



# INTERIM FINANCIAL INFORMATION

# 3Q2023

## CONTENT

FINANCIAL RESULTS .....	1
INTERIM FINANCIAL INFORMATION .....	8
STATEMENTS OF FINANCIAL POSITION .....	8
STATEMENTS OF INCOME .....	10
STATEMENTS OF INCOME .....	11
STATEMENTS OF COMPREHENSIVE INCOME .....	12
STATEMENTS OF COMPREHENSIVE INCOME .....	12
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY .....	13
STATEMENTS OF CASH FLOWS .....	14
STATEMENTS OF ADDED VALUE .....	15
NOTES TO THE INTERIM FINANCIAL INFORMATION .....	16
1. OPERATING CONTEXT .....	16
2. BASIS OF PREPARATION .....	17
3. OPERATING SEGMENTS .....	18
4. CASH AND CASH EQUIVALENTS .....	19
5. MARKETING SECURITIES .....	19
6. RECEIVABLES FROM CUSTOMERS, TRADERS AND CONCESSION HOLDERS .....	20
7. RECOVERABLE TAXES .....	20
8. INCOME AND SOCIAL CONTRIBUTION TAXES .....	21
9. ESCROW DEPOSITS .....	23
10. REIMBURSEMENT OF TARIFF SUBSIDIES .....	23
11. CONCESSION FINANCIAL AND SECTOR ASSETS AND LIABILITIES .....	23
12. CONCESSION CONTRACT ASSETS .....	25
13. INTANGIBLE ASSETS .....	25
14. SPECIAL OBLIGATIONS .....	26
15. LEASING .....	27
16. SUPPLIERS .....	28
17. TAXES PAYABLE AND AMOUNTS TO BE REFUNDED TO CUSTOMERS .....	28
18. LOANS AND DEBENTURES .....	29
19. REGULATORY CHARGES .....	31
20. POST-EMPLOYMENT OBLIGATIONS .....	32
21. PROVISIONS .....	33
22. EQUITY AND REMUNERATION TO SHAREHOLDERS .....	38
23. REVENUE .....	40
24. OPERATING COSTS AND EXPENSES .....	43
25. FINANCE INCOME AND EXPENSES .....	45
26. RELATED PARTY TRANSACTIONS .....	46
27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT .....	47
28. RISKS RELATED TO COMPLIANCE WITH LAWS AND REGULATIONS .....	52
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION – ITR (FREE TRANSLATION) .....	54
DIRECTORS' STATEMENT OF REVIEW OF THE INTERIM FINANCIAL INFORMATION .....	56
DIRECTORS' STATEMENT OF REVIEW OF THE REPORT BY THE EXTERNAL AUDITORS ON THE INTERIM FINANCIAL INFORMATION .....	57

## FINANCIAL RESULTS

(In thousands of Brazilian Reais, except where otherwise stated)  
 (The financial results information was not reviewed by the independent auditors)

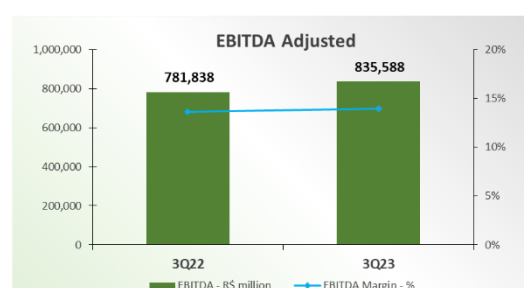
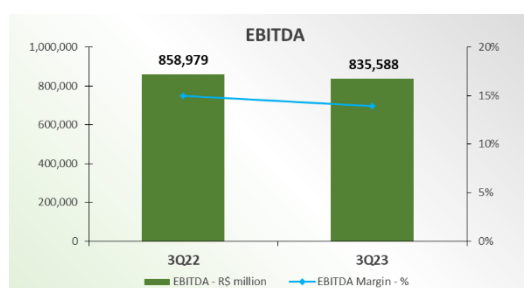
### Net income for the quarter

Cemig Distribuição presented, in the third quarter of 2023, net income of R\$475,927 compared to net income of R\$506,928 in the same period of 2022. The main variations in the comparison of the results of the three months of 2023 and 2022 are presented below:

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

Lajida - R\$ million	Jul to Sep/2023	Jul to Sep/2022
Net income (loss) for the period	475,927	506,928
+ Income tax and Social Contribution tax	54,973	175,269
+ Net financial revenue (expenses)	99,429	(11,465)
+ Depreciation and amortization	195,783	178,456
+ Right of Use Amortization - Leasing	9,476	9,791
<b>= EBITDA (1)</b>	<b>835,588</b>	<b>858,979</b>
Reversal of tax provisions - Social security contributions on profit sharing	-	(42,433)
Tax provisions - Indemnity of employees' future benefit (the 'Anuênio')	-	95,861
Change in estimate of expected losses	-	(130,569)
<b>= Adjusted EBITDA (2)</b>	<b>835,588</b>	<b>781,838</b>

- (1) Ebitda is a non-accounting measure prepared by the Company, reconciled with the consolidated interim financial information in accordance with CVM Circular SNC/SEP n. 1/2007 and CVM Resolution n. 156/2022. 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 calculated in accordance with CVM Resolution 156/2022 by excluding the items that, by their nature, do not contribute to the information on the potential gross cash generation since they are extraordinary.



The Company's Ebitda, calculated in accordance with CVM Resolution 156/2022, was R\$ 835,588 in 3Q23, or 2.72% lower than in 3Q22, (R\$ 858,979). Ebitda margin in 3Q23 was 13.94%, compared to 14.96% in 3Q22.

Ebitda adjusted to exclude non-recurring items was 6.87% higher year-on-year in 3Q23, at R\$ 835,588, compared to R\$ 781,838 in 3Q22. Adjusted Ebitda margin in 3Q23 was 13.94%, compared to 13.62% in 3Q22.

## Operational revenue

The composition of the Company's revenue is as follows:

	Jul to Sep/2023	Jul to Sep/2022
Revenue from supply of energy - captive customers, in Cemig's concession area	5,489,766	4,499,920
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization	311,748	706,087
Revenue from use of the energy distribution systems (TUSD) - free customers	1,133,966	991,869
CVA and Other financial components	80,237	(395,654)
Distribution construction revenue	1,030,177	1,050,012
Adjustment to expectation from reimbursement of distribution concession financial assets	49,577	(10,361)
Fine for violation of service continuity indicator	(21,480)	(13,668)
Mechanism for the sale of surplus	-	125,463
Other operating revenues	553,437	850,935
Taxes and charges levied on revenues	(2,632,732)	(2,063,713)
	<b>5,994,696</b>	<b>5,740,890</b>

### Revenue from supply of energy - captive customers, in Cemig's concession area

Revenue from supply of electricity in 3Q23 was R\$ 5,489,766 in 3Q23, or 22.00% higher than in 3Q22 (R\$ 4,499,920). The main factors affecting revenue in the quarter were:

Composition of supply by consumption class	Jul to Sep/2023			Jul to Sep/2022			Changes (%)	
	MWh (3)	R\$	Average price/MWh billed (R\$/MWh) (1)	MWh (3)	R\$	Average price/MWh billed (R\$/MWh) (1)	MWh (3)	R\$
Residential	2,874,159	2,698,431	938,86	2,706,219	2,079,674	768,48	6.21	29.75
Industrial	320,470	315,361	984,06	395,043	284,861	721,09	(18.88)	10.71
Commercial, Services and Others	1,008,973	1,186,019	1,175,47	1,061,850	1,068,683	1,006,43	(4.98)	10.98
Rural	867,641	660,625	761,40	924,189	538,961	583,17	(6.12)	22.57
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
<b>Subtotal</b>	<b>5,804,895</b>	<b>5,374,998</b>	<b>925,94</b>	<b>5,935,500</b>	<b>4,429,856</b>	<b>746,33</b>	<b>(2.20)</b>	<b>21.34</b>
Own consumption	6,783	-	-	6,761	-	-	0.33	-
Wholesale supply to other concession holders (2)	-	47,805	-	-	15,176	-	-	-
Wholesale supply not yet invoiced, net	-	66,963	-	-	54,888	-	-	22.00
<b>Total</b>	<b>5,811,678</b>	<b>5,489,766</b>	<b>-</b>	<b>5,942,261</b>	<b>4,499,920</b>	<b>-</b>	<b>(2.20)</b>	<b>22.00</b>

(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 reviewed by independent auditors.

- The volume of energy billed to Residential consumers was 6.21% higher, reflecting year-on-year increases: (i) of 3.2% in the number of consumers; and (ii) 2.8% in average monthly consumption per client;
- Volume of electricity billed to consumers in the Public authorities category was 6.54% higher, mainly reflecting the slow recovery in consumption by this class after the Covid pandemic, producing a low comparison base figure in 3Q22;
- The volume of energy billed to consumers in the Public services category was 28.95% lower, mainly due to migration of some of the facilities of a large client in the water and sewerage sector to the Free Market;
- The volume of energy billed to Industrial consumers was 18.88% lower, due to migration of clients from the captive market to the Free Market;

Note also that in addition to the above factors there was a significant reduction in the ICMS tax component in electricity tariffs in 3Q22, since Complementary Law 194, of 2022, withdrew the charges applied to transmission and distribution from the base for calculation of ICMS tax. Decree 45.572, of 2023, subsequently reinstated these charges into the calculation base, from February 2023.

### Revenue from Use of Distribution Systems (the TUSD charge)

This is 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. In 3Q23 this revenue was R\$ 1,133,966, i.e. 14.33% higher than in 3Q22 (R\$ 991,869).

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 3Q23 than in 3Q22. Also, the volume of energy transported for clients in 3Q23 was 4.19% higher than in 3Q22.

	MWh (1)		
	Jul to Sep/2023	Jul to Sep/2022	Changes %
Industrial	5,332,341	5,271,247	1.16
Commercial	492,018	422,502	16.45
Rural	11,743	8,961	31.05
Public services	110,656	-	-
Public authorities	213	620	(65.65)
Concessionaires	88,198	89,145	(1.06)
<b>Total energy transported</b>	<b>6,035,169</b>	<b>5,792,475</b>	<b>4.19</b>

(1) Data not reviewed by independent auditors.

### CVA and Other financial components in tariff adjustments

Cemig D 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 Cemig D in the next tariff adjustments of Cemig D.

A reduction in revenue of R\$ 80,237 was posted in 3Q23, compared to a reduction of R\$ 395,654 in 3Q22. 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 11b of this interim financial information.

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

The Company posted an adjustment to revenue for realization of the reimbursement to consumers of credits of PIS, Pasep and Cofins taxes, in the amount of R\$ 311,748 in 3Q23, compared to R\$ 706,087 in 3Q22. This return of amounts of revenue arises from the tariff charged by Cemig having already previously taken into account the discount on the amounts that are being returned to consumers for the credits of PIS, Pasep and Cofins taxes. See more details in Note 17.

## **Construction revenue**

The Construction revenues associated with infrastructure of the electricity distribution concession in 3Q23 totaled R\$ 1,030,177, compared to R\$ 1,050,012 in 3Q22. This revenue is fully offset by Construction costs, of the same amount, and corresponds to the Company's investments in assets of the concession in the period.

## **Taxes and charges reported as deductions from revenue**

Taxes and charges on revenue in 3Q23 totaled R\$ 2,632,732, compared to R\$ 2,063,713 in 3Q22 - a year-on-year increase of 45.58%. This variation arises substantially from the variation in the ICMS calculation base between the two periods - for all consumer categories, as already mentioned.

## ***Costs and expenses (excluding Finance income/expenses)***

Operational costs and expenses in 3Q23 totaled R\$ 5,364,367, or 5.80% higher than in 3Q22 (R\$ 5,070,158).

The main variations in elements of this total are as described below: There is more information on the breakdown of Operational costs and expenses in Note 24.

### Outsourced services

The expense on outsourced services in 3Q23 was R\$ 389,523, 15.10% higher than in 3Q22 (R\$ 338,420). The main factors are:

- Expenses on maintenance and conservation of electrical facilities and equipment were 25.56% higher, at R\$ 141,549 in 3Q23, compared to R\$ 112,736 in 3Q22. 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 58.76% higher, at R\$ 31,686 in 3Q23, compared to R\$ 19,959 in 3Q22. 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;
- Expenses on consultancy were 60.30% lower, at R\$ 1,667 in 3Q23, compared to R\$ 4,199 in 3Q22. This variation arises from contracting, in 2022, of services to consolidate and oversee implementation of the 'zero base' budget in the Company.

### Energy bought for resale

The expense on energy purchased for resale in 3Q23 was R\$ 2,361,047, or 4.04% less than the figure of R\$ 2,460,498 for this account in 3Q22. The main factors here were:

- Reduction of 23.98% (YoY) in the cost of energy from Itaipu, at R\$ 323,440 in 3Q23, compared to R\$ 425,463 in 3Q22. This reduction is mainly due to the fall in the Real-US\$ exchange rate between the two quarters: it was R\$ 5.12/US\$ at the end of 3Q22, but fell to R\$ 4.84/US\$ at the end of 3Q23;
- Costs of physical quota guarantee contracts were 13.58% lower, at R\$ 219,654, in 3Q23, compared to R\$ 254,182 in 3Q22. This reduction stems from the annual readjustment of the RAGs of the quota plants, set by a resolution in July - so that the related revenue was 5.94% lower than the revenue approved in the previous cycle;
- Increase of 9.19% (YoY) 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 3Q23, compared to 757,705 MWh in 3Q22).

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 24a of this interim financial information.

#### Charges for use of the transmission network and other system charges

Charges for use of the electricity system totaled R\$ 809,263 in 3Q23, compared to R\$ 617,023 in 3Q22, a year-on-year increase of 31.16%.

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).

The difference primarily reflects entry into operation of reserve energy contracts under the Simplified Competitive Procedure (PCS) of 2021, with a consequent increase in the reserve energy charges in the period.

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. More details see note 11b of this interim financial information.

