,734,838	4,357,015
Liabilities		
Loans and debentures - IPCA and IGP-DI (Note 19)	(4,497,879)	(4,629,992)
Debt with pension fund (Forluz) - IPCA (Note 21)	(133,419)	(251,401)
Deficit of pension plan (Forluz) - IPCA (Note 21)	(530,562)	(545,196)
	(5,161,860)	(5,426,589)
Net assets exposed	(427,022)	(1,069,574)

(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, 2024 the IPCA inflation index will be 4.14% and the IGPM inflation index will be 3.06%. The Company has prepared a sensitivity analysis of the effects on its net income arising from reductions in rates in an adverse scenario.

Risk: increase in inflation index	Sep. 30, 2023	Sep. 30, 2024	
	Amount Book value	'Probable scenario' IPCA 4.52% IGPM 1.94%	'Adverse Scenario' IPCA 6.35% IGPM 5.49%
Assets			
Concession financial assets related to Distribution infrastructure - IPCA (1)	1,678,646	1,748,142	1,786,415
Concession financial assets related to gas distribution infrastructure - IGPM	38,141	39,308	39,927
Concession Grant Fee - IPCA (Note 11)	3,018,051	3,142,998	3,211,810
	4,734,838	4,930,448	5,038,152
Liabilities			
Loans and debentures - IPCA and IGP-DI (Note 19)	(4,497,879)	(4,684,091)	(4,786,643)
Debt agreed with pension fund (Forluz) - IPCA (Note 21)	(133,419)	(138,943)	(141,984)
Deficit of pension plan (Forluz) (Note 21)	(530,562)	(552,527)	(564,624)
	(5,161,860)	(5,375,561)	(5,493,251)
Net liabilities exposed	(427,022)	(445,113)	(455,099)
Net effect of fluctuation in IPCA and IGP-M indexes		(18,091)	(28,077)

(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.

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, 2022.

The flow of payments of the Company and subsidiaries obligation to suppliers, debts with the pension fund, Loans 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 and debentures	49,394	589,779	1,292,245	11,675,776	964,715	14,571,909
Onerous concessions	358	705	2,905	12,597	15,904	32,469
Debt with pension plan (Forluz) (Note 21)	15,196	30,573	93,395	-	-	139,164
Deficit of the pension plan (FORLUZ) (Note 21)	6,723	13,529	62,328	361,394	341,109	785,083
	71,671	634,586	1,450,873	12,049,767	1,321,728	15,528,625
- Fixed rate						
Suppliers	2,589,479	193,882	4	-	-	2,783,365
Total	2,661,150	828,468	1,450,877	12,049,767	1,321,728	18,311,990

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*						
Debt with pension plan (Forluz) (Note 21)	748	1,504	4,595	-	-	6,847
Deficit of the pension plan (FORLUZ) (Note 21)	331	666	3,067	17,781	16,781	38,626
	1,079	2,170	7,662	17,781	16,781	45,473
- Fixed rate						
Suppliers	337,283	-	-	-	-	337,283
Total	338,362	2,170	7,662	17,781	16,781	382,756

(*) The lease payment flow is presented in note 16.

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. More details in Note 19.

Capital management

Comparisons of the Company's consolidated net liabilities in relation to its equity are presented below:

	Consolidated	
	Sep. 30, 2023	Dec. 31, 2022
Total liabilities	31,731,462	31,887,571
(-) Cash and cash equivalents	(2,355,680)	(1,440,661)
(-) Restricted cash	(1,812,392)	(1,744,546)
Net liabilities	27,563,390	28,702,364
Total equity	24,433,968	21,783,266
Net liabilities / equity	1.13	1.32

Credit risk and other operating risks

The 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, 2022.

29. OPERATING SEGMENTS

Detailed information on the operating segments is in Note 5 to the financial statements for 2022, with the exception of the points set out below on the gas segment being shown separately. In the 2022 financial statements this information was included under *Equity interests*.

This was changed in 2Q23, when the principal manager of the Group changed its method of assessing the business segments and decided to publish information on the gas segment separately. To maintain comparability, the information for 9M22 is presented using the same criterion.

INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2023										
Account/Description	Energy				Gas	Investees	Total	Inter segment transactions	Reconciliation	Total
	Generation	Transmission	Trading	Distribution						
NET REVENUE	1,934,688	790,449	5,786,759	16,921,090	2,765,610	14,798	28,213,394	(898,319)	(421,992)	26,893,083
COST OF ENERGY AND GAS	(15,579)	(227)	(4,865,769)	(9,262,233)	(1,714,391)	(4,462)	(15,862,661)	898,319	384,489	(14,579,853)
OPERATING COSTS AND EXPENSES (3)										
Personnel	(108,012)	(99,164)	(20,557)	(645,922)	(50,624)	(35,078)	(959,357)	-	-	(959,357)
'Employees and managers' income sharing	(12,263)	(12,104)	(2,512)	(77,614)	-	(13,882)	(118,375)	-	-	(118,375)
Post-employment obligations	(41,663)	(25,747)	(5,900)	(291,606)	-	(64,749)	(429,665)	-	-	(429,665)
Materials, outsourced services and others expenses	(161,455)	(73,290)	(13,314)	(1,523,237)	(48,053)	13,932	(1,805,417)	-	37,503	(1,767,914)
Depreciation and amortization	(242,044)	180	(11)	(596,371)	(70,422)	(13,954)	(922,622)	-	-	(922,622)
Operating provisions and impairment	(21,479)	(9,127)	(1,354)	(273,896)	1,147	(113,204)	(417,913)	-	-	(417,913)
Construction costs	-	(103,793)	-	(2,547,586)	(209,771)	-	(2,861,150)	-	-	(2,861,150)
Total cost of operation	(586,916)	(323,045)	(43,648)	(5,956,232)	(377,723)	(226,935)	(7,514,499)	-	37,503	(7,476,996)
COSTS AND EXPENSES	(602,495)	(323,272)	(4,909,417)	(15,218,465)	(2,092,114)	(231,397)	(23,377,160)	898,319	421,992	(22,056,849)
Equity in earnings of unconsolidated investees	(1,550)	-	-	-	-	294,788	293,238	-	-	293,238
INCOME BEFORE FINANCE INCOME (EXPENSES)	1,330,643	467,177	877,342	1,702,625	673,496	78,189	5,129,472	-	-	5,129,472
Finance net income (expenses)	(6,405)	(38,244)	53,715	(180,210)	(6,181)	(103,631)	(280,956)	-	-	(280,956)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	1,324,238	428,933	931,057	1,522,415	667,315	(25,442)	4,848,516	-	-	4,848,516
Income tax and social contribution tax	(274,430)	(86,975)	(307,572)	(311,518)	(210,032)	222,906	(967,621)	-	-	(967,621)
NET INCOME FOR THE PERIOD	1,049,808	341,958	623,485	1,210,897	457,283	197,464	3,880,895	-	-	3,880,895
Equity holders of the parent	1,049,808	341,958	623,485	1,210,897	455,317	197,464	3,878,929	-	-	3,878,929
Non-controlling interests	-	-	-	-	1,966	-	1,966	-	-	1,966

