INTERIM FINANCIAL INFORMATION

1Q2023

CONTENTS

STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2023 AND DECEMBER 31, 2022
ASSETS
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
CURRENT					
Cash and cash equivalents	5	1,600,178	1,440,661	168,831	190,483
Marketable securities	6	1,356,927	1,744,546	51,259	100,292
Receivables from customers, traders and concession holders	7	4,911,463	4,769,431	328,031	305,464
Concession financial assets	13	1,028,762	1,055,378	-	-
Concession contract assets	14	759,414	728,404	-	-
Recoverable taxes	8	1,529,363	1,916,701	1,090	1,087
Income tax and social contribution tax credits	9a	778,173	775,492	35,308	-
Dividends receivables	29	157,487	145,908	1,740,293	1,975,639
Public lighting contribution		225,055	207,280	-	-
Receivable related to tariff subsidies	12	97,336	96,947	-	-
Other assets		686,681	584,455	23,926	27,342
		13,130,839	**13,465,203**	**2,348,738**	**2,600,307**
Assets classified as held for sale	32	7,212	-	-	-
TOTAL CURRENT		**13,138,051**	**13,465,203**	**2,348,738**	**2,600,307**
NON-CURRENT					
Marketable securities	6	137,079	133,631	238	376
Receivables from customers, traders and concession holders	7	45,827	43,449	-	-
Recoverable taxes	8	1,401,982	1,357,846	529,180	523,371
Income tax and social contribution tax recoverable	9a	144,086	172,718	64,649	95,750
Deferred income tax and social contribution tax	9c	3,131,998	3,119,522	986,802	995,149
Dividends receivable	29	-	-	679,794	679,794
Escrow deposits	11	1,205,273	1,206,595	309,687	310,325
Derivative financial instruments - Swap	30a	709,067	702,734	-	-
Accounts receivable from the State of Minas Gerais	10	13,366	13,366	13,366	13,366
Concession financial assets	13	5,155,986	4,937,187	-	-
Concession contract assets	14	6,369,437	5,976,420	-	-
Investments - Equity method	15	5,123,692	5,105,724	20,980,189	19,637,444
Property, plant and equipment	16	2,408,039	2,409,351	1,235	1,240
Intangible assets	17	14,644,219	14,621,853	439	547
Leasing - right of use assets	18a	377,453	329,077	2,128	2,151
Other assets		79,805	76,161	410,515	78,718
TOTAL NON-CURRENT		**40,947,309**	**40,205,634**	**23,978,222**	**22,338,231**
TOTAL ASSETS		**54,085,360**	**53,670,837**	**26,326,960**	**24,938,538**

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

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STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2023 AND DECEMBER 31, 2022
LIABILITIES
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
CURRENT					
Suppliers	19	2,447,668	2,832,049	187,470	152,356
Regulatory charges payable	22	530,616	510,247	-	-
Profit sharing		146,507	105,207	17,591	13,590
Taxes payable	22	908,844	884,946	97,894	139,603
Income tax and social contribution	9b	253,607	239,674	-	-
Interest on equity and dividends payable		2,246,458	1,862,798	2,244,408	1,860,681
Loans and debentures	21	1,091,484	955,497	-	-
Payroll and related charges		232,002	260,015	12,777	13,823
Public lighting contribution		330,992	312,475	-	-
Accounts payable related to energy generated by residential consumers		563,397	455,273	-	-
Post-employment obligations	23	399,078	388,447	29,689	29,166
PIS/Pasep and Cofins taxes to be refunded to customers	20	458,810	1,154,798	-	-
Derivative financial instruments - Swaps	30b	109,584	90,526	-	-
Derivative financial instruments - Put Option	30b	705,171	672,416	-	-
Leasing liabilities	18b	71,676	57,438	301	301
Other liabilities		525,910	423,372	8,309	22,332
TOTAL CURRENT		**11,021,804**	**11,205,178**	**2,598,439**	**2,231,852**
NON-CURRENT					
Regulatory charges	22	47,104	65,360	4,624	4,624
Loans and debentures	21	9,187,833	9,624,001	-	-
Taxes payable	20	370,279	370,168	-	-
Deferred income tax and social contribution	9c	915,565	932,235	-	-
Provisions	24	2,059,993	2,029,021	281,010	279,141
Post-employment obligations	23	5,223,476	5,303,538	647,636	641,375
PIS/Pasep and Cofins taxes to be refunded to customers	20	1,873,038	1,808,074	-	-
Leasing liabilities	18b	334,048	297,195	2,120	2,125
Other liabilities		254,790	252,801	2,066	2,065
TOTAL NON-CURRENT		**20,266,126**	**20,682,393**	**937,456**	**929,330**
TOTAL LIABILITIES		**31,287,930**	**31,887,571**	**3,535,895**	**3,161,182**
EQUITY	25				
Share capital		11,006,853	11,006,853	11,006,853	11,006,853
Capital reserves		2,249,721	2,249,721	2,249,721	2,249,721
Profit reserves		10,394,823	10,394,823	10,394,823	10,394,823
Equity valuation adjustments		(1,836,916)	(1,874,041)	(1,836,916)	(1,874,041)
Retained earnings		976,584	-	976,584	-
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**22,791,065**	**21,777,356**	**22,791,065**	**21,777,356**
NON-CONTROLLING INTERESTS		6,365	5,910	-	-
TOTAL EQUITY		**22,797,430**	**21,783,266**	**22,791,065**	**21,777,356**
TOTAL LIABILITIES AND EQUITY		**54,085,360**	**53,670,837**	**26,326,960**	**24,938,538**