#### Provisions

Operational provisions in 3Q23 were R\$ 117,184, compared to R\$ 2,438 in 3Q22. The main factors in this lower figure are:

- Provisions for employment-law contingencies were higher in 3Q23 - net new provisions totaling R\$ 34,896 - compared to a net reversal of provisions totaling R\$ 278 in 3Q22. This variation is mainly due to recent court decisions against the Company, related primarily to its employees;
- Provisions for tax contingencies were 62.67% lower year-on-year: net new provisions of R\$ 25,219 in 3Q23, compared to net new provisions of R\$ 67,563 made in 3Q22. The reduction mainly reflects a provision made in 3Q22 for Social Security contributions to be chargeable on time-of-service payments (anuênios) made to the employees in 2006 (more information in Note 21);
- Net provisions for client default posted at the end of 3Q23 were R\$ 40,398 - compared to a net reversal of provisions in 3Q22 totaling R\$ 85.706. This arises from the extension, in August 2022, of the time limit for 100% recognition of unpaid receivables from 12 to 24 months, in order to give a more appropriate reflection of the actual estimates of losses expected on overdue client bills.

### **Net financial revenue (expenses)**

Cemig reports net financial expenses of R\$ 99,429 in 3Q23, compared to net financial expenses of R\$ 11,465 in 3Q22. The most significant variations in components of Net financial revenue (expenses) between the two years were:

- Higher net monetary updating on loans and debentures: an expense of R\$ 24.330 in 3Q23, compared to a financial gain (posted as revenue) of R\$ 10.247 million in 3Q22. This is mainly due to the difference in levels of the IPCA inflation index (the main index used for updating the Company's debts) in the two periods - which was 1.32% negative in 3Q22, but +0.61% (positive) in 3Q23;
- Income from cash investments was 13.07% lower in 3Q23, at R\$ 45,081, compared to R\$ 51,858 in 3Q22 - reflecting the lower volume of cash invested in the period, and the reduction in the Selic rate as from August 2023;
- 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 3Q22. This results basically from a lower amount of CVA items being ratified in the tariff increase process in 2023 than in 2022;
- Revenue from additional charges for late payment of customer electricity bills 9.27% lower this year (3Q23), at R\$ 64,255, compared to R\$ 70,822 in 3Q22. This variation is due to the lower level of default the Company has achieved by strengthening its use of the collection tools.



For a breakdown of financial revenues and expenses see Note 25 of this interim financial information.

### **Income tax and Social Contribution tax**

In 3Q23 the expense on income tax and the Social Contribution tax was R\$ 54,973, on pre-tax profit (profit before income tax and Social Contribution) of R\$ 530,900. In 3Q22, the expense on income tax and the Social Contribution tax was R\$ 175,269, on pre-tax profit of R\$ 682,197.

These effective rates are reconciled with the nominal tax rates in Note 8d of this interim financial information.

## INTERIM FINANCIAL INFORMATION

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

(In thousands of Brazilian Reais)

	Note	Sep. 30, 2023	Dec. 31, 2022
<b>Circulante</b>			
Cash and cash equivalents	4	983,161	440,700
Marketable securities	5	247,995	279,717
Receivables from customers, traders and concession holders	6	3,236,029	2,761,370
Concession holders - Transport of energy	6	340,591	333,642
Recoverable taxes	7	719,814	1,828,665
Public lighting contribution		239,539	207,286
Reimbursement of tariff subsidies payments	10	187,180	153,402
Concession sector assets	11b	516,045	746,031
Others assets		312,882	240,076
<b>TOTAL CURRENT</b>		<b>6,783,236</b>	<b>6,990,889</b>
<b>NON-CURRENT</b>			
Marketable Securities	5	-	1,052
Deferred Income tax and social contribution tax	8c	1,966,570	2,119,494
Recoverable taxes	7	662,916	540,281
Income tax and social contribution tax recoverable	8a	112,778	76,278
Escrow deposits	9	662,445	651,279
Concession holders - Transport of energy	6	40,203	43,386
Others assets		16,715	17,327
Concession sector assets	11b	444,028	198,059
Financial assets related to infrastructure	11a	1,678,646	1,369,652
Contract assets	12	3,231,491	1,849,852
Intangible assets	13	11,702,354	11,314,918
Leasing - right of use assets	15	262,944	240,178
<b>TOTAL NON-CURRENT</b>		<b>20,781,090</b>	<b>18,421,756</b>
<b>TOTAL ASSETS</b>		<b>27,564,326</b>	<b>25,412,645</b>

The Explanatory Notes are an integral part of the interim financial information.

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

(In thousands of Brazilian Reais)

	Note	Sep. 30, 2023	Dec. 31, 2022
<b>CURRENT</b>			
Loans and debentures	18	876,764	883,795
Suppliers	16	1,873,634	1,929,723
Taxes payable	17	243,975	197,890
Income tax and social contribution	8b	1,556	88,043
Payroll and related charges		159,147	162,661
Regulatory charges payable	19	417,526	393,389
Employee and management profit-sharing		71,257	52,273
Post-employment obligations	20	263,256	274,904
Public lighting contribution		384,611	312,475
Accounts payable related to energy generated by residential consumers		608,389	455,273
Interest on equity, and dividends, payable		656,551	504,052
Amounts to be refunded to consumers	17	1,193,055	1,495,598
Leasing liabilities	15	55,633	43,602
Other liabilities		350,184	325,837
<b>TOTAL CURRENT</b>		<b>7,155,538</b>	<b>7,119,515</b>
<b>NON-CURRENT</b>			
Loans and debentures	18	5,222,404	3,692,203
Provisions	21	1,450,241	1,342,624
Post-employment obligations	20	3,548,083	3,550,093
Regulatory charges payable	19	27,631	55,437
Amounts to be refunded to consumers	17	466,602	1,632,200
Interest on equity, and dividends, payable		679,794	679,794
Leasing liabilities	15	232,523	216,271
Other liabilities		19,249	19,248
<b>TOTAL NON-CURRENT</b>		<b>11,646,527</b>	<b>11,187,870</b>
<b>TOTAL LIABILITIES</b>		<b>18,802,065</b>	<b>18,307,385</b>
<b>EQUITY</b>			
Share capital	22	6,284,312	5,371,998
Profit reserves		3,270,982	3,270,982
Equity valuation adjustments	22	(1,508,854)	(1,537,720)
Retained Earnings		715,821	-
<b>TOTAL EQUITY</b>		<b>8,762,261</b>	<b>7,105,260</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>27,564,326</b>	<b>25,412,645</b>

The Explanatory Notes are an integral part of the interim financial information.

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

	Note	Jan to Sep/2023	Jan to Sep/2022
<b>NET REVENUE</b>	<b>23</b>	<b>16,921,090</b>	<b>14,845,793</b>
<b>OPERATING COSTS</b>			
Cost of energy	24a	(9,262,235)	(8,781,608)
Infrastructure and construction cost	24b	(2,547,586)	(2,162,794)
Operating costs	24c	(2,377,144)	(2,111,172)
		<b>(14,186,965)</b>	<b>(13,055,574)</b>
<b>GROSS INCOME</b>		<b>2,734,125</b>	<b>1,790,219</b>
<b>OPERATING EXPENSES</b>			
	<b>24c</b>		
Expected credit losses		(69,813)	(48,003)
General and administrative expenses		(365,733)	(374,031)
Other operating expenses, net		(595,953)	(480,023)
		<b>(1,031,499)</b>	<b>(902,057)</b>
<b>Operating income before financial income (expenses) and taxes</b>		<b>1,702,626</b>	<b>888,162</b>
Finance income	25	460,147	592,752
Finance expenses	25	(640,359)	(1,719,444)
<b>Income before income tax and social contribution tax</b>		<b>1,522,414</b>	<b>(238,530)</b>
Current income tax and social contribution tax	8c	(173,465)	(337,467)
Deferred income tax and social contribution tax	8c	(138,053)	558,574
		<b>(311,518)</b>	<b>221,107</b>
<b>Net income (loss) for the period</b>		<b>1,210,896</b>	<b>(17,423)</b>
<b>Basic and diluted earnings (losses) per shares, R\$</b>	<b>22</b>	<b>0.51</b>	<b>(0.01)</b>

The Explanatory Notes are an integral part of the interim financial information.

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

	Note	Jul to Sep/2023	Jul to Sep/2022
<b>NET REVENUE</b>	<b>23</b>	<b>5,994,696</b>	<b>5,740,890</b>
<b>OPERATING COSTS</b>			
Cost of energy	24a	(3,170,310)	(3,077,521)
Infrastructure and construction cost	24b	(1,030,177)	(1,050,012)
Operating costs	24c	(789,006)	(740,335)
		<b>(4,989,493)</b>	<b>(4,867,868)</b>
<b>GROSS INCOME</b>		<b>1,005,203</b>	<b>873,022</b>
<b>OPERATING EXPENSES</b>			
	<b>24c</b>		
Expected credit losses		(40,398)	85,706
General and administrative expenses		(121,571)	(120,818)
Other operating expenses, net		(212,905)	(167,178)
		<b>(374,874)</b>	<b>(202,290)</b>
<b>Operating income before financial income (expenses) and taxes</b>		<b>630,329</b>	<b>670,732</b>
Finance income	25	159,821	195,706
Finance expenses	25	(259,250)	(184,241)
<b>Income before income tax and social contribution tax</b>		<b>530,900</b>	<b>682,197</b>
Current income tax and social contribution tax	8c	(22,959)	(181,669)
Deferred income tax and social contribution tax	8c	(32,014)	6,400
		<b>(54,973)</b>	<b>(175,269)</b>
<b>Net income (loss) for the period</b>		<b>475,927</b>	<b>506,928</b>
Basic and diluted earnings (losses) per shares, R\$	22	0.20	0.21

The Explanatory Notes are an integral part of the interim financial information.

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

	Jan to Sep/2023	Jan to Sep/2022
Net income (loss) for the period	1,210,896	(17,423)
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items not to be reclassified to profit or loss in subsequent Years</b>		
Post retirement liabilities adjustment - remeasurement of obligations of the defined benefit plans (note 20)	43,737	-
Income tax and social contribution tax on remeasurement of defined benefit plans (note 8)	(14,871)	-
	<b>28,866</b>	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAXES</b>	<b>1,239,762</b>	<b>(17,423)</b>

The Explanatory Notes are an integral part of the interim financial information.

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

	Jul to Sep/2023	Jul to Sep/2022
Net income (loss) for the period	475,927	506,928
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>475,927</b>	<b>506,928</b>

The Explanatory Notes are an integral part of the interim financial information.

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

	Share capital	Resources for capital increase	Profit reserves	Equity valuation adjustments	Retained earnings	Total equity
<b>AS OF DECEMBER 31, 2021</b>	<b>5,371,998</b>	-	<b>3,404,039</b>	<b>(1,833,371)</b>	-	<b>6,942,666</b>
Net loss for the period	-	-	-	-	(17,423)	(17,423)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	-	<b>(17,423)</b>	<b>(17,423)</b>
Interest on equity capital declared (R\$0.1794 per share)	-	-	-	-	(423,168)	(423,168)
<b>AS OF SEPTEMBER 30, 2022</b>	<b>5,371,998</b>	-	<b>3,404,039</b>	<b>(1,833,371)</b>	<b>(440,591)</b>	<b>6,502,075</b>
<b>AS OF DECEMBER 31, 2022</b>	<b>5,371,998</b>	-	<b>3,270,982</b>	<b>(1,537,720)</b>	-	<b>7,105,260</b>
Net income for the period	-	-	-	-	1,210,896	1,210,896
Other comprehensive income, net of taxes	-	-	-	28,866	-	28,866
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	<b>28,866</b>	<b>1,210,896</b>	<b>1,239,762</b>
Advance for future capital increase	-	644,000	-	-	-	644,000
Capital increase	644,000	(644,000)	-	-	-	-
Capital increase with interest on equity capital declared	268,314	-	-	-	-	268,314
Interest on equity capital declared (R\$0.2099 per share)	-	-	-	-	(495,075)	(495,075)
<b>AS OF SEPTEMBER 30, 2023</b>	<b>6,284,312</b>	-	<b>3,270,982</b>	<b>(1,508,854)</b>	<b>715,821</b>	<b>8,762,261</b>

The Explanatory Notes are an integral part of the interim financial information.

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

	Note	Jan to Sep/2023	Jan to Sep/2022
<b>CASH FLOW FROM OPERATIONS</b>			
Net income (loss) for the period		1,210,896	(17,423)
<b>ADJUSTMENTS:</b>			
Post-employment obligations	20	304,059	338,276
Depreciation and amortization	13b and 15a	596,373	542,503
Expected credit losses	24c	80,532	48,003
Other provisions	24c	209,054	197,174
Adjustment of assets in progress	12	(15,583)	(19,198)
Write-off of net residual value of unrecoverable Concession financial assets and Intangible assets	11a and 13b	42,382	13,022
Refunded of PIS/Pasep and Cofins over ICMS credits to customers - realization	23	(1,569,255)	(1,641,578)
Financial interest and inflation adjustment		397,625	1,454,167
Adjustment to expectation of contractual cash flow from the concession	11a	(127,152)	(28,401)
Amortization of transaction cost of loans	18	3,909	1,764
CVA (Parcel A Compensation) Account and Other Financial Components in tariff adjustment	23	63,572	1,367,694
Deferred income tax and social contribution tax	8a	138,053	(558,574)
		<u>1,334,465</u>	<u>1,697,429</u>
<b>(Increase) decrease in assets</b>			
Receivables from customers, traders and concession holders		(544,472)	196,941
Concession holders - Transport of energy		(3,766)	(72,900)
CVA (Parcel A Compensation) Account and Other Financial Components in tariff adjustment		-	190,658
Recoverable taxes	7	(117,288)	693,711
Income tax and social contribution tax recoverable		(38,209)	(24,887)
Escrow deposits		23,399	6,731
Public lighting contribution		(32,253)	31,985
Reimbursement of tariff subsidies	10	(33,778)	190,487
Others		(81,363)	(147,037)
		<u>(827,730)</u>	<u>1,065,689</u>
<b>Increase (decrease) in liabilities</b>			
Suppliers		(66,734)	(226,451)
Taxes payable		765,516	670,572
Income tax and social contribution tax payable		173,465	337,467
Payroll and related charges		(3,514)	27,944
Public lighting contribution		72,136	(66,754)
Regulatory charges	19	(3,669)	(223,495)
Post-employment obligations	20	(273,980)	(252,262)
Provisions	21	(101,437)	(92,518)
Employees' and managers' profit sharing		18,984	(10,065)
Others		231,322	187,816
		<u>812,089</u>	<u>352,254</u>
<b>Cash generated by operating activities</b>		<b>1,318,824</b>	<b>3,115,372</b>
Interest paid on loans and debentures	18	(197,055)	(195,346)
Interest paid in leasing contracts	15	(1,277)	(1,989)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>1,120,492</b>	<b>2,918,037</b>
<b>INVESTING ACTIVITIES</b>			
Marketable securities - redemption (cash investments)	5	32,774	(503,278)
Intangible assets	13	(77,483)	(42,483)
Contract assets	12	(2,425,051)	(2,090,052)
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>(2,469,760)</b>	<b>(2,635,813)</b>
<b>FINANCING ACTIVITIES</b>			
Loans, financial and debentures obtained, net	18	1,987,943	987,534
Leasing liabilities paid	15	(40,366)	(41,975)
Payment of loans and debentures	18	(699,848)	(684,200)
Interest on capital and dividends paid		-	(170,478)
Capital increase	22	644,000	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>1,891,729</b>	<b>90,881</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>542,461</b>	<b>373,105</b>
Cash and cash equivalents at the beginning of the period	4	440,700	198,694
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	4	<b>983,161</b>	<b>571,799</b>

The Explanatory Notes are an integral part of the interim financial information.