(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, 2022

Account/Description	Energy				Gas	Investees	Total	Inter segment transactions	Reconciliation	Total
	Generation	Transmission	Trading	Distribution						
NET REVENUE	2,003,330	867,175	5,791,864	14,845,793	2,673,389	4,878	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)	(47,543)	(42,769)	(983,972)	-	-	(983,972)
'Employees and managers' income 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 others expenses	(320,502)	(56,228)	(9,464)	(1,202,538)	(43,597)	(18,328)	(1,650,657)	-	43,891	(1,606,766)
Depreciation and amortization	(246,456)	180	(10)	(542,503)	(68,059)	(12,505)	(869,353)	-	(183)	(869,536)
Operating provisions and impairment	(7,136)	(963)	(40,634)	(225,980)	(1,963)	(30,169)	(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)	(198,206)	(179,926)	(6,775,742)	-	43,708	(6,732,034)
COSTS AND EXPENSES	(982,933)	(393,582)	(5,188,743)	(13,957,631)	(2,236,503)	(179,926)	(22,939,318)	1,113,667	363,156	(21,462,495)
Equity in earnings of unconsolidated investees	(1,625)	2,629	15	-	-	767,421	768,440	-	-	768,440
Gains arising from the sale of equity interest	-	-	-	-	-	6,644	6,644	-	-	6,644
Result of business combination	-	-	-	-	-	8,641	8,641	-	-	8,641
INCOME BEFORE FINANCE INCOME (EXPENSES)	1,018,772	476,222	603,136	888,162	436,886	607,658	4,030,836	-	-	4,030,836
Finance net income (expenses)	(124,589)	(79,619)	21,199	(1,126,692)	(16,331)	(170,788)	(1,496,820)	-	-	(1,496,820)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	894,183	396,603	624,335	(238,530)	420,555	436,870	2,534,016	-	-	2,534,016
Income tax and social contribution tax	(265,339)	(122,831)	(191,370)	221,107	(136,104)	648,321	153,784	-	-	153,784
NET INCOME FOR THE PERIOD	628,844	273,772	432,965	(17,423)	284,451	1,085,191	2,687,800	-	-	2,687,800
Equity holders of the parent	628,844	273,772	432,965	(17,423)	283,228	1,085,191	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.

The information for assets by segment is not presented, because this is not part of the information made available to the Company's Chief Operating Decision Maker ("CODM").

30. ASSETS CLASSIFIED AS HELD FOR SALE

	Consolidated
Jointly controlled Retiro Baixo	190,547
Jointly controlled Baguari Energia	159,878
Plants of the wholly-owned subsidiary Horizontes	11,998
	362,423

Disposal process of Cemig's equity participation in Axxiom

On December 22, 2022, the Company entered into a Stock Purchase and Other Agreements ("CCVA") for the sale of 49.0% of its equity interest in Axxiom Soluções Tecnológicas S.A. ("Axxiom") to Light S.A. ("Light"), which holds the remaining 51.0% interest.

On April 17, 2023 the Company completed the sale of its entire equity interest in Axxiom. The consideration in the transaction was a symbolic amount of One Real (R\$ 1.00), plus liquidation of the assets and settlement of the liabilities of Axxiom.

This transaction is in line with the Company's Strategic Planning, which foresees the divestment of assets that do not adhere to the Cemig Group's core activities.

Process of sale of 15 PCHs/CGHs

On March 17, 2023 the invitation and tender were published for a public auction to sell 15 small hydroelectric generation plants and units (PCHs and CGHs), 12 owned by Cemig GT and 3 by its wholly-owned subsidiary Horizontes.

Generation plant	Ledger	Beginning of the operation	Installed capacity (MW) (1)	Physical guarantee (MWm) (1)	Commercial Operation Status	Site
Cemig GT						
CGH Bom Jesus do Galho	Registry	1931	0.36	0.13	Out of operation	Minas Gerais
CGH Xicão	Registry	1942	1.81	0.61	In operation	Minas Gerais
CGH Sumidouro	Registry	1954	2.12	0.53	In operation	Minas Gerais
PCH São Bernardo	Concession	1948	6.82	3.42	In operation	Minas Gerais
CGH Santa Marta	Registry	1944	1.00	0.58	In operation	Minas Gerais
CGH Santa Luzia	Registry	1958	0.70	N/A	In operation	Minas Gerais
				Geração: 0.28		
CGH Salto Morais	Registry	1957	2.39	0.60	In operation	Minas Gerais
PCH Rio de Pedras	Concession	1928	9.28	2.15	In operation	Minas Gerais
CGH Pissarrão	Registry	1925	0.80	0.55	In operation	Minas Gerais
CGH Lages	Registry	1955	0.68	N/A	In operation	Minas Gerais
				Geração: 0.32		
CGH Jacutinga	Registry	1948	0.72	0.57	In operation	Minas Gerais
CGH Anil	Registry	1964	2.06	1.10	In operation	Minas Gerais
Horizontes						
CGH Salto do Paraopeba	Authorization	1955	2.46	2.21	Out of operation	Minas Gerais
CGH Salto Passo Velho	Authorization	2001	1.80	1.64	In operation	Santa Catarina
PCH Salto Voltão	Authorization	2001	8.20	7.36	In operation	Santa Catarina
Total			41.20	22.05		

(1) Information not audited by the independent auditors.