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STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(In thousands of Brazilian Reais, except earnings per share)

	Note	Consolidated		Parent company	
		Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
NET REVENUE	26	**8,646,937**	**7,847,448**	**729,192**	**286,555**
OPERATING COSTS					
Cost of energy and gas	27a	(4,759,051)	(4,535,695)	(461,007)	(238,162)
Infrastructure and construction cost	27b	(703,281)	(491,262)	-	-
Operating costs	27c	(1,099,776)	(924,250)	-	-
		(6,562,108)	**(5,951,207)**	**(461,007)**	**(238,162)**
GROSS INCOME		**2,084,829**	**1,896,241**	**268,185**	**48,393**
OPERATING EXPENSES	27c				
Expected credit losses		(7,926)	(43,092)	-	-
General and administrative expenses		(158,671)	(155,748)	(12,112)	(10,843)
Other operating expenses		(211,968)	(248,925)	(28,167)	(32,581)
		(378,565)	**(447,765)**	**(40,279)**	**(43,424)**
Share of income, net, of affiliates, subsidiaries and joint ventures	15	153,041	184,428	1,211,996	1,404,117
Operating income before financial income (expenses) and taxes		**1,859,305**	**1,632,904**	**1,439,902**	**1,409,086**
Finance income	28	329,784	1,109,025	(3,549)	15,409
Finance expenses	28	(435,698)	(794,862)	(568)	(2,195)
		(105,914)	**314,163**	**(4,117)**	**13,214**
Income before income tax and social contribution tax		**1,753,391**	**1,947,067**	**1,435,785**	**1,422,300**
Current income tax and social contribution tax	9d	(399,333)	(573,914)	(31,392)	-
Deferred income tax and social contribution tax	9d	44,148	82,418	(6,855)	32,889
NET INCOME FOR THE YEAR		**1,398,206**	**1,455,571**	**1,397,538**	**1,455,189**
Total of net income for the year attributed to:					
Equity holders of the parent		1,397,538	1,455,189	1,397,538	1,455,189
Non-controlling interests		668	382	-	-
		1,398,206	**1,455,571**	**1,397,538**	**1,455,189**
Basic and diluted earnings per preferred share - R$	25	**0.64**	**0.66**		
Basic and diluted earnings per common share - R$	25	**0.64**	**0.66**		

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

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STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(In thousands of Brazilian Reais)

	Consolidated		Parent company	
	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
NET INCOME FOR THE PERIOD	**1,398,206**	**1,455,571**	**1,397,538**	**1,455,189**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to income or loss in subsequent periods				
Post retirement liabilities - remeasurement of obligations of the defined benefit plans	61,208	-	4,387	-
Income tax and social contribution tax on remeasurement of defined benefit plans (Note 9c)	(20,811)	-	(1,491)	-
Equity gain (loss) on other comprehensive income in subsidiary and jointly controlled entity	-	-	37,501	-
Other comprehensive income	-	393	-	393
	40,397	**393**	**40,397**	**393**
COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAXES	**1,438,603**	**1,455,964**	**1,437,935**	**1,455,582**
Total of comprehensive income for the year attributed to:				
Equity holders of the parent	1,437,935	1,455,582	1,437,935	1,455,582
Non-controlling interests	668	382	-	-
	1,438,603	**1,455,964**	**1,437,935**	**1,455,582**

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

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STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(In thousands of Brazilian Reais, except where otherwise indicated)