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

	Jan to Sep/2023	Jan to Sep/2022
<b>REVENUES</b>		
Sales of energy and services	21,514,663	21,314,949
Distribution construction revenue	2,547,586	2,162,794
Adjustment to expectation of reimbursement of distribution concession financial assets	127,152	28,401
PIS/Pasep and Cofins credits to be refunded to consumers	-	(829,783)
Adjustment to estimated credit losses	(69,813)	(48,003)
	<b>24,119,588</b>	<b>22,628,358</b>
<b>INPUTS ACQUIRED FROM THIRD PARTIES</b>		
Energy bought for resale	(7,501,554)	(7,198,583)
Charges for use of national grid	(2,502,855)	(2,297,979)
Outsourced services	(2,150,117)	(1,692,751)
Materials	(1,433,028)	(1,409,514)
Other operating costs	(546,991)	(329,324)
	<b>(14,134,545)</b>	<b>(12,928,151)</b>
<b>GROSS VALUE ADDED</b>	<b>9,985,043</b>	<b>9,700,207</b>
<b>RETENTIONS</b>		
Depreciation and amortization	(596,373)	(542,503)
<b>NET ADDED VALUE PRODUCED BY THE COMPANY</b>	<b>9,388,670</b>	<b>9,157,704</b>
<b>ADDED VALUE RECEIVED BY TRANSFER</b>		
Financial revenues	485,050	597,875
<b>ADDED VALUE TO BE DISTRIBUTED</b>	<b>9,873,720</b>	<b>9,755,579</b>
<b>DISTRIBUTION OF ADDED VALUE</b>		
<b>Employees</b>	<b>1,012,386</b>	<b>1,024,285</b>
Direct remuneration	599,714	553,995
Post-employment obligations and Other benefits	377,762	399,785
FGTS fund	34,910	33,570
Programmed Voluntary Retirement Plan ('PDVP')	-	36,935
<b>Taxes</b>	<b>6,959,019</b>	<b>6,991,393</b>
Federal	4,273,709	3,462,619
State	2,680,875	3,524,834
Municipal	4,435	3,940
<b>Remuneration of external capital</b>	<b>691,419</b>	<b>1,757,324</b>
Interest	685,411	1,749,703
Rentals	6,008	7,621
<b>Remuneration of own capital</b>	<b>1,210,896</b>	<b>(17,423)</b>
Interest on Equity	495,075	423,168
Retained earnings (losses)	715,821	(440,591)
	<b>9,873,720</b>	<b>9,755,579</b>

The Explanatory Notes are an integral part of the interim financial information.

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE NINE-MONTH PERIOD ENDED AS OF SEPTEMBER 30, 2023  
(In thousands of Brazilian Reais, except where otherwise indicated)**

**1. OPERATING CONTEXT**

Cemig Distribuição S.A. ('Cemig D', 'Cemig Distribuição' or 'the Company') is a Brazilian corporation registered for trading with the Brazilian Securities Commission (Comissão de Valores Mobiliários, or CVM), and in the Brazilian Register of Corporate Taxpayers (CNPJ) under No. 06.981.180/0001-16. A wholly-owned subsidiary of Companhia Energética de Minas Gerais - Cemig ('Cemig'), it was incorporated on September 8, 2004, and began operating on January 1, 2005, pursuant to the separation of activities ('unbundling') of Cemig. Its shares are not traded on any exchange. It is domiciled in Brazil, with head office in Belo Horizonte city, Minas Gerais.

Its corporate objects are: to study, plan, project, build and commercially operate systems of distribution and sale of energy and related services for which concessions are granted to it under any form of law.

The Company has a concession area of 567,478 km<sup>2</sup>, comprising approximately 97% of the Brazilian state of Minas Gerais, serving 9,164,565 customers, on September 30, 2023.

The Fifth Amendment to the concession contracts, signed with the Mining and Energy Ministry, extended the concession for 30 years, from January 1, 2016. The amendment establishes standards of service quality and economic-financial indicators that the Company must meet during the new concession period.

On September 30, 2023 the Company had negative net working capital (current assets less current liabilities) of R\$ 372,302. Management monitors the Company's cash flow, and for this purpose assesses measures to be taken to adjust the present situation of its financial assets and liabilities to levels that are appropriate to meet its needs. On September 30, 2023, Cemig D had current liabilities under loans and debentures of R\$ 876,764; and non-current liabilities under loans and debentures totaling R\$ 5,222,404.

The Company estimates that the cash balances, cash flow from operations, and raising of new financings are sufficient to meet the need for working capital, investments, debt servicing, and other cash needs in the next 12 months. The Company also has credit lines in the financial institutions in which it operates, in addition to support from its shareholder.

Based on the facts and circumstances at this date, management has assessed the Company's capacity to continue operating normally and believes that its operations have the capacity to generate funds to enable the continuation of its business in the future. In addition, Management is not aware of any material uncertainties that could generate significant doubts about its ability to continue operating. Therefore, this interim financial information has been prepared on a going concern basis.

## 2. BASIS OF PREPARATION

### 2.1. Statement of compliance

The Interim Accounting Information has been prepared in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), Technical Pronouncement 21 (R1), which applies to interim financial statements, 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, coming into effect on January 1, 2023, this interim accounting information has been prepared according to principles, practices and criteria consistent with those adopted in preparation of the financial statements at December 31, 2022.

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

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

The Company's Board of Directors authorized the issuance of this interim financial information on November 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	Sep. 30, 2023	
1	1	Operational context
2	2	Basis of preparation
3	-	Concessions
4	3	Operational segments
5	4	Cash and cash equivalents
6	5	Marketable securities
7	6	Customers and traders; Concession holders (power transport)
8	7	Recoverable taxes
9	8	Income tax and social contribution tax
10	9	Escrow deposits
11	10	Reimbursement of tariff subsidies
12	11	Concession financial assets and liabilities
13	12	Contract assets
14	13	Intangible assets
-	14	Special obligations
15	15	Leasing - Right of Use
16	16	Suppliers
17	17	Taxes and amounts reimbursement to customers
18	18	Loans and debentures
19	19	Regulatory charges
20	20	Post-employment obligations

Number of the Notes		Title of the Notes
Dec. 31, 2022	Sep. 30, 2023	
21	21	Provisions
22	22	Equity and remuneration to shareholders
23	23	Revenue
24	24	Operating costs and expenses
25	25	Financial revenue and expenses
26	26	Related party transactions
27	27	Financial instruments and risk management
28	-	Insurance
29	-	Contractual obligations
30	28	Risks related to compliance with laws and regulations
31	29	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 of the Notes	Title of the Notes
3	Concessions
28	Insurance
29	Contractual obligations

### 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. OPERATING SEGMENTS

The Company has a single operating segment - distribution of electricity in the State of Minas Gerais. For operational, commercial, managerial and administrative purposes its performance is evaluated as a single business unit, the results being monitored and evaluated centrally by the CEO of the Company. Its Profit and loss account reflects this activity. Management believes that its Profit and loss account and the other information contained in these explanatory notes provide the required information about its sole operational segment.

## 4. CASH AND CASH EQUIVALENTS

	Sep. 30, 2023	Dec. 31, 2022
Bank accounts	35,186	83,858
Cash equivalents		
Bank certificates of deposit (CDBs) (1)	891,901	309,894
Automated applications - Overnight (2)	56,074	46,948
	<b>947,975</b>	<b>356,842</b>
	<b>983,161</b>	<b>440,700</b>

- (1) Bank Certificates of Deposit (Certificados de Depósito Bancário, or CDBs), accrued interest at 80% to 112%, of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or Certificados de Depósito Inter-bancário - CDIs) published by the Custody and Settlement Chamber (Câmara de Custódia e Liquidação, or Cetip) on September 30, 2023 (80% 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) Automated applications (Overnight) transactions are repos available for redemption on the following day. They are usually backed by Treasury Bills, Notes or Bonds and referenced to a pre-fixed rate of 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 27 of this interim financial information provides information in relation to the exposure of the Company to interest rate risks, and a sensitivity analysis of their effects on financial assets and liabilities.

## 5. MARKETING SECURITIES

	Sep. 30, 2023	Dec. 31, 2022
Bank certificates of deposit (1)	76,222	30,587
Financial Notes (LFs) - banks (2)	115,583	182,161
Treasury Financial Notes (LFTs) (3)	54,013	64,208
Debentures (4)	1,498	2,647
Others	679	1,166
	<b>247,995</b>	<b>280,769</b>
<b>Ativo circulante</b>	<b>247,995</b>	<b>279,717</b>
<b>Ativo não circulante</b>	<b>-</b>	<b>1,052</b>

- (1) Bank Certificates of Deposit (Certificados de Depósito Bancário, or CDBs), are remunerated at a percentage 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) varying between 103% to 105.3% on September 30, 2023 (103% to 104.4% of the CDI Rate on December 31, 2022), according to the operation.
- (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 on December 31, 2022).

The accounting policy and the classification of these securities and the financial investments in related parties' securities are stated in notes 27 and 26 of this interim financial information.

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

Customer type	Balances not yet due		Balances past due			Total	
	Billed energy	Not yet billed energy	Up to 90 days	91 to 360 days	More than 360 days	Sep. 30, 2023	Dec. 31, 2022
Residential	778,098	311,160	383,169	269,305	353,671	2,095,403	1,800,806
Industrial	29,725	65,959	18,634	31,800	120,834	266,952	255,015
Commercial, services and others	306,166	171,248	91,768	100,511	206,453	876,146	796,559
Rural	153,797	95,663	59,649	29,221	47,137	385,467	292,220
Public authorities	71,504	38,111	3,497	160	12,701	125,973	97,942
Public lighting	48,492	548	448	-	346	49,834	12,303
Public services	62,908	42,003	1,191	3,415	27,565	137,082	125,823
<b>Subtotal - customers</b>	<b>1,450,690</b>	<b>724,692</b>	<b>558,356</b>	<b>434,412</b>	<b>768,707</b>	<b>3,936,857</b>	<b>3,380,668</b>
Concession holders - Transport of energy	77,625	278,290	17,575	4,432	39,979	417,901	460,272
Energy in spot market - supply	-	-	15,613	-	2,134	17,747	56,315
Provision for expected credit losses	(121,229)	(13,129)	(21,508)	(122,819)	(476,997)	(755,682)	(758,857)
	<b>1,407,086</b>	<b>989,853</b>	<b>570,036</b>	<b>316,025</b>	<b>333,823</b>	<b>3,616,823</b>	<b>3,138,398</b>
<b>Current</b>							
Receivables from customers, traders and concession holders						3,236,029	2,761,370
Concession holders - Transport of energy						340,591	333,642
<b>Non-current</b>							
Concession holders - Transport of energy						40,203	43,386

The Company exposure to credit risk related to customers and traders is provided in Note 27 of this interim financial information. The transactions involving related parties is provided in Note 26 of this interim financial information.

The expected credit losses are considered sufficient to cover eventual losses in the realization of these assets and their composition, by class of consumer, is as follows:

	Sep. 30, 2023	Dec. 31, 2022
Residential	305,946	269,007
Industrial	114,364	122,227
Commercial, services and others	211,144	194,431
Rural	35,816	31,070
Public authorities	24,890	26,621
Public lighting	(365)	(88)
Public services	26,780	32,346
Concession holders - Transport of energy	37,107	83,243
	<b>755,682</b>	<b>758,857</b>

Changes in the expected credit losses are as follows:

<b>Balance on December 31, 2022</b>	<b>758,857</b>
Additions, net (Note 24)	69,813
Amounts written off	(72,988)
<b>Balance on September 30, 2023</b>	<b>755,682</b>

## 7. RECOVERABLE TAXES

	Sep. 30, 2023	Dec. 31, 2022
<b>Current</b>		
ICMS tax recoverable	402,700	404,590
Cofins tax (a)	260,602	1,170,056
PIS/Pasep taxes (a)	56,128	253,606
Others	384	413
	<b>719,814</b>	<b>1,828,665</b>
<b>Non-current</b>		
ICMS tax recoverable	633,778	515,972
Cofins tax (a)	23,940	19,973
PIS/Pasep taxes (a)	5,198	4,336
	<b>662,916</b>	<b>540,281</b>
	<b>1,382,730</b>	<b>2,368,946</b>

## a) Pis/Pasep and Cofins taxes credits over ICMS

The Company has recorded at September 30, 2023 the amount of R\$314,659 in current assets (R\$1,421,739 at December 31, 2022) and R\$29,138 in non-current assets (R\$24,309 at December 31, 2022) 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 third quarter of 2023, credits of PIS/Pasep and Cofins taxes were offset against payable federal taxes in the amount of R\$1,104,275 (R\$1,089,377 in the same period of 2022).