Thus, in March 2023 the assets were transferred to Current assets held for sale, in accordance with the terms of CPC 31 / IFRS 5, as follows:

Plant	Net book value Fixed assets and Intangible assets	Assets held for sale
Cemig GT	46,126	-
CGH Bom Jesus do Galho	110	-
CGH Xicão	8,188	-
CGH Sumidouro	1,906	-
PCH São Bernardo	6,367	-
CGH Santa Marta	249	-
CGH Santa Luzia	995	-
CGH Salto Morais	798	-
PCH Rio de Pedras	21,943	-
CGH Pissarrão	1,423	-
CGH Lages	948	-
CGH Jacutinga	1,485	-
CGH Anil	1,713	-
Horizontes	7,212	7,212
CGH Salto do Paraopeba	-	-
CGH Salto Passo Velho	2,479	2,479
PCH Salto Voltão	4,733	4,733
Total	53,338	7,212

It was concluded that that the assets classified as held for sale do not qualify within the concept of discontinued operations, under Item 32 of CPC 31/ IFRS 5, since they do not represent a significant separate line of business or geographical area of operations, nor do they constitute a subsidiary acquired exclusively for the purpose of resale.

On August 10, 2023, the Company held a public auction for the sale of these assets as a single lot. The winning bid was R\$ 100.5 million, representing a premium of 108.6% to the minimum price of R\$ 48.2 million.

Cemig GT and its wholly owned subsidiary Horizontes signed the sale agreement with the winning bidder, Mang Participações e Agropecuaria Ltda. ('Mang'), on September 13, 2023.

Closing of the transaction is subject to compliance with the usual suspensive conditions, specified in the sale agreement, which include obtaining the approval and consent of Aneel and CADE.

This disposal aims to comply with the directives of the Company's strategic planning, in optimizing its portfolio of assets, seeking to improve operational efficiency and allocation of capital.

Signature of share purchase agreement for disposal of Retiro Baixo and Baguari Energia by Cemig GT

Operation 1

Share purchase agreements were signed on April 14, 2023 for sale to Furnas Centrais Elétricas of the Cemig GT's entire stockholding interests in the jointly-controlled subsidiaries Retiro Baixo and Baguari Energia, as follows:

- (i) for R\$200.4 million, the 49.9% equity interest held by the Cemig GT in Retiro Baixo, which operates the Retiro Baixo Hydroelectric Plant, in Minas Gerais, with installed capacity of 81.1 MW, and assured energy (physical offtake guarantee) of 34.8 MW.
- (ii) for R\$393 million, the Cemig GT's indirectly held interest of 34% in the Baguari Consortium, which operates the Baguari hydroelectric plant, in Minas Gerais, with

installed generation capacity of 140 MW and assured energy (physical offtake guarantee) of 81.9 MW, representing 69.39% of the share capital of Baguari Energia.

In April 2023 the assets were classified as held for sale, at book value, in accordance with Item 15 of CPC 31 / IFRS 15, thus having no effect on net profit.

Assets classified as held for sale	Book value April 30, 2023	Fair value net of selling expenses
Baguari Energia	159,878	199,772
Retiro Baixo	190,547	392,475
Total	350,425	592,247

It was concluded that the assets classified as held for sale do not qualify within the concept of discontinued operations under Item 32 of CPC 31, since they do not represent a significant separate line of business or geographical area of operations, nor do they constitute a subsidiary acquired exclusively for the purpose of resale.

Transaction 2

On May 30, 2023, a share purchase agreement was signed for acquisition of 100% of the shares in Baguari I Geração de Energia Elétrica S.A., a company controlled by Neoenergia S.A., for R\$ 453.9 million, formalizing the right of first refusal exercised by Baguari Energia.

Baguari Energia and Baguari I respectively hold interests of 49% and 51% in Consórcio UHE Baguari (– the Baguari Hydroelectric Plant Consortium).

With the conclusion of Transaction 1, Cemig GT will no longer hold any equity in Baguari Energia and thus have no participation in the Consórcio UHE Baguari. Thus, payment for the purchase of Baguari I by Baguari Energia will be entirely an obligation of Furnas. As a result, Transaction 2 will have no effect on Cemig GT.