	Share capital	Capital reserves	Profit reserves	Equity valuation adjustments	Retained earnings	Total	Non-controlling interests	Total Equity
AS OF DECEMBER 31, 2022	**11,006,853**	**2,249,721**	**10,394,823**	**(1,874,041)**	**-**	**21,777,356**	**5,910**	**21,783,266**
Net income for the period	-	-	-	-	1,397,538	**1,397,538**	668	1,398,206
Other comprehensive income	-	-	-	40,397	-	**40,397**	(213)	40,184
Realization of PP&E deemed cost	-	-	-	(3,272)	3,272	**-**	-	-
Interest on equity	-	-	-	-	(424,226)	**(424,226)**	-	(424,226)
AS OF MARCH 31, 2023	**11,006,853**	**2,249,721**	**10,394,823**	**(1,836,916)**	**976,584**	**22,791,065**	**6,365**	**22,797,430**

	Share capital	Capital reserves	Profit reserves	Valuation adjustments	Retained earnings	Total	Non-controlling interests	Total Equity
AS OF DECEMBER 31, 2021	**8,466,810**	**2,249,721**	**10,948,094**	**(2,208,214)**	**-**	**19,456,411**	**5,354**	**19,461,765**
Net income for the period	-	-	-	-	1,455,189	1,455,189	382	1,455,571
Other comprehensive income	-	-	-	393	-	393	-	393
Realization of PP&E deemed cost	-	-	-	(3,383)	3,383	-	-	-
Interest on equity	-	-	-	-	(245,000)	(245,000)	-	(245,000)
Non-controlling interests	-	-	-	-	-	-	(101)	(101)
AS OF MARCH 31, 2022	**8,466,810**	**2,249,721**	**10,948,094**	**(2,211,204)**	**1,213,572**	**20,666,993**	**5,635**	**20,672,628**

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STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
CASH FLOW FROM OPERATIONS					
Net income for the year		1,398,206	1,455,571	1,397,538	1,455,189
ADJUSTMENTS:					
Deferred income tax and social contribution	9	(44,148)	(82,418)	6,855	(32,889)
Depreciation and amortization	27	302,932	283,909	168	394
Loss on write-off of net residual value of unrecoverable concession financial assets, concessional contract asset, PP&E and Intangible assets		62,032	7,944	-	-
Write-off related to contractual assets		(15,583)	(7,054)	-	-
Share of loss, net, of subsidiaries and joint ventures		(153,041)	(184,428)	(1,211,996)	(1,404,117)
Remeasuring of concession financial and concession contract assets		(377,909)	(360,971)	-	-
Interest and monetary variation	28	253,506	226,861	(9,363)	(5,596)
Exchange variation on loans	28	(103,814)	(842,700)	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers - realization		(695,989)	(436,718)	-	-
Gains arising from the sale of equity interest	15	(30,487)	-	-	-
Appropriation of transaction costs	21	3,542	1,600	-	-
Provisions for operating losses and expected credit losses		118,792	163,330	9,165	14,783
Change in fair value of derivative financial instruments	30	12,725	456,647	-	-
CVA (Parcel A items Compensation) Account and other financial components in tariff adjustments	13	(20,840)	700,107	-	-
Post-employment obligations	23	111,292	167,520	17,411	19,353
Others		5,557	45	-	-
		826,773	**1,549,245**	**209,778**	**47,117**
(Increase) decrease in assets					
Receivables from customers, traders and concession holders	7	(152,336)	(408,167)	(22,567)	5,022
Recoverable taxes	8	(104,737)	259,715	(3)	(20)
Income tax and social contribution tax credits	9	121,429	(148,888)	46,122	121,126
Escrow deposits	11	16,716	(25,595)	4,262	609
Dividends received from investees		99,708	-	654,880	351
Contractual assets and concession financial assets	13	223,937	155,765	-	-
Others		(106,035)	94,210	(328,381)	(138,409)
		98,682	**(72,960)**	**354,313**	**(11,321)**
Increase (decrease) in liabilities					
Suppliers	19	(384,381)	(440,688)	35,114	19,271
Taxes payable	20	190,472	171,815	(82,200)	(112,931)
Income tax and social contribution tax payable	9	413,266	568,746	31,392	-
Payroll and related charges		(28,013)	(18,159)	(1,046)	(1,184)
Regulatory charges	22	2,113	(239,715)	-	-
Post-employment obligations	23	(119,515)	(110,912)	(6,240)	(5,820)
PIS/Pasep and Cofins taxes to be refunded to customers	20	36,821	(274,135)	-	-
Others		219,330	42,742	(17,316)	680
		330,093	**(300,306)**	**(40,296)**	**(99,984)**
Cash generated by operating activities		**1,255,548**	**1,175,979**	**523,795**	**(64,188)**
Interest paid on loans and debentures	21	(97,999)	(140,990)	-	-
Interest paid on leasing contracts	18	(624)	(331)	(2)	(2)
Income tax and social contribution tax paid		(199,756)	(57,686)	(33,979)	(13)
NET CASH FROM (USED IN) OPERATING ACTIVITIES		**957,169**	**976,972**	**489,814**	**(64,203)**
INVESTING ACTIVITIES					
Marketable securities	6	384,171	911,957	49,171	168,996
Restricted cash		-	(10,502)	-	3
Investments					
Acquisition of equity investees and additions in investees		(6,300)	-	(560,524)	(7,000)
Arising from the sale of equity interest, net of costs of sales		30,487	-	-	-
Property, plant and equipment	16	(93,295)	(12,181)	(3)	-
Intangible assets	17	(27,222)	(14,775)	(31)	(30)
Contract assets - distribution of gas and energy infrastructure	14	(641,225)	(418,905)	-	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**(353,384)**	**455,594**	**(511,387)**	**161,969**
FINANCING ACTIVITIES					
Payment of loans and debentures	21	(428,532)	(829,673)	-	-
Leasing liabilities paid	18	(15,736)	(18,729)	(79)	(72)
NET CASH USED IN FINANCING ACTIVITIES		**(444,268)**	**(848,402)**	**(79)**	**(72)**
Net (decrease) increase in cash and cash equivalents		**159,517**	**584,164**	**(21,652)**	**97,694**
Cash and cash equivalents at the beginning of the period	5	1,440,661	825,208	190,483	26,692
Cash and cash equivalents at the end of the period	5	1,600,178	1,409,372	168,831	124,386