## 8. INCOME AND SOCIAL CONTRIBUTION TAXES

### a) Income tax and social contribution tax recoverable

	Sep. 30, 2023	Dec. 31, 2022
<b>NON-CURRENT</b>		
Income tax	66,574	61,390
Social contribution tax	46,204	14,888
	<b>112,778</b>	<b>76,278</b>

### b) Income tax and social contribution tax payable

	Sep. 30, 2023	Dec. 31, 2022
<b>CURRENT</b>		
Income tax	(8,213)	77,292
Social contribution tax	9,769	10,751
	<b>1,556</b>	<b>88,043</b>

The Company has some uncertainties relating to the treatments of certain taxes on profit, and management has concluded that it is more probable than not that the tax authority will accept the Company's conclusions. The effects of the potential contingencies are stated in Note 21.

### c) Deferred income tax and social contribution tax

Temporary differences of income tax and social contribution tax	Sep. 30, 2023	Dec. 31, 2022
<b>Deferred tax assets</b>		
Tax loss / negative basis	269,972	-
Post-employment obligations	1,263,400	1,238,981
Expected credit losses	298,462	295,384
Impairment	16,937	22,271
Provision related to the exclusion of ICMS from the PIS/Pasep and Cofins calculation basis (1)	84,221	523,338
Provisions	428,057	396,213
Administrative tax	4,219	4,500
Provision for profit shares	24,227	17,773
Others	12,599	8,586
	<b>2,402,094</b>	<b>2,507,046</b>
<b>Deferred tax liabilities</b>		
Accelerated depreciation and amortization	(99)	-
Adjustment to expectation of cash flow - Concession assets	(248,886)	(212,326)
Borrowing costs capitalized	(178,344)	(169,801)
Funding cost	(8,195)	(5,425)
	<b>(435,524)</b>	<b>(387,552)</b>
<b>Total net assets presented in the balance sheet</b>	<b>1,966,570</b>	<b>2,119,494</b>

- (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:

<b>Balance on December 31, 2022</b>	<b>2,119,494</b>
Effects allocated to net income	(138,053)
Effects allocated to Statement of comprehensive income	(14,871)
<b>Balance on September 30, 2023</b>	<b>1,966,570</b>

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

	Jan to Sep/2023	Jan to Sep/2022
Profit before income tax and social contribution tax	1,522,414	(238,530)
Nominal rate	34%	34%
Income tax and social contribution tax - nominal expense	(517,621)	81,100
<b>Tax effects applicable to:</b>		
Interest on equity and dividends payable	168,326	143,877
Tax incentives	23,520	27,955
Non-deductible contributions and donations	(3,111)	(5,076)
Non-deductible penalties	(69,399)	(24,381)
Selic rate on tax overpayments (1)	80,685	-
Others	6,082	(2,368)
	<b>(311,518)</b>	<b>221,107</b>
<b>Effective rate</b>	<b>20,46%</b>	<b>(92,70%)</b>
<b>Current tax</b>	<b>(173,465)</b>	<b>(337,467)</b>
<b>Deferred tax</b>	<b>(138,053)</b>	<b>558,574</b>

	Jul to Sep/2023	Jul to Sep/2022
Profit before income tax and social contribution tax	530,900	682,197
Nominal rate	34%	34%
Income tax and social contribution tax - nominal expense	(180,506)	(231,947)
<b>Tax effects applicable to:</b>		
Interest on equity and dividends payable	59,389	47,753
Tax incentives	11,170	14,522
Non-deductible contributions and donations	(1,401)	(2,418)
Non-deductible penalties	(13,919)	(2,821)
Selic rate on tax overpayments (1)	67,486	-
Others	2,808	(358)
	<b>(54,973)</b>	<b>(175,269)</b>
<b>Effective rate</b>	<b>(10,35%)</b>	<b>(25,69%)</b>
<b>Current tax</b>	<b>(22,959)</b>	<b>(181,669)</b>
<b>Deferred tax</b>	<b>(32,014)</b>	<b>6,400</b>

- (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

	Sep. 30, 2023	Dec. 31, 2022
<b>Labor claims</b>	<b>183,751</b>	<b>203,119</b>
<b>Tax contingencies</b>		
Income tax on Interest on Equity	12,684	12,198
Income tax and Social Security contribution on 'Anuênio' employee indemnity (1)	226,216	218,771
JCP in the Income tax and Social Security contribution calculation base (2)	79,460	67,852
IRPJ/CSLL tax	34,819	17,980
Others	56,041	64,197
	<b>409,220</b>	<b>380,998</b>
<b>Others</b>		
Regulatory	32,842	31,428
Third party	8,695	5,786
Customer relations	4,824	6,166
Court embargo	17,003	13,056
Patrimonial	495	4,448
Others	5,615	6,278
	<b>69,474</b>	<b>67,162</b>
	<b>662,445</b>	<b>651,279</b>

(1) More details in Note 21 - Provisions under the section relating to the 'Anuênio indemnity';

(2) More details in Note 21 - Provisions - Interest on Equity.

## 10. REIMBURSEMENT OF TARIFF SUBSIDIES

The Company recognizes as revenue from tariff subsidies the amounts applying to the tariffs paid by or relating to users of public electricity distribution service from incentive-bearing sources, rural supply, nocturnal irrigation, generation by incentive-bearing sources and 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: subsidies for low-income users, 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 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.

In the third quarter of 2023, the total appropriated as revenue from subsidies reimbursed via the CDE was R\$ 1,154,517 (R\$ 1,371,459 in the same period of 2022); and the total of Other subsidies - which include the 'Flag Tariffs', and the Program to Incentivize Voluntary Reduction of Electricity Consumption - was R\$ 57,790 (R\$ 265,815 in the same period of 2022).

Of such amounts, Cemig D has a receivable of R\$187,180 (R\$153,402 on December 31, 2022) in current assets.

## 11. CONCESSION FINANCIAL AND SECTOR ASSETS AND LIABILITIES

<b>FINANCIAL AND SECTORIAL CONCESSION ASSETS</b>	Sep. 30, 2023	Dec. 31, 2022
Financial assets related to infrastructure (a)	1,678,646	1,369,652
CVA (Parcel A Compensation) Account and Other Financial Components in tariff-setting (b)	960,073	944,090
	<b>2,638,719</b>	<b>2,313,742</b>
<b>Current asset</b>	<b>516,045</b>	<b>746,031</b>
<b>Non-current asset</b>	<b>2,122,674</b>	<b>1,567,711</b>

## a) Financial assets related to infrastructure

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

<b>Balance on December 31, 2022</b>	<b>1,369,652</b>
Transfers of contract assets (Note 12)	182,512
Disposals	(670)
Adjustment of expectation of cash flow from the concession financial assets (Note 23)	127,152
<b>Balance on September 30, 2023</b>	<b>1,678,646</b>

## b) 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
<b>Assets</b>	<b>117,802</b>	<b>842,271</b>	<b>960,073</b>	<b>544,370</b>	<b>399,720</b>	<b>944,090</b>
Current asset	117,802	398,243	516,045	544,370	201,661	746,031
Non-current asset	-	444,028	444,028	-	198,059	198,059
<b>Total current, net</b>	<b>117,802</b>	<b>398,243</b>	<b>516,045</b>	<b>544,370</b>	<b>201,661</b>	<b>746,031</b>
<b>Total non-current, net</b>	<b>-</b>	<b>444,028</b>	<b>444,028</b>	<b>-</b>	<b>198,059</b>	<b>198,059</b>
<b>Total, net</b>	<b>117,802</b>	<b>842,271</b>	<b>960,073</b>	<b>544,370</b>	<b>399,720</b>	<b>944,090</b>

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
<b>Items of 'Parcel A'</b>						
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 (1)	(396,353)	122,357	(273,996)	377,682	204,843	582,525
Energy bought for resale (1)	(412,315)	(472,824)	(885,139)	233,721	(1,321,656)	(1,087,935)
<b>Other financial components</b>						
Over contracting of supply (2)	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
Other financial items	283,481	84,134	367,615	(235,974)	537,513	301,539
Excess demand and reactive power	(43,864)	(35,245)	(79,109)	(22,983)	(47,707)	(70,690)
<b>TOTAL</b>	<b>117,802</b>	<b>842,271</b>	<b>960,073</b>	<b>544,369</b>	<b>399,721</b>	<b>944,090</b>

- (1) 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.
- (2) 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.

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

<b>Balance on December 31, 2022</b>	<b>944,090</b>
Net constitution of financial assets (liabilities)	551,674
Assets realized	(615,246)
Transfer of other assets (1)	(1,550)
Updating - Selic rate (Note 25)	81,105
<b>Balance on September 30, 2023</b>	<b>960,073</b>

(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

Changes in concession contract assets are as follows:

<b>Balance on December 31, 2022</b>	<b>1,849,852</b>
Additions	2,470,103
Transfers to financial assets (Note 11a)	(182,512)
Transfers to intangible assets (Note 13)	(921,535)
Adjustment of assets in progress (1)	15,583
<b>Balance on September 30, 2023</b>	<b>3,231,491</b>

(1) Refers to the reversal of provisions recorded in previous years for losses recorded in assets in progress (canceled works). The reversal was necessary because some of the work was resumed and completed.

The amount of additions in the period of January to September 2023 were R\$2,470,103 and includes the amount of R\$45,052 under the heading capitalized borrowing costs (R\$30,259 in the same period of 2022), as presented in Note 18 of this interim financial information. The nature of the additions to contract and intangible assets is shown in note 24b.

The capitalization of financial charges is a non-cash transaction, and is therefore not reflected in the cash flow statements.

## 13. INTANGIBLE ASSETS

### a) Balance composition

	Sep. 30, 2023			Dec. 31, 2022		
	Custo Histórico	Amortização Acumulada	Valor Líquido	Custo Histórico	Amortização Acumulada	Valor Líquido
Assets of concession	26,968,133	(11,794,222)	15,173,911	25,760,065	(11,151,378)	14,608,687
( - ) 'Special obligations' (Note 14)	(5,583,637)	1,965,204	(3,618,433)	(5,287,534)	1,809,300	(3,478,234)
<b>Net concession assets</b>	<b>21,384,496</b>	<b>(9,829,018)</b>	<b>11,555,478</b>	<b>20,472,531</b>	<b>(9,342,078)</b>	<b>11,130,453</b>
Intangible assets in progress	146,876	-	146,876	184,465	-	184,465
<b>Total intangible assets</b>	<b>21,531,372</b>	<b>(9,829,018)</b>	<b>11,702,354</b>	<b>20,656,996</b>	<b>(9,342,078)</b>	<b>11,314,918</b>

### b) Changes in intangible assets

<b>Balance on December 31, 2022</b>	<b>11,314,918</b>
Additions	77,483
Disposals	(41,712)
Transfers of contract assets (Note 12)	921,535
Additions	(569,870)
<b>Balance on September 30, 2023</b>	<b>11,702,354</b>

The principal annual amortization rates, which take into account the expected useful life of assets, reflect the level of consumption expected from them and are reviewed annually by management, as follows:

Distribution	(%)	Administration	(%)
System cable - below 69 KV	6.67	Software	20.00
System cable - below 69 KV	3.57	Vehicles	14.29
Structure - Posts	3.57	General equipment	6.25
Overhead distribution transformer	4.00	Buildings	3.33
Circuit breaker - up to 69 kV	3.03		
Capacitor bank - up to 69 kV	6.67		
Voltage regulator - up to 69 kV	4.35		
Electronic meter	7.69		

The average annual and amortization rate of assets linked to the distribution concession is 4.09%, which is represented by activity as follows:

Distribution	Administration
3.95%	14.84%

Under the regulations of the energy segment, property, plant and equipment used in the distribution concession are linked to these services, and cannot be withdrawn, disposed of, assigned or provided in guarantee without the prior express authorization of the Grantor.

## 14. SPECIAL OBLIGATIONS

Obligations linked to the concession representing contributions by outside parties, consumers, the federal government, states and municipalities, among others, in works for supply of electricity, as governed by specific regulations.

These obligations linked to concession break down as follows:

Obligations Linked to the Concession	Sep. 30, 2023	Dec. 31, 2022
Customer Financial Participation	(5,148,003)	(4,753,794)
Participation of the Union, States and Municipalities (1)	(624,034)	(593,689)
Universalization of the Public Electricity Service	(306,080)	(306,080)
Others, Exceeding Demand and Surplus Reactives	(371,617)	(351,017)
Energy Efficiency Program (PEE)	(95,552)	(95,552)
Donations and Grants For Investments in the Service Granted	(4,071)	(4,071)
Research and Development	(11,961)	(6,967)
Financial Update - Special Obligations	(17,590)	-
(-) Accumulated Amortization	1,965,204	1,809,300
<b>Total</b>	<b>(4,613,704)</b>	<b>(4,301,870)</b>

Allocation	Sep. 30, 2023	Dec. 31, 2022
Infrastructure under construction - Contract Asset	(880,679)	(732,030)
Infrastructure - Intangible in Service (Note 13)	(3,618,433)	(3,478,234)
Infrastructure - Financial Asset	(114,592)	(91,606)
<b>Total</b>	<b>(4,613,704)</b>	<b>(4,301,870)</b>

(1) The participation of the federal government, states and municipalities is the most significant (70% of the total): these are usually works relating to extension and modification of distribution networks that are not 'universalized'.

The amortization rate of the linked obligations is the average rate for the activity into which the asset was incorporated. The annual average is 4.09%, which breaks down by activity as follows:

Distribuição	Administração
3.91%	15.72%

## 15. LEASING

### a) Right of use assets

Changes in the right of use asset are as follows:

	Imóveis	Veículos	Total
<b>Balance on December 31, 2022</b>	<b>149,795</b>	<b>90,383</b>	<b>240,178</b>
Disposals (ended contracts)	(3,137)	-	(3,137)
Addition	3,763	-	3,763
Amortization (1)	(6,332)	(20,587)	(26,919)
Remeasurement (2)	109	48,950	49,059
<b>Balance on September 30, 2023</b>	<b>144,198</b>	<b>118,746</b>	<b>262,944</b>

- (1) The amortization of the right of use recognized in the income statement is net of the use of PIS/Pasep and Cofins credits on rental payments, in the amount of R\$416 in the period from January to September 2023 (R\$373 in the same period of 2022); the weighted average annual amortization rate is 5.96% for Real Estate and 25.15% for Vehicles.
- (2) The Company has identified events which lead to re-evaluation and modifications of its principal contracts: in these cases the leasing liability is remeasured with an adjustment, in Assets, to Rights of use.