Baguari Energia sale process

On October 6, 2023, the Company concluded the sale to Furnas Centrais Elétricas of its entire holding, of 69.39%, in the share capital of Baguari Energia, which represents an indirect interest of 34% in the Baguari Consortium.

The value of the transaction was R\$432.8 million, comprising: the amount of R\$393 million agreed in the share purchase agreement, plus updating at 100% of the CDI rate since December 31, 2022. Of this total, the amount of R\$11.6 million was deducted for the dividend received on October 3, 2023. Thus, the amount received on the closing date of the transaction was R\$421.2 million.

As a result of conclusion of the transaction, the Company recognized the following accounting effects, in October 2023:

Interest held by Cemig GT	69.39%
Total sale price	421,222
Value of the assets held for sale on September 30, 2023	159,878
Capital gain on the share transaction (1)	261,344
Taxable capital gain (net of sales expenses) (2)	248,457
Income tax and Social Contribution tax (2)	(84,475)
Capital gain net of taxes	163,982

(1) The effects of the disposal will be reported in the net profit for the operational segment of Equity holdings, in the Financial Statements for 2023.

(2) Sales expenses totaled R\$519 and its refers to accounting, tax and legal due diligence services, and legal advice.

Retiro Baixo sale process

On October 9, 2023 Aneel approved the transfer of stockholding control. Closing of the transaction is pending approval and consent of the BNDES.

This transaction is in line with the Company's strategic planning, which envisages divestment of minority stockholdings in the Cemig Group.

31. 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, to be submitted to the Public Attorneys' Office of Minas Gerais State, and other control bodies, for assessment of what further referrals of it should be made.

In August 2023, the prosecutors of the Public Attorneys' Office of Minas Gerais decided to set aside the Public Civil Inquiries that were investigating events referred to in the CPI. The decisions stated that all acts of Cemig's management were regular. The only matter pending is conclusion of the investigation by the Minas Gerais Civil Police in relation to the IBM contract.

It should be noted that regarding processes of contracting, the Company carries out regular audits, and no material impacts have been identified in the interim accounting information for period from January to September of 2023, nor in the financial statements of prior periods.

Reynaldo Passanezi Filho
Diretor-Presidente

Leonardo George de Magalhães
Chief Finance and Investor Relations Officer

Cristiana Maria Fortini Pinto e Silva
Chief Regulation and Legal

Marney Tadeu Antunes
Chief Distribution Officer

Marco da Camino Ancona Lopez Soligo
Chief Officer Cemigpar

Thadeu Carneiro da Silva
Chief Generation and Transmission Officer

Dimas Costa
Chief Trading Officer

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, 2023, which comprises the statement of financial position as of September 30, 2023 and the respective statements of income, and other comprehensive income for the three and nine-months periods then ended, and changes in shareholders’ equity and cash flows for the nine-month period then ended, comprising 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 13 and 31 to the individual and consolidated interim financial information, there are investigations being conducted by public authorities regarding the Company, its subsidiaries and the investee Norte Energia S.A., which involve the investee and their executives and other shareholders of this investee. We are currently unable to foresee future developments or potential impacts of these investigations conducted by public

authorities in the interim financial statements. 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, 2023, 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.

Belo Horizonte, November 09, 2023

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

OTHER INFORMATION THAT THE COMPANY BELIEVES TO BE MATERIAL

Corporate Governance

Cemig's corporate governance is based on transparency, equity and accountability. The main characteristic of Cemig's governance model is clear definition of the roles and responsibilities of the Board of Directors and Executive Board in formulating, approving and executing the policies and directives on how to conduct the Company's business. The members of the Board of Directors, who are appointed by the General Meeting of Stockholders, elect that Board's chair and deputy chair and appoint the Executive Board (statutory executive officers).

The focus of the Company's governance has been a balance between the economic, financial and environmental aspects of Cemig, aiming to continue contributing to sustainable development, and continuous improvement of its relationship with stockholders, clients, employees, society as a whole and other stakeholders. To sustain a well-structured corporate governance model, Cemig follows the good practices and recommendations of the Brazilian Corporate Governance Institute (Instituto Brasileiro de Governança Corporativa - IBGC), fostering a relationship of trust and integrity with its stakeholders. Since 2001 Cemig has followed the Level I Corporate Governance Practices of the São Paulo stock exchange (B3).