### b) Leasing liabilities

The changes in the lease liabilities are as follows:

<b>Balance on December 31, 2022</b>	<b>259,873</b>
Addition	3,763
Disposals (ended contracts)	(3,679)
Interest incurred (1)	20,783
Leasing paid	(40,366)
Interest in leasing contracts paid	(1,277)
Remeasurement (2)	49,059
<b>Balance on September 30, 2023</b>	<b>288,156</b>
<b>Current liabilities</b>	<b>55,633</b>
<b>Non-current liabilities</b>	<b>232,523</b>

- (1) Financial expenses recognized in the Income Statement are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R\$1,101 from January to September 2023 (R\$1,035 in the same period of 2022).
- (2) The Company has identified events which lead to re-assessment and modifications of its principal contracts: in these cases the leasing liability is remeasured with an adjustment, in Assets, to the 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	Nominal	Adjusted to present value
Consideration for the leasing	603,916	288,156
Potential PIS/Pasep and Cofins	42,084	14,616

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:

Maturity of lease contracts	
2023	14,573
2024	58,093
2025	57,879
2026	57,656
2027	47,775
2028 to 2048	367,940
<b>Undiscounted values</b>	<b>603,916</b>
Embedded interest	(315,760)
<b>Lease liabilities</b>	<b>288,156</b>

## 16. SUPPLIERS

	Sep. 30, 2023	Dec. 31, 2022
Energy on spot market - CCEE	113,229	95,928
Charges for use of energy network (1)	252,649	204,119
Energy purchased for resale	690,527	682,239
Itaipu Binacional	250,857	273,618
Materials and services	566,372	673,819
	<b>1,873,634</b>	<b>1,929,723</b>

(1) The charges payable by distribution and generation agents for use of the facilities that are components of the national grid are set by an Anel Resolution.

## 17. TAXES PAYABLE AND AMOUNTS TO BE REFUNDED TO CUSTOMERS

	Sep. 30, 2023	Dec. 31, 2022
<b>Taxes and contributions</b>		
<b>Current</b>		
ICMS	66,922	53,004
Cofins	72,488	72,901
PIS/Pasep	15,647	15,661
INSS	32,439	27,589
ISSQN	16,954	16,191
Others	39,525	12,544
	<b>243,975</b>	<b>197,890</b>
<b>Amounts to be refunded to customers</b>		
<b>Current</b>		
PIS/Pasep and Cofins	852,255	1,154,798
ICMS (1)	340,800	340,800
<b>Non-current</b>		
PIS/Pasep and Cofins	466,602	1,632,200
	<b>1,659,657</b>	<b>3,127,798</b>
	<b>1,903,632</b>	<b>3,325,688</b>

(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'), (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 repaid to consumers in relation to the credits due to Cemig D as a result of the legal action which ruled that ICMS tax was not applicable, totaled R\$1,318,857 at September 30, 2023. Up to September 30, 2023, a total of R\$5,512,625 had been restituted to clients (R\$3,943,371 up to December 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.

## 18. LOANS AND DEBENTURES

Financing source	Sep. 30, 2023						Dec. 31, 2022
	Principal maturity	Annual financial cost %	Currency	Current	Non-current	Total	Total
<b>BRAZILIAN CURRENCY</b>							
Eletrobrás	2023	UFIR + 6 a 8.00%	R\$	256	-	256	2,380
<b>Total of loans</b>				256	-	256	2,380
Debentures - 3th Issue - 3rd Series (1)	2025	IPCA + 5.10%	R\$	320,479	301,731	622,210	911,878
Debentures - 7th Issue - 1st Series (1)	2024	CDI + 0.454%	R\$	407,020	-	407,020	814,697
Debentures - 7th Issue - 2nd Series (1)	2026	IPCA + 4.10%	R\$	23,210	1,929,260	1,952,470	1,864,547
Debentures - 8th Issue - 1st Series (1)	2027	CDI + 1.35%	R\$	21,065	500,000	521,065	503,095
Debentures - 8th Issue - 2nd Series (1)	2029	IPCA + 6.10%	R\$	9,405	524,466	533,871	507,408
Debentures - 9th Issue - Single Series (1)	2026	CDI + 2.05%	R\$	95,919	2,000,000	2,095,919	-
(-) Discount on the issuance of debentures (2)				-	(9,538)	(9,538)	(12,048)
(-) Transaction costs				(590)	(23,515)	(24,105)	(15,959)
<b>Total of debentures</b>				<b>876,508</b>	<b>5,222,404</b>	<b>6,098,912</b>	<b>4,573,618</b>
<b>Total loans and debentures</b>				<b>876,764</b>	<b>5,222,404</b>	<b>6,099,168</b>	<b>4,575,998</b>

- (1) Nominal, unsecured, book-entry debentures not convertible into shares, with no renegotiation clauses;  
 (2) Discount on the sale price of the 2nd series of the Seventh and Eighth issue;

### Raising of funding

Financing source	Entry Date	Principal Maturity	Financial charges	Total
<b>BRAZILIAN CURRENCY</b>				
Debentures - 9th Issue - Single Series	Junho de 2023	2026	CDI + 2.05%	2,000,000
(-) Transaction costs				(12,057)
<b>Total of raising of funding</b>				<b>1,987,943</b>

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

	2023	2024	2025	2026	2027	2028 onwards	Total
<b>Indexers</b>							
IPCA (1)	51,363	301,731	1,266,361	964,630	-	524,466	3,108,551
UFIR/RGR (2)	256	-	-	-	-	-	256
CDI (3)	254,005	269,999	1,000,000	1,000,000	500,000	-	3,024,004
<b>Total by Indexers</b>	<b>305,624</b>	<b>571,730</b>	<b>2,266,361</b>	<b>1,964,630</b>	<b>500,000</b>	<b>524,466</b>	<b>6,132,811</b>
(-) Transaction costs	(291)	(1,291)	(6,333)	(6,321)	(801)	(9,068)	(24,105)
(-) Discount	-	-	(4,615)	(4,615)	-	(308)	(9,538)
<b>Overall total</b>	<b>305,333</b>	<b>570,439</b>	<b>2,255,413</b>	<b>1,953,694</b>	<b>499,199</b>	<b>515,090</b>	<b>6,099,168</b>

- (1) Expanded National Customer Price (IPCA) Index;  
 (2) Fiscal Reference Unit (Ufir / RGR);  
 (3) CDI: Interbank Rate for Certificates of Deposit.

The variations in the indexors used for inflation correction of loans in the periods presented were as follows:

Indexer	Accumulated change from January to September 2023 (%)	Accumulated change from January to September 2022 (%)
IPCA	3.50	4.09
CDI	9.92	8.85

Indexer	Accumulated change from July to September 2023 (%)	Accumulated change from July to September 2022 (%)
IPCA	0.61	(1.32)
CDI	3.22	3.26

Changes in loans and debentures are as follows:

<b>Balance on December 31, 2022</b>	<b>4,575,998</b>
Debentures obtained	2,000,000
Transaction costs	(12,057)
<b>Net borrowings</b>	<b>1,987,943</b>
Monetary variation	109,348
Financial charges provisioned	318,873
Amortization of transaction cost	3,909
Financial charges paid	(197,055)
Amortization of financing	(699,848)
<b>Balance on September 30, 2023</b>	<b>6,099,168</b>

### Borrowing costs, capitalized

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

The Company transferred to intangible assets and to concession contract assets the costs of loans linked to construction in progress, as follows:

	Jan to Sep/2023	Jan to Sep/2022
Costs of loans and debentures	318,873	221,080
Financing costs on intangible assets and contract assets (1) (Notes 12 and 13)	(45,052)	(30,259)
<b>Net effect in Profit or loss</b>	<b>273,821</b>	<b>190,821</b>

(1) The average capitalization rate p.a. on September 30, 2023 was 12.12% (11.48% 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.

### Guarantees

The guarantees of the debt balance on loans, on September 30, 2023, were as follows:

Surety and receivables	2,346,971
Promissory notes and Sureties	622,055
Receivables	256
Promissory notes	3,129,886
<b>TOTAL</b>	<b>6,099,168</b>



## Restrictive covenants

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

The Company has contract with financial covenants as follows:

Security (2)	Covenant	Ratio required Cemig D-Issuer	Ratio required Cemig (guarantor)	Compliance required
7 <sup>th</sup> , 8 <sup>th</sup> and 9 <sup>th</sup> debenture issue	Net debt / (Ebitda adjusted) (1)	The following or less: 3.5	Ratio to be the following, or less: 3.0	Half-yearly and annual

- (1) Adjusted Ebitda corresponds to earnings before interest, income taxes and social contribution on net income, depreciation and amortization, calculated from which non-operating income, any credits and non-cash gains that increase extraordinary 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 leads to early maturity, creating immediate demandability of payment by the Company of the Nominal Unit Value or the Updated Nominal Unit Value (as the case may be) of the debentures, plus any other charges due, without the need for advice, notification or any action through the courts or otherwise.

Management monitors this index on an ongoing basis.

## 19. REGULATORY CHARGES

	Sep. 30, 2023	Dec. 31, 2022
<b>Liabilities</b>		
Energy Efficiency Program (EEP)	178,330	220,801
Research and development (R&D)	131,279	112,458
Energy System Expansion Research	3,147	3,226
National Scientific and Technological Development Fund	6,578	6,735
Energy Development Account (CDE) (2)	66,818	46,557
CDE on R&D (1)	1,973	2,021
CDE on PEE (1)	3,947	4,041
Global Reversion Reserve (RGR)	24,545	24,545
Emergency capacity charge	26,325	26,325
Aneel inspection charge	2,199	2,101
Customer charges - Tariff flags	16	16
	<b>445,157</b>	<b>448,826</b>
<b>Current liabilities</b>	<b>417,526</b>	<b>393,389</b>
<b>Non-current liabilities</b>	<b>27,631</b>	<b>55,437</b>

- (1) Refers to the amount transferred from the R&D account, which will be paid as CDE over R&D, in accordance with Aneel Dispatch 904 of March 30, 2021.
- (2) Charging of the 'CDE Covid Account' began in May 2021, as ratified by Dispatch 939 of April 5, 2021, under Normative Resolution 885 of June 23, 2020.

## 20. POST-EMPLOYMENT OBLIGATIONS

The changes occurred in net liabilities are as follows:

	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total
Net liabilities at December 31, 2022	1,389,416	2,392,168	43,413	3,824,997
Expense recognized in statement of income	126,172	208,079	3,798	338,049
Cost of past service	-	(33,123)	(867)	(33,990)
Contributions paid	(162,324)	(109,586)	(2,070)	(273,980)
Actuarial losses (gains)	-	(43,088)	(649)	(43,737)
Net liabilities at September 30, 2023	1,353,264	2,414,450	43,625	3,811,339
			Sep. 30, 2023	Dec. 31, 2022
Current liabilities			263,256	274,904
Non-current liabilities			3,548,083	3,550,093

Actuarial losses and gains, net of income tax and social contribution, do not involve cash and are therefore not reflected in the cash flow statements.

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

The amounts recorded in the expense recognized from January to September 2023 refer to the installments of costs with post-employment obligation, in the amount of R\$291,606 (R\$313,754 in the same period of 2022), plus the charges and monetary variation of the debt agreed with Forluz, in the amount of R\$12,453 from January to September 2023 (R\$24,522 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 have the contribution by Cemig to payment for their 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) - *Employee Benefits*, this situation constitutes a curtailment event, requiring the Company to remeasure its post-employment liabilities. In the first half of 2023, the effects of the curtailment have been recognized in the income statement as a cost of past service, as to R\$33,123 for the health plan and R\$867 for the dental plan.

It is worth noting that the shortening event calculated for the first quarter of 2023 affected the actuarial assumptions, in the sense of changing the discount rates applied 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\$43,088 for the health plan, and R\$649 for the dental plan. These were recorded in Other comprehensive income in the first quarter of 2023.

## 21. PROVISIONS

	Dec. 31, 2022	Adições	Reversões	Liquidações	Sep. 30, 2023
Labor	297,311	66,007	(2,458)	(47,105)	313,755
Civil					
Customer relations	36,679	52,364	(8,592)	(39,484)	40,967
Other civil actions	32,687	20,151	-	(12,044)	40,794
	69,366	72,515	(8,592)	(51,528)	81,761
Tax	937,320	73,968	-	(63)	1,011,225
Regulatory	34,293	3,682	(294)	(2,084)	35,597
Others	4,334	4,820	(594)	(657)	7,903
<b>Total</b>	<b>1,342,624</b>	<b>220,992</b>	<b>(11,938)</b>	<b>(101,437)</b>	<b>1,450,241</b>

There are legal actions for which expectation of loss with disbursement of cash is considered 'possible', based on the assessment of the Company's management, supported by the opinion of its legal advisors, who have assessed the chances of success in these actions as 'possible'. As a result no provision has been made for these actions. They are:

Possible losses	Sep. 30, 2023	Dec. 31, 2022
Labor	1,121,187	997,927
Civil		
Customer relations	192,765	194,128
Other civil actions	474,144	444,688
	666,909	638,816
Tax	1,335,027	1,191,496
Regulatory	668,167	869,338
Others	1,075,931	949,190
<b>Total</b>	<b>4,867,221</b>	<b>4,646,767</b>

(1) The main figures are presented in specific paragraphs in the Provisions chapter.

The Company 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 interim financial information in relation to the timing of any cash outflows, or any possibility of reimbursements.

The Company believes 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

The Company is 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 Social Integration Program (Programa de Integração Social, or PIS-Pasep) and the Contribution to Finance Social Security (Contribuição para o Financiamento da Seguridade Social, or Cofins). The amount of the contingency is approximately R\$207,067 (R\$152,686 on December 31, 2022), of which R\$12,188 (R\$10,091 on December 31, 2022) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

### *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 profit shares 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 chances of loss from 'possible' to 'probable' for some portions paid as profit-sharing amounts, maintaining the classification of the chance of loss as 'possible' for the other portions, since it believes that it has arguments on the merit for defense and/or because it believes that the amounts questioned are already within the period of limitation.

The amount of the contingencies is approximately R\$1,063,293 (R\$982,070 on December 31, 2022), of which R\$898,208 has been provisioned (R\$829,721 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\$127,058, 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\$87,268, 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\$226,216 (R\$218,772 on December 31, 2022), of which R\$100,829 (R\$97,508 on December 31, 2022) has been provisioned.

### *Social Security contributions*

The Brazilian federal tax authority (Secretaria da Receita Federal) has filed administrative proceedings related to several matters: employee profit sharing; the Workers' Food Program

(Programa de Alimentação do Trabalhador, or PAT); education benefit; food benefit; Special Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers' support programs), and fines for non-compliance with accessory obligations. The Company has presented defenses and await judgment. The amount of the contingency is approximately R\$121,601 (R\$112,362 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.

#### *Non-homologation of offsetting of tax credit*

The federal tax authority did not ratify the Company's declared offsetting, in Corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes - IRPJ, CSLL, PIS/Pasep and Cofins - identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The Company is contesting the non-homologation of the amounts offset. The amount of the contingency is R\$64,215 (R\$60,454 on December 31, 2022), and the chance of loss was classified as 'possible', since the relevant requirements of the National Tax Code (CTN) have been complied with.

#### *The Social Contribution tax on net income (CSLL)*

The federal tax authority issued a tax assessment against the Company 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 several alleged infringements. The amount of this contingency is R\$396,373 (R\$355,930 on December 31, 2022). The Company evaluated the tax treatments adopted, which are susceptible to questioning by the tax authorities, and concluded that it is more likely than not that they will be accepted by the tax authorities.

#### *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. Further, an escrow deposit was paid into court, currently valued at R\$ 79,460 (R\$ 67,852 on December 31, 2022). The amount of the contingencies in this case is approximately R\$72,306 (R\$66,693 on December 31, 2022). The Company has evaluated the tax treatments adopted, which are susceptible to questioning by the tax authorities, and has concluded that it is more likely than not that they will be accepted by the tax authority.

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

On August of 2021 the Brazilian tax authority (Receita Federal do Brasil) issued two infringement notices relating to calculation of the PIS, Pasep and Cofins taxes, for tax triggering events from August 2016 and December 2017, alleging insufficiency of payment of these contributions on the basis of supposed undue posting as credits of the expenses on the Proinfra charge, and absence of reversal of the credits related to non-technical losses. The Company is contesting these infringement notices. The amount of the contingency is R\$195,182 (R\$179,848 on December 31, 2022); the Company has classified the chances of loss as 'possible', due to the scarcity of case law on the subject.

### Labor claims

The Company is 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 amount of the contingency is approximately R\$1,434,942 (R\$1,295,238 at December 31, 2022), of which R\$313,755 (R\$297,311 at December 31, 2022) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

### Customers claims

The Company is 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\$233,732 (R\$230,807 at December 31, 2022), of which R\$40,967 (R\$36,679 at December 31, 2022) has been recorded - this being the probable estimate for funds needed to settle these disputes.

### Other civil proceedings

The Company is 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\$514,938 (R\$477,375 on December 31, 2022), of which R\$40,794 (R\$32,687 at December 31, 2022) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

### Regulatory

The Company is 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 amount of the contingency is approximately R\$654,735 (R\$374,696 on December 31, 2022), of which R\$35,597 (R\$34,293 at December 31, 2022) has been recorded as provision - the amount estimated as probably necessary for settlement of these disputes.

#### Public Lighting Contribution (CIP)

The Company is defendant in several public civil claims (class actions) requesting nullity of the clause in the Energy Supply Contracts for public illumination signed between the Company and the several 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 believes it has legal arguments of merit for defense of these claims, since the charges now made are based on Aneel Normative Resolution 456/2000. As a result it has not constituted a provision for this action, the amount of which is estimated at R\$ 49,030 (R\$ 45,642 on December 31, 2022).

#### 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 the Company 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. In July 2023, in a judgment against which there is no further appeal, the Federal Attorneys' application was rejected.

#### Other legal actions in the normal course of business

The Company is involved, on the plaintiff or defendant side, in other litigation, on a lesser scale, including: environmental matters; removal of residents from risk areas; and indemnities for rescission of contracts, related to the normal course of its operations - in the estimated amount of R\$335,235 (R\$259,881 at December 31, 2022), of which R\$7,751 has been provisioned (R\$4,193 on December, 31, 2022), this being the probable estimate of funds required to settle these matters.

#### '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’ due to the analysis of case law on this topic.

## **22. EQUITY AND REMUNERATION TO SHAREHOLDERS**

### **a) Share Capital**

On September 30, 2023 the Company’s issued and outstanding share capital is R\$6,284,312 (R\$5,371,998 on December 31, 2022), represented by 2,359,113,452 nominal common shares (2,359,113,452 on December 31, 2022), fully subscribed, without nominal value, wholly owned by Cemig (Companhia Energética de Minas Gerais).

#### **Advances against Future Capital Increase**

Advances against Future Capital Increase		Capital Increase
Feb. 27, 2023	R\$ 100,000	Apr. 27, 2023
Mar. 10, 2023	R\$ 94,000	Apr. 27, 2023
Mar. 17, 2023	R\$ 350,000	Jul. 14, 2023
Apr. 25, 2023	R\$ 100,000	Jul. 14, 2023

On February 27, March 10, March 17 and April 25, 2023, the Company’s parent company, Cemig (Companhia Energética de Minas Gerais - Cemig) made Advances against Future Capital Increase to the Company, in the amounts of R\$100,000, R\$94,000, R\$350,000 and R\$100,000, to strengthen its cash position, and for operational expenses and execution of Cemig D’s investments.

On April 27, 2023, an Ordinary and Extraordinary General Meeting of Stockholders approved an increase in the Company’s share capital of R\$ 462,314, comprising an increase of R\$ 268,314 proposed on December 31, 2022, and R\$ 194,000 of the advanced amounts referred to above, without alteration to the number of common shares (which are nominal common shares without par value).

On July 14, 2023, an Ordinary General Meeting of Stockholders approved an increase in the Company’s share capital of R\$ 450,000, comprising the remainder of the advances referred to above. As a result the share capital was increased from R\$ 5,371,998 to R\$ 6,284,312, without alteration to the number of common shares (which are nominal common shares without par value).



<b>Balance on December 31, 2022</b>	<b>5,371,998</b>
Capital payment with AFAC	644,000
Capital payment with JCP declared in 2022 (1)	268,314
<b>Balance on September 30, 2023</b>	<b>6,284,312</b>

(1) Since the Interest on Equity declared was higher than the dividends specified in the bylaws, management proposed to a Stockholders' Meeting, which approved it, that of the R\$ 576,532 declared, the amount of R\$ 268,314 (this amount being net of income tax) should be allocated to an increase in the share capital.

## b) Equity valuation adjustments

These refer to the adjustments to post-employment benefit obligations, in accordance with an actuarial opinion, which comprise gains or losses resulting from remeasurements of the net defined-benefit liability - of which the balance on September 30, 2023 was R\$1,508,854 (R\$1,537,720 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 of R\$43,088 for the health plan, and R\$649 for the dental plan.

## c) Earnings per share

Earnings per share were calculated based on the weighted average number of the Company's ordinary shares outstanding in each of the periods mentioned, as follows:

	Jan to Sep/2023	Jan to Sep/2022
Total number of shares	2,359,113,452	2,359,113,452
Net income (loss) for the period	1,210,896	(17,423)
<b>Basic and diluted earnings (losses) per common share (R\$)</b>	<b>0.51</b>	<b>(0.01)</b>

	Jul to Sep/2023	Jul to Sep/2022
Total number of shares	2,359,113,452	2,359,113,452
Net income (loss) for the period	475,927	506,928
<b>Basic and diluted earnings (losses) per common share (R\$)</b>	<b>0.20</b>	<b>0.21</b>

The Company does not have any dilutive instruments. Hence its diluted earnings per share is the same as its basic earnings per share.

## d) Remuneration to stockholders

On March 22, 2023, on June 20, 2023 and on September 19, 2023 the Executive Board, upon authorization by the Board of Directors, approved declaration of Interest on Equity in the amounts of R\$155,026, R\$165,375 and R\$174,674, respectively. The Executive Board is responsible for determining the locations and processes of payment, and posting the amounts of Interest on Equity against the mandatory dividend for the 2023 business year, in a proposal to be submitted to the General Meeting of Stockholders. Under the tax legislation, the amount of income tax withheld at source is not taken into account when imputing the declared amounts of Interest on Equity against the minimum mandatory dividend; and is calculated at 15%.

## 23. REVENUE

The revenue of the Company is as follows:

	Jan to Sep/2023	Jan to Sep/2022
Revenue from supply of energy - captive customers, in Cemig's concession area (a)	15,309,394	15,968,691
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization (*)	1,569,255	1,641,578
Revenue from use of the energy distribution systems (TUSD) - free customers (b)	3,247,142	2,780,530
Sector financial assets and liabilities, net (1)	(63,572)	(1,367,694)
Distribution construction revenue	2,547,586	2,162,794
PIS/Pasep and Cofins credits to be refunded to consumers (2)	-	(829,783)
Adjustment to expectation of cash flow from financial assets of distribution concession	127,152	28,401
Fine for violation of service continuity indicator	(92,859)	(64,867)
Mechanism for the sale of surplus	(3,766)	331,312
Other operating revenues (c)	1,549,069	2,025,399
Taxes and charges reported as deductions from revenue (d)	(7,268,311)	(7,830,568)
	<b>16,921,090</b>	<b>14,845,793</b>

	Jul to Sep/2023	Jul to Sep/2022
Revenue from supply of energy - captive customers, in Cemig's concession area (a)	5,489,766	4,499,920
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization (*)	311,748	706,087
Revenue from use of the energy distribution systems (TUSD) - free customers (b)	1,133,966	991,869
Sector financial assets and liabilities, net (1)	80,237	(395,654)
Distribution construction revenue	1,030,177	1,050,012
Adjustment to expectation of cash flow from financial assets of distribution concession	49,577	(10,361)
Fine for violation of service continuity indicator	(21,480)	(13,668)
Mechanism for the sale of surplus	-	125,463
Other operating revenues (c)	553,437	850,935
Taxes and charges reported as deductions from revenue (d)	(2,632,732)	(2,063,713)
	<b>5,994,696</b>	<b>5,740,890</b>

(\*) Maiores informações na Note explicativa nº 17.

- (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 from January to September 2022. Due to the better hydrological conditions, the tariff flag was 'green' as from May 2022, and produced no effect in the whole of from January to September 2023.
- (2) 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.
- (3) 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 supply of energy

This table shows supply of energy by type of customer:

	MWh (1)		R\$	
	Jan to Sep/2023	Jan to Sep/2022	Jan to Sep/2023	Jan to Sep/2022
Residential	8,803,190	8,316,115	7,624,882	7,919,513
Industrial	995,581	1,163,106	874,053	964,020
Commercial, services and others	3,223,792	3,383,328	3,628,529	3,890,347
Rural	2,181,073	2,306,436	1,586,933	1,566,309
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	659,502
<b>Subtotal</b>	<b>17,462,355</b>	<b>17,707,314</b>	<b>15,155,945</b>	<b>15,923,894</b>
Own consumption	21,698	23,472	-	-
Wholesale supply to other concession holders	-	-	124,521	43,230
Unbilled revenue	-	-	28,928	1,567
<b>Total</b>	<b>17,484,053</b>	<b>17,730,786</b>	<b>15,309,394</b>	<b>15,968,691</b>

	MWh (1)		R\$	
	Jul to Sep/2023	Jul to Sep/2022	Jul to Sep/2023	Jul to Sep/2022
Residential	2,874,159	2,706,219	2,698,431	2,079,674
Industrial	320,470	395,043	315,361	284,861
Commercial, services and others	1,008,973	1,061,850	1,186,019	1,068,683
Rural	867,641	924,189	660,625	538,961
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
<b>Subtotal</b>	<b>5,804,895</b>	<b>5,935,500</b>	<b>5,374,998</b>	<b>4,429,856</b>
Own consumption	6,783	6,761	-	-
Wholesale supply to other concession holders	-	-	47,805	15,176
Unbilled revenue	-	-	66,963	54,888
<b>Total</b>	<b>5,811,678</b>	<b>5,942,261</b>	<b>5,489,766</b>	<b>4,499,920</b>

(1) Data not reviewed by independent auditors.

## b) Revenue from use of network - Free Customers

A significant number of the large industrial consumers in the Company's concession area have the status of 'Free Consumers', and thus have the responsibility of paying the costs of use of the distribution network. Thus, the charges for the use of the distribution network ('TUSD') of these Free Clients are made, separately, by Cemig D. They are recorded in the item 'Revenue from use of the network'.

## c) Other operating revenues

	Jan to Sep/2023	Jan to Sep/2022
Charged service	15,611	14,355
Other services	22,824	18,799
Low income Subsidies	295,523	228,388
SCEE Subsidy (1)	80,407	-
Eletrobrás Subsidy (2)	50,947	432,412
Tariff flag subsidy	57,782	271,279
Other Subsidies (3)	727,648	705,195
Rental and leasing (4)	289,866	404,862
Transactions on the CCEE	2,124	(51,684)
Others	6,337	1,793
	<b>1,549,069</b>	<b>2,025,399</b>

	Jul to Sep/2023	Jul to Sep/2022
Charged service	5,491	5,257
Other services	11,280	5,208
Low income Subsidies	108,200	77,844
SCEE Subsidy (1)	48,244	-
Eletrobrás Subsidy (2)	-	432,412
Tariff flag subsidy	20,908	19,790
Other Subsidies (3)	256,125	225,535
Rental and leasing	99,525	83,785
Transactions on the CCEE	2,124	-
Others	1,540	1,104
	<b>553,437</b>	<b>850,935</b>

- (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

	Jan to Sep/2023	Jan to Sep/2022
<b>Taxes on revenue</b>		
ICMS (1)	2,679,110	3,523,590
PIS/Pasep	299,711	284,016
Cofins	1,380,489	1,308,194
ISSQN	1,097	903
	<b>4,360,407</b>	<b>5,116,703</b>
<b>Charges to the customer</b>		
Energy Efficiency Program (PEE)	32,951	50,035
Energy Development Account (CDE)	2,747,972	2,816,564
Research and Development (R&D)	27,210	18,434
National Scientific and Technological Development Fund (FNDCT)	38,871	26,335
Energy System Expansion Research (EPE of MME)	19,435	13,167
Customer charges - the 'Flag Tariff' system	-	(251,821)
CDE on R&D	11,661	7,900
CDE on PEE	10,405	15,801
Energy Services Inspection Charge	19,399	17,450
	<b>2,907,904</b>	<b>2,713,865</b>
	<b>7,268,311</b>	<b>7,830,568</b>

	Jul to Sep/2023	Jul to Sep/2022
<b>Taxes on revenue</b>		
ICMS (1)	1,055,422	524,121
PIS/Pasep	103,481	264,174
Cofins	476,644	296,353
ISSQN	515	271
	<b>1,636,062</b>	<b>1,084,919</b>
<b>Charges to the customer</b>		
Energy Efficiency Program (PEE)	15,437	17,612
Energy Development Account (CDE)	941,716	926,143
Research and Development (R&D)	7,853	6,489
National Scientific and Technological Development Fund (FNDCT)	11,218	9,270
Energy System Expansion Research (EPE of MME)	5,609	4,635
CDE on R&D	3,365	2,781
CDE on PEE	4,874	5,562
Energy Services Inspection Charge	6,598	6,302
	<b>996,670</b>	<b>978,794</b>
	<b>2,632,732</b>	<b>2,063,713</b>

- (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.