Board of Directors

Meetings

The Board of Directors met 14 times up to September 30, 2023, 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.

The Board of Directors has eleven sitting members, 11 nominated and elected by the stockholders, and one elected by the employees. One member of the Board of Directors is its Chair, and another is its Deputy Chair. 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, their responsibilities and resumes is on our website at: <https://ri.cemig.com.br/en>

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.

The responsibilities of the Audit Committee are available on our website: <https://ri.cemig.com.br/en>

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, their resumes and responsibilities are on our website: <https://ri.cemig.com.br/en>

Fiscal Board

Meetings

In the period from January to September 2023, 11 meetings of the Fiscal Board were held.

Composition, election and term

We have a permanent Fiscal Board, composed of five effective members and their respective alternates, elected by the General Assembly for a mandate of two (2) years.

In the composition of the Fiscal Board, the following nomination rules will be observed:

- minority common stockholders and preferred stockholders shall be assured the right to elect, in a separate vote, one (1) member, respectively, in accordance with the applicable legislation; and,
- the majority of the members must be elected by the Company's controlling shareholder, and at least 1 (one) of them must be a public servant, with permanent ties to the Public Administration.

The composition of the Fiscal Board and curricular information about its members is available on our website at <https://ri.cemig.com.br/en>

Internal auditing, management of risks and internal controls

Maintaining a minimum frequency of a year for the updating procedure, the Executive Board and the Board of Directors approved in 2022, after consideration by the Audit Committee, Cemig's updated Corporate Top Risks and Compliance Risks Matrix for 2022-23.

These risks, associated with execution of strategy and scenarios of the Company's exposure, conflicts of interest, fraud and corruption are under the responsibility of the members of the Executive Board, and are monitored and reported periodically to Senior Management. The Matrix is divided into separate risk components: Distribution, Generation, Trading, IT, Institutional Regulations, Agile Management with Safety, Corporate Enabling Factors, and Financial.

To strengthen governance and discussion on risk management even further, in June 2022 the Risks Committee was created, linked to and advising the Board of Directors. It was given the duties of analysis of compliance with the requirements of the regulatory and inspection agencies; definition of the principal risks ('Top Risks'), and monitoring of their treatment; identification and measurement of action plans for mitigation and control of the risks identified; and assessment of the limits of tolerance to the risks to which the Company will be exposed.

The Company also has an Annual Internal Audit Plan, approved by the Company's management, for assessing the principal corporate procedures. The objective of this plan is to ensure appropriateness, efficacy and efficiency in the Company's processes, as well as compliance with the laws, rules, standards and internal procedures to which the Company is subject. The Internal Audit makes an independent assessment of the efficacy of the management of risks, and the effectiveness of the internal control system, reporting any deficiencies and proposing actions for improvement to be implemented by the areas responsible, which are periodically monitored for their compliance.

Certification of quality from the Institute of Internal Auditors (IIA)

In 2023 Cemig's Internal Audit unit received Quality Certification from the Institute of Internal Auditors (IIA), the world body that regulates the activity of internal auditing in terms of compliance with international rules and standards of auditing. This is an important achievement - it places Cemig's Internal Auditing area in the select group of Brazilian companies that have this international certification from the IIA.

Anti-fraud Policy

Cemig prides itself on its commitment to combat and prevention of fraud, corruption and any type of act that might represent deviation from the ethical conduct required by established internal and external rules. In this it relies on, and enjoys, the dedication and diligence of the entire workforce to ensure that no unlawful act is committed in its name.

For prevention of any act of this type, the Company has an effective system of internal controls and compliance, including, among others, the Ethics Committee, the Reporting Channel, and internal policies and procedures for integrity, auditing, encouragement for reporting of irregularities, and prevention of fraud and corruption. All employees and any professionals in any relationship with Cemig, including stockholders, managers, employees and outside contractors, are made fully aware of them.