## 24. OPERATING COSTS AND EXPENSES

### a) Cost of energy

	Jan to Sep/2023	Jan to Sep/2022
<b>Energy purchased for resale</b>		
Supply from Itaipu Binacional	896,326	1,229,374
Physical guarantee quota contracts	697,168	713,387
Quotas for Angra I and II nuclear plants	271,835	267,894
Spot market	252,275	356,933
'Bilateral' contracts	381,419	364,800
Energy acquired in Regulated Market auctions	2,957,410	2,395,560
Proinfa Program	383,683	454,241
Distributed generation ('Geração distribuída')	1,661,438	1,416,394
PIS/Pasep and Cofins credits	(510,661)	(502,391)
	<b>6,990,893</b>	<b>6,696,192</b>
<b>Basic Network Usage Charges</b>		
Tariff for transport of Itaipu supply	145,939	114,013
Transmission charges - Basic Grid	1,723,276	1,421,640
Connection Charges	99,769	79,111
Distribution charges	5,586	5,383
System Services Charge (CCEE-ESS)	14,005	368,828
Reserve Energy Charge (CCEE-EER)	514,281	309,004
PIS/Pasep and Cofins credits	(231,514)	(212,563)
	<b>2,271,342</b>	<b>2,085,416</b>
	<b>9,262,235</b>	<b>8,781,608</b>

	Jul to Sep/2023	Jul to Sep/2022
<b>Energy purchased for resale</b>		
Supply from Itaipu Binacional	323,440	425,463
Physical guarantee quota contracts	219,654	254,182
Quotas for Angra I and II nuclear plants	92,000	89,298
Spot market	80,826	184,796
'Bilateral' contracts	128,695	128,054
Energy acquired in Regulated Market auctions	1,010,691	925,614
Proinfa Program	127,894	151,414
Distributed generation ('Geração distribuída')	551,036	490,163
PIS/Pasep and Cofins credits	(173,189)	(188,486)
	<b>2,361,047</b>	<b>2,460,498</b>
<b>Basic Network Usage Charges</b>		
Tariff for transport of Itaipu supply	61,244	43,290
Transmission charges - Basic Grid	638,121	512,763
Connection Charges	38,447	30,543
Distribution charges	1,831	1,963
System Services Charge (CCEE-ESS)	5,238	3,692
Reserve Energy Charge (CCEE-EER)	146,869	87,665
PIS/Pasep and Cofins credits	(82,487)	(62,893)
	<b>809,263</b>	<b>617,023</b>
	<b>3,170,310</b>	<b>3,077,521</b>

### b) Construction infrastructure costs

	Jan to Sep/2023	Jan to Sep/2022
Personnel	98,171	77,567
Materials	1,361,261	1,340,546
Outsourced services	974,974	694,914
Financial charges	45,052	30,259
Leasing and Rentals	4,183	4,069
Taxes and charges	761	39
Other	63,184	15,400
	<b>2,547,586</b>	<b>2,162,794</b>
	Jul to Sep/2023	Jul to Sep/2022
Personnel	36,235	27,013
Materials	527,118	694,525
Outsourced services	405,123	306,171
Financial charges	20,085	14,009
Leasing and Rentals	1,536	1,738
Taxes and charges	115	(684)
Other	39,965	7,240
	<b>1,030,177</b>	<b>1,050,012</b>

### c) Other operating costs and expenses

	Operating costs		PCE		General and administrative expenses		Other operating expenses, net		Total	
	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	Jan to Sep/2023	Jan to Sep/2022
Personnel	471,388	488,413	-	-	174,534	176,864	-	-	645,922	665,277
Employees' and managers' income sharing	147	82	-	-	-	2,326	77,467	59,509	77,614	61,917
Post-employment obligations	-	-	-	-	-	-	291,606	313,755	291,606	313,755
Materials	57,311	45,709	-	-	14,456	23,258	-	-	71,767	68,967
Outsourced services (1)	1,041,124	864,153	-	-	126,847	126,336	-	-	1,167,971	990,489
Depreciation and amortization (Note 13b)	558,759	462,558	-	-	11,111	47,628	-	-	569,870	510,186
Amortization of Right of use - lease (note 15)	26,503	32,317	-	-	-	-	-	-	26,503	32,317
Provisions (reversals) for contingencies	209,054	180,238	-	-	-	-	-	-	209,054	180,238
Expected credit losses of accounts receivable	-	-	69,813	48,003	-	-	10,719	18,358	80,532	66,361
Other operation costs and expenses, net (2)	12,858	37,702	-	-	38,785	(2,381)	216,161	88,401	267,804	123,722
	<b>2,377,144</b>	<b>2,111,172</b>	<b>69,813</b>	<b>48,003</b>	<b>365,733</b>	<b>374,031</b>	<b>595,953</b>	<b>480,023</b>	<b>3,408,643</b>	<b>3,013,229</b>

	Operating costs		PCE		General and administrative expenses		Other operating expenses, net		Total	
	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	Jul to Sep/2023	Jul to Sep/2022
Personnel	148,604	156,107	-	-	55,581	52,206	-	-	204,185	208,313
Employees' and managers' income sharing	-	3	-	-	-	-	27,486	10,579	27,486	10,582
Post-employment obligations	-	-	-	-	-	-	112,323	110,170	112,323	110,170
Materials	18,791	19,670	-	-	2,615	7,976	-	-	21,406	27,646
Outsourced services (1)	341,307	297,759	-	-	48,216	40,661	-	-	389,523	338,420
Depreciation and amortization	191,494	162,910	-	-	4,289	15,546	-	-	195,783	178,456
Amortization of Right of use - lease	9,476	9,791	-	-	-	-	-	-	9,476	9,791
Provisions (reversals) for contingencies	76,041	84,698	-	-	-	-	-	-	76,041	84,698
Expected credit losses of accounts receivable	-	-	40,398	(85,706)	-	-	745	3,446	41,143	(82,260)
Other operation costs and expenses, net (2)	3,293	9,397	-	-	10,870	4,429	72,351	42,983	86,514	56,809
	<b>789,006</b>	<b>740,335</b>	<b>40,398</b>	<b>(85,706)</b>	<b>121,571</b>	<b>120,818</b>	<b>212,905</b>	<b>167,178</b>	<b>1,163,880</b>	<b>942,625</b>

- (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) 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.

## 25. FINANCE INCOME AND EXPENSES

	Jan to Sep/2023	Jan to Sep/2022
<b>FINANCE INCOME</b>		
Income from financial investments	76,544	77,687
PIS/Pasep and Cofins charged on finance income	(24,903)	(5,123)
Accruals on energy bills	201,501	264,198
Foreign exchange variations - Itaipu Binacional	10,645	17,666
Interest	15,914	19,595
Interests of escrow deposits	34,565	32,679
Interest - CVA (Note 11b)	81,105	149,424
Others	64,776	36,624
	<b>460,147</b>	<b>592,752</b>
<b>FINANCE EXPENSES</b>		
Charges on loans and debentures (Note 18)	(273,821)	(190,821)
Amortization of transaction cost (Note 18)	(3,909)	(1,764)
Forluz - Interest charges	(12,453)	(24,521)
Interest - loans and debentures (Note 18)	(109,348)	(129,531)
Interest on PIS/Pasep and Cofins taxes credits over ICMS refundable (1)	(100,341)	(1,284,247)
R&D and PEE - monetary adjustments	(28,100)	(26,827)
Interest on leases (Note 15)	(19,682)	(14,238)
Interest - Others	(26,878)	(20,191)
Others	(65,827)	(27,304)
	<b>(640,359)</b>	<b>(1,719,444)</b>
<b>NET FINANCE INCOME (EXPENSES)</b>	<b>(180,212)</b>	<b>(1,126,692)</b>

	Jul to Sep/2023	Jul to Sep/2022
<b>FINANCE INCOME</b>		
Income from financial investments	45,081	51,858
PIS/Pasep and Cofins charged on finance income	(8,602)	(9,807)
Accruals on energy bills	64,255	70,822
Interest	8,552	4,510
Interests of escrow deposits	13,722	12,720
Interest - loans and debentures (Note 18)	-	10,247
Interest - CVA (Note 11b)	-	38,210
Others	36,813	17,146
	<b>159,821</b>	<b>195,706</b>
<b>FINANCE EXPENSES</b>		
Charges on loans and debentures (Note 18)	(125,904)	(77,809)
Amortization of transaction cost (Note 18)	(1,901)	(890)
Forluz - Interest charges	(1,998)	(2,588)
Foreign exchange variations - Itaipu Binacional	(2,466)	(14,547)
Interest - loans and debentures (Note 18)	(24,330)	-
Interest on PIS/Pasep and Cofins taxes credits over ICMS refundable (1)	(32,160)	(61,608)
Interest - CVA (Note 11b)	(10,973)	-
R&D and PEE - monetary adjustments	(8,800)	(10,619)
Interest on leases (Note 15)	(6,579)	(4,727)
Interest - Others	(17,476)	(8,376)
Others	(26,663)	(3,077)
	<b>(259,250)</b>	<b>(184,241)</b>
<b>NET FINANCE INCOME (EXPENSES)</b>	<b>(99,429)</b>	<b>11,465</b>

- (1) 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. With the offsetting of the credits, the liability to be refunded to consumers exceeded the value of the credits to be received, generating a net financial expense. The amounts for reimbursement to consumers were ratified by Aneel and incorporated into the tariff adjustments of 2020, 2021, 2022 and 2023.

## 26. RELATED PARTY TRANSACTIONS

Cemig D's main balances and transactions with related parties are as follows:

ENTITY	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
<b>Transactions with energy (3)</b>								
Companhia Energética de Minas Gerais	72	70	-	-	-	-	-	-
Cemig Geração e Transmissão	1,705	4,634	30,486	28,488	24,438	25,566	(242,395)	(220,252)
Aliança Geração	2,384	4,070	11,407	11,366	35,878	40,020	(95,504)	(90,651)
Norte Energia	-	-	32,012	30,263	-	-	(205,732)	(189,646)
Taesá	-	-	8,838	10,891	-	-	(97,864)	(90,525)
Retiro Baixo	366	1,046	-	-	4,053	4,483	(4,772)	(4,399)
Cemig Sim	54	-	-	-	754	-	-	-
Hidrelétrica Cachoeirão	-	-	-	-	1,286	-	-	-
Hidrelétrica Pipoca	292	108	-	-	891	-	-	-
<b>Connection charges</b>								
Cemig Geração e Transmissão (5)	-	-	13,157	10,874	-	-	(77,951)	(63,893)
<b>Customers and traders</b>								
Governo do Estado de Minas Gerais (1)	39,407	36,558	-	-	133,074	121,767	-	-
<b>Cooperation Working Agreement (2)</b>								
Companhia Energética de Minas Gerais	-	-	14,225	26,483	-	-	(35,163)	(30,810)
Cemig Geração e Transmissão	-	-	203	2,565	-	-	(134)	(431)
<b>Loan with related parties</b>								
Companhia Energética de Minas Gerais (4)	-	-	-	-	-	-	(15,194)	(3,024)
<b>Interest on Equity, and dividends</b>								
Companhia Energética de Minas Gerais	-	-	1,336,345	1,183,846	-	-	-	-
<b>FIC Pampulha</b>								
<b>Current</b>								
Cash and cash equivalents	56,074	46,948	-	-	-	-	-	-
Marketable securities	247,316	278,552	-	-	1,914	5,618	-	-
<b>Non-current</b>								
Marketable securities	-	1,052	-	-	-	-	-	-
<b>Forluz</b>								
<b>Current</b>								
Post-employment obligations (6)	-	-	125,836	143,863	-	-	(126,172)	(129,770)
Supplementary pension contributions - Defined contribution plan (7)	-	-	-	-	-	-	(38,672)	(38,110)
Administrative running costs (8)	-	-	-	-	-	-	(21,608)	(19,529)
Operating leasing (9)	-	-	18,686	18,686	-	-	(18,443)	(17,080)
<b>Non-current</b>								
Post-employment obligations (6)	-	-	1,227,428	1,245,553	-	-	-	-
Operating leasing (9)	129,364	133,724	131,252	132,151	-	-	-	-
<b>Cemig Saúde</b>								
<b>Current</b>								
Health Plan and Dental Plan (10)	-	-	158,212	151,833	-	-	(211,877)	(208,506)
<b>Non-current</b>								
Health Plan and Dental Plan (10)	-	-	2,299,863	2,283,748	-	-	-	-

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

- 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;
- Technical Cooperation Working Agreement between Cemig, Cemig D and Cemig GT, instituted by Aneel Dispatch 3,208/2016. Principally includes reimbursement of expenses related to sharing of infrastructure, personnel, transport, telecoms and IT;
- The transactions in purchase and sale of energy between generators and distributors take place through auctions in the Regulated Market, organized by the federal government. In the Free Market, the transactions are carried out either through auctions, or by direct contracting, under the applicable legislation. Operations in transport of energy, on the other hand, are carried out by the transmission companies, and arise from the centralized operation of the National Grid, executed by the National System Operator (ONS);
- These refer to loan contracts signed between the Company and its parent company, on February 10 in the amount of R\$150,000, and on February 15, 2023 in the amount of R\$200,000. The loans in question, which were guaranteed by a Promissory Note issued by Cemig D to the benefit of its parent company, were settled on June 7, 2023, plus interest in the amounts of R\$6,657 and R\$8,538, respectively, corresponding to interest at 110% of the CDI rate. The loans had the consent of Aneel;
- This refers to the contract (CCT) for connection of the distribution facilities to the transmission system;



- (6) The contracts of Forluz are updated by the Expanded Customer Price Index (Índice Nacional de Preços ao Consumidor Amplo, or IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) and will be amortized up to business year 2024 (more details in Note 20 of this interim financial information);
- (7) The Company's contributions to the pension fund for the employees participating in the Mixed Plan, and calculated on the monthly remuneration, in accordance with the regulations of the Fund.
- (8) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's payroll;
- (9) Rental of the Company's administrative head office, in effect up to August 2024 (Júlio Soares building, able to be extended every five years, up to 2034), with annual inflation adjustment by the IPCA index and price reviewed every 60 months. On September 19, 2023 the lease contract was adjusted upward by 4.61%, corresponding to accumulated IPCA inflation over the prior 12 months;
- (10) Post-employment obligations relating to the employees' health and dental plan (more details in Note 20 of this interim financial information).

## Cash investments in FIC Pampulha

Cemig and its subsidiaries and jointly controlled entities invest part of their financial resources in an investment fund which has the characteristics of fixed income and obeys the Company's cash investment policy. The amounts invested by the fund are reported as cash and cash equivalent or marketable securities line in current and non-current assets.

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

## Remuneration of key management personnel

The total 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 year ended September 30, 2023 and 2022, are as follows:

	Jan to Sep/2023	Jan to Sep/2022
Remuneration	9,119	7,706
Income sharing	1,262	1,899
Pension plans	970	833
Health and dental plans	60	89
Life insurance	13	26
<b>Total (1)</b>	<b>11,424</b>	<b>10,553</b>

- (1) The company does not directly remunerate the members of the key personnel. They are paid by the controlling stockholder. These expenses are refunded through the sharing agreement for human resources and infrastructure between Cemig, Cemig Distribuição, Cemig Geração e Transmissão and other subsidiaries of the Group, consented to by Aneel in its Dispatch 3,208/2016.

## 27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### a) Financial instruments classification and fair value

The main financial instruments are as follows:

	Level	Sep. 30, 2023		Dec. 31, 2022	
		Balance	Fair value	Balance	Fair value
<b>Financial assets</b>					
<b>Amortized cost</b>					
Marketable securities - Cash investments		679	679	39,581	39,581
Receivables from customers, traders and concession holders (Note 6)		3,616,823	3,616,823	3,138,398	3,138,398
Restricted cash		23	23	1,444	1,444
Concession financial assets - CVA (Parcel 'A' Costs Variation Compensation) Account, and Other financial components		960,073	960,073	944,090	944,090
Reimbursement of tariff subsidies		187,180	187,180	153,402	153,402
Escrow deposits		662,445	662,445	651,279	651,279
		<b>5,427,223</b>	<b>5,427,223</b>	<b>4,928,194</b>	<b>4,928,194</b>

	Level	Sep. 30, 2023		Dec. 31, 2022	
		Balance	Fair value	Balance	Fair value
<b>Fair value through profit or loss</b>					
Cash equivalents - cash investments	2	947,975	947,975	356,842	356,842
Marketable securities					
Bank certificates of deposit	2	76,222	76,222	30,587	30,587
Treasury Financial Notes (LFTs)	1	54,013	54,013	64,208	64,208
Financial Notes - Banks	2	115,583	115,583	144,798	144,798
Debentures	2	1,498	1,498	1,595	1,595
		247,316	247,316	241,188	241,188
Concession financial assets - Distribution infrastructure	3	1,678,646	1,678,646	1,369,652	1,369,652
		<b>2,873,937</b>	<b>2,873,937</b>	<b>1,967,682</b>	<b>1,967,682</b>
		<b>8,301,160</b>	<b>8,301,160</b>	<b>6,895,876</b>	<b>6,895,876</b>
<b>Financial liabilities</b>					
<b>Amortized cost</b>					
Loans and debentures		(6,099,168)	(6,099,168)	(4,575,998)	(4,575,998)
Debt with pension fund (Forluz)		(96,662)	(96,662)	(182,140)	(182,140)
Equalization of pension fund deficit (Forluz)		(384,392)	(384,392)	(396,483)	(396,483)
Suppliers		(1,873,634)	(1,873,634)	(1,929,723)	(1,929,723)
Leasing transactions		(288,156)	(288,156)	(259,873)	(259,873)
		<b>(8,742,012)</b>	<b>(8,742,012)</b>	<b>(7,344,217)</b>	<b>(7,344,217)</b>

The information used in the techniques of calculation of fair value is classified in three levels - referred to as the 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 only by business considerations.
- Level 3. No active market - Valuation technique - Fair value is determined in accordance with generally accepted pricing models, based on discounted cash flow analysis and/or other valuation techniques, including non-observable data, such as New Replacement Value (Valor Novo de Reposição, or VNR). Non-observable data should be used to measure fair value where significant observable data are not available, including situations in which there is little or no market activity on 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 used as inputs into the valuation techniques, over the techniques themselves. In some cases information is used from different hierarchy levels in measurement of fair value, When this happens the valuation

is classified entirely as being at the level of the hierarchy applicable to the material information of the lowest level used. For assets and liabilities recognized at fair value on a recurring basis, the Company determines whether there has been a transfer between the levels of the hierarchy, and adjusts the categorization appropriately.

Information about (i) financial instrument classifications and fair value; and (ii) methodology for calculating the fair value of positions is disclosed in note 27 of the financial statements for the year ended December 31, 2022.

## b) Financial risk management

### Exchange rate risk

The Company is exposed to the risk of appreciation in exchange rates due to the payment of energy purchased from Itaipu. 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 dólar				
Suppliers (Itaipu Binacional) (Note 16)	(50,095)	(250,857)	(52,440)	(273,618)
<b>Net liabilities exposed</b>		<b>(250,857)</b>		<b>(273,618)</b>

### 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 in relation to this 'adverse' scenario:

Risk: foreign exchange rate exposure	Sep. 30, 2023	Sep. 30, 2024	
	Balance	'Probable' cenário US\$ R\$4.96	'Adverse' cenário US\$ R\$5.97
US dólar			
Suppliers (Itaipu Binacional) (Note 16)	(250,857)	(248,472)	(299,069)
<b>Net liabilities exposed</b>	<b>(250,857)</b>	<b>(248,472)</b>	<b>(299,069)</b>
<b>Net effect of exchange variation</b>		<b>2,385</b>	<b>(48,212)</b>

### Interest rate risk

The Company is 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, and to the financial expenses associated to loans and debentures in Brazilian currency, and also sectorial financial liabilities.

Part of the loans in Brazilian currency is obtained from several 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.

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
<b>Assets</b>		
Cash equivalents - cash investments (Note 4)	947,975	356,842
Marketable securities (Note 5)	247,995	280,769
CVA and Other financial components in tariffs (Note 11b)	960,073	944,090
	<b>2,156,043</b>	<b>1,581,701</b>
<b>Liabilities</b>		
Loans and debentures - CDI rate (Note 18)	(3,024,004)	(1,317,792)
<b>Net liabilities exposed</b>	<b>(867,961)</b>	<b>263,909</b>

### Sensitivity analysis

In relation to the most significant interest rate risk, Company estimates that, in a probable scenario, at September 30, 2024 Selic rates will be 9.75%. The Company made a sensitivity analysis of the effects on its net income arising from a decrease in the rate. Fluctuation in the CDI rate accompanies the fluctuation of Selic rate.

Risk: Increase in Brazilian interest rates	Sep. 30, 2023	Sep. 30, 2024	
	Balance	'Probable' scenario Selic 9.75%	'Adverse' scenario Selic 12.75%
<b>Assets</b>			
Cash equivalents - cash investments (Note 4)	947,975	1,040,403	1,068,842
Marketable securities (Note 5)	247,995	272,175	279,614
CVA and Other financial components in tariffs - Selic rate (Note 11b)	960,073	1,053,680	1,082,482
	<b>2,156,043</b>	<b>2,366,258</b>	<b>2,430,938</b>
<b>Liabilities</b>			
Loans and debentures - CDI rate (Note 18)	(3,024,004)	(3,318,844)	(3,409,565)
<b>Net liabilities exposed</b>	<b>(867,961)</b>	<b>(952,586)</b>	<b>(978,627)</b>
<b>Net effect of variation in interest rates</b>		<b>(84,625)</b>	<b>(110,666)</b>

### Inflation risk

The Company is exposed to the risk of increase in inflation index on September 30, 2023. A portion of the loans 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 or 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
<b>Assets</b>		
Concession financial assets related to infrastructure - IPCA index (*) (Note 11a)	1,678,646	1,369,652
	<b>1,678,646</b>	<b>1,369,652</b>
<b>Liabilities</b>		
Loans and debentures - IPCA index (Note 18)	(3,108,551)	(3,283,833)
Debt agreed with pension fund (Forluz) - IPCA index (Note 20)	(96,662)	(182,140)
Forluz deficit solution plan - IPCA index (Note 20)	(384,392)	(396,483)
	<b>(3,589,605)</b>	<b>(3,862,456)</b>
<b>Net liabilities exposed</b>	<b>(1,910,959)</b>	<b>(2,492,804)</b>

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

## 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 IGP-M inflation index will be 3.06%. The Company made a sensitivity analysis of the effect on the result in an 'Adverse' scenario, as follows:

Risk: increase in inflation index	Sep. 30, 2023	Sep. 30, 2024	
	Balance	'Probable' scenario IPCA 4.14% IGPM 3.06%	'Adverse' scenario IPCA 6.42% IGPM 4.68%
<b>Assets</b>			
Concession financial assets related to infrastructure - IPCA index (*) (Note 11a)	1,678,646	1,748,142	1,786,415
	<b>1,678,646</b>	<b>1,748,142</b>	<b>1,786,415</b>
<b>Liabilities</b>			
Loans and debentures - IPCA index (Note 18)	(3,108,551)	(3,237,245)	(3,308,120)
Debt agreed with pension fund (Forluz) - IPCA index (Note 20)	(96,662)	(100,664)	(102,868)
Equation of the deficit on Pension Plan (Forluz) - IPCA Index (Note 20)	(384,392)	(400,306)	(409,070)
	<b>(3,589,605)</b>	<b>(3,738,215)</b>	<b>(3,820,058)</b>
<b>Net liabilities exposed</b>	<b>(1,910,959)</b>	<b>(1,990,073)</b>	<b>(2,033,643)</b>
<b>Net effect of variation in IPCA and IGP-M indexes</b>		<b>(79,114)</b>	<b>(122,684)</b>

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

## Liquidity risk

The information on how the Company manages liquidity risk is given in Note 27 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:

	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
<b>Financial instruments at (interest rates):</b>						
<b>- Floating rates (*)</b>						
Loans and debentures	49,394	321,923	853,904	5,921,641	-	7,146,862
Debt with pension plan (Forluz)	11,009	22,150	67,665	-	-	100,824
Equation of the deficit on Pension Plan (Forluz) - IPCA Index	4,871	9,802	45,157	261,830	247,135	568,795
	<b>65,274</b>	<b>353,875</b>	<b>966,726</b>	<b>6,183,471</b>	<b>247,135</b>	<b>7,816,481</b>
<b>- Fixed rate</b>						
Suppliers	1,693,829	179,801	4	-	-	1,873,634
	<b>1,759,103</b>	<b>533,676</b>	<b>966,730</b>	<b>6,183,471</b>	<b>247,135</b>	<b>9,690,115</b>

(\*) The lease payment flow is presented in note 15.

## Risk of debt early maturity

The Company has loan and debentures contracts with restrictive covenants related to compliance with a financial index. More details in Note 18 of this interim financial information.

## Credit risk and other operational risks

The information on how the Company manages: (i) credit risk; (ii) risk of overcontracting or undercontracting supply of electricity; (iii) risk to continuity of the concession; and (iv) hydrological risk, is given in Note 18.

## c) Capital management

The Company's net liabilities in relation to its equity at the end of the period are presented as follows:

	Sep. 30, 2023	Dec. 31, 2022
Total liabilities	18,802,065	18,307,385
Cash and cash equivalents	(983,161)	(440,700)
Marketable securities	(247,995)	(279,717)
<b>Net liabilities</b>	<b>17,570,909</b>	<b>17,586,968</b>
<b>Total equity</b>	<b>8,762,261</b>	<b>7,105,260</b>
<b>Net liabilities / equity</b>	<b>2.01</b>	<b>2.48</b>

## 28. RISKS RELATED TO COMPLIANCE WITH LAWS AND REGULATIONS

### *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 2019. The CPI was empowered to investigate the facts that were the basis for the request for its establishment, and by means of requirements, the CPI requested various information and documents related mainly to people management and procurement processes, which were fully met by the Company in compliance with 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 public control bodies, for assessment of what further submissions of it should be made.

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

The Company carries out regular internal audits; and no material impacts on the interim financial information from January to September 2023, nor for prior fiscal year, have been identified.

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**Reynaldo Passanezi Filho**  
Chief Executive Officer

**Dimas Costa**  
Chief Trading Officer

**Leonardo George de Magalhães**  
Chief Finance and Investor Relations  
Officer

**Marney Tadeu Antunes**  
Chief Distribution Officer

**Marco da Camino Ancona Lopez Soligo**  
Chief Officer Cemigpar

**Thadeu Carneiro da Silva**  
Chief without portfolio

**Cristiana Maria Fortini Pinto e Silva**  
Chief Regulation and Legal

**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  
**Cemig Distribuição S.A.**  
Campinas - SP

### Introduction

We have reviewed the interim financial information of Cemig Distribuição S.A. (“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 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 this 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 interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the 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 note 28 to the interim financial information, there are investigations being conducted by public authorities regarding the Company and in its parent company Companhia Energética de Minas Gerais – Cemig. 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 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 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 Portuguese<sup>1</sup>*

Thiago Rodrigues de Oliveira

Contador CRC 1SP259468/O-7

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<sup>1</sup> 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

## **DIRECTORS' STATEMENT OF REVIEW OF THE INTERIM FINANCIAL INFORMATION**

### **STATEMENT**

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; 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 said Financial Statements.

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**

### **STATEMENT**

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