The Reporting Channel guarantees confidentiality, anonymity and non-retaliation to those reporting a complaint. The Ethics Committee is responsible for making sure there is proper investigation of all accusations received, and after this is concluded, the responses are made available to the reporting parties.

Ethical Principles and Code of Professional Conduct

The Cemig Code of Conduct

On April 18, 2022 the Board of Directors of Cemig approved the new *Cemig Code of Conduct* (<https://ri.cemig.com.br/en>), 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 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

The Ethics Committee is responsible, among other attributions, 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 Commission is made up of 8 members including Superintendents and Managers, appointed by the Executive Board. 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.

SHAREHOLDING POSITION OF HOLDERS OF MORE THAN 5% OF THE VOTING STOCK ON SEPTEMBER 30, 2023

	Number of shares on June 30, 2023					
	Common shares	%	Preferred shares	%	Total	%
State of Minas Gerais	375,031,302	50.97	17,085	-	375,048,387	17.04
FIA Dinâmica Energia S/A	229,638,692	31.21	116,951,354	7.98	346,590,046	15.74
BNDES Participações	82,007,784	11.14	-	-	82,007,784	3.73
PZENA	-	-	73,283,989	5.00	73,283,989	3.33
BlackRock	-	-	217,550,174	14.84	217,550,174	9.88
Others						
In Brazil	24,017,844	3.26	96,060,214	6.55	120,078,058	5.45
Foreign shareholders	25,152,002	3.42	961,660,248	65.63	986,812,250	44.83
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, 2023

	September 30, 2023	
	ON	PN
Controlling shareholder	375,031,302	17,085
Other entities of Minas Gerais State	30,021	32,566,232
Board of Directors	-	109,976
Fiscal Board	-	30,179
Executive Board	14,947	4,419
Shares in Treasury	102	846,062
Free float	360,771,252	1,431,949,111
Total	735,847,624	1,465,523,064

Investor Relations

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, 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 and roadshows; as well as holding video conference calls with analysts, investors and others interested in the capital markets.

In March 2023, we held our 28rd Annual Meeting with the Capital Markets, where market professionals had the opportunity to interact with the Company's directors and principal executives.

DIRECTORS' STATEMENT OF REVIEW OF THE INTERIM FINANCIAL INFORMATION

We hereby state, for the due purposes, under the responsibility of our positions, that in meeting of the Executive Board of Cemig Distribuição S.A., held on November 7, 2023, we approved the conclusion, on that date, of the Company's Interim Financial Information for the period from January to September 2023. In the same date, approved the submission to the Board of Directors, for decision of the Interim Financial Information for the period from January to September 2023. And we declare that we have reviewed, discussed and agree with the said Interim Financial Information.

Belo Horizonte, November 7, 2023.

Reynaldo Passanezi Filho - Chief Executive Officer

Dimas Costa - Chief Trading Officer

Leonardo George de Magalhães - Chief Finance and Investor Relations Officer

Marney Thadeu Antunes - Chief Distribution and Sales Officer

Marco da Camino Ancona Lopes Soligo - Chief Officer Cemigpar

DIRECTORS' STATEMENT OF REVIEW OF THE REPORT BY THE EXTERNAL AUDITORS ON THE INTERIM FINANCIAL INFORMATION

We hereby state, for the due purposes, under the responsibility of our positions, that in meeting of the Executive Board of Companhia Energética de Minas Gerais (Cemig), Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A), held on November 7, 2023, we approved the conclusion, on that date, of the Company's Interim Financial Information for the period from January to September 2023; and also submission to the Board of Directors, for decision and submission to the Annual General Meeting, of the Report of Management, of the Interim Financial Information for the period from January to September 2023 and the related complementary documents. In relation to those documents, we declare that we have reviewed, discussed and agree with the opinions expressed by the representatives of the Independent External Auditors.

Belo Horizonte, November 7, 2023.

Reynaldo Passanezi Filho - Chief Executive Officer

Dimas Costa - Chief Trading Officer

Leonardo George de Magalhães - Chief Finance and Investor Relations Officer

Marney Thadeu Antunes - Chief Distribution and Sales Officer

Marco da Camino Ancona Lopes Soligo - Chief Officer Cemigpar