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STATEMENTS OF ADDED VALUE
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(In thousands of Brazilian Reais)

	Consolidated		Parent company	
	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
REVENUES				
Sales of energy, gas and services	10,483,024	10,529,694	848,461	324,996
Distribution construction revenue	676,448	440,565	-	-
Transmission construction revenue	39,403	68,395	-	-
Interest revenue arising from the financing component in the transmission contract asset	177,254	191,945	-	-
Adjustment to expectation of cash flow from reimbursement of distribution concession financial assets	30,844	19,732	-	-
Investment in PP&E	56,128	23,819	-	-
Estimated credit losses	(7,926)	(41,533)	-	211
	11,455,175	**11,232,617**	**848,461**	**325,207**
INPUTS ACQUIRED FROM THIRD PARTIES				
Energy bought for resale	(3,723,642)	(3,363,494)	(507,997)	(262,437)
Charges for use of national grid	(780,532)	(964,309)	-	-
Outsourced services	(774,701)	(547,728)	(4,239)	(3,434)
Gas bought for resale	(780,702)	(715,913)	-	-
Materials	(418,117)	(317,265)	(6)	(6)
Other operating costs	(213,257)	(156,966)	(8,026)	(10,180)
	(6,690,951)	**(6,065,675)**	**(520,268)**	**(276,057)**
GROSS VALUE ADDED	**4,764,224**	**5,166,942**	**328,193**	**49,150**
RETENTIONS				
Depreciation and amortization	(302,666)	(283,909)	(168)	(394)
NET ADDED VALUE PRODUCED BY THE COMPANY	**4,461,558**	**4,883,033**	**328,025**	**48,756**
ADDED VALUE RECEIVED BY TRANSFER				
Share of income, net, of associates and joint ventures	153,041	184,428	1,211,996	1,404,116
Gain on financial updating of the Concession Grant Free	134,766	131,595	-	-
Generation indemnity revenue	22,476	-	-	-
Financial revenues	372,972	1,109,025	(3,549)	15,409
ADDED VALUE TO BE DISTRIBUTED	**5,144,813**	**6,308,081**	**1,536,472**	**1,468,281**
DISTRIBUTION OF ADDED VALUE				
Employees	**454,813**	**481,303**	**26,128**	**28,109**
Direct remuneration	296,460	273,003	7,693	8,125
Post-employment obligations and other benefits	140,639	191,799	17,924	19,509
FGTS fund	17,543	16,501	511	475
Voluntary retirement program	171	-	-	-
Taxes	**2,840,281**	**3,565,143**	**112,231**	**(17,220)**
Federal	1,974,884	1,773,326	67,126	(26,661)
State	861,093	1,787,179	44,996	9,264
Municipal	4,304	4,638	109	177
Remuneration of external capital	**451,513**	**806,064**	**575**	**2,203**
Interest	446,259	802,392	568	2,195
Rentals	5,254	3,672	7	8
Remuneration of own capital	**1,398,206**	**1,455,571**	**1,397,538**	**1,455,189**
Retained Earnings	1,397,538	1,455,189	1,397,538	1,455,189
Non-controlling interest in retained earnings	668	382	-	-
	5,144,813	**6,308,081**	**1,536,472**	**1,468,281**

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED AS OF MARCH 31, 2023
(In thousands of Brazilian Reais, except where otherwise indicated)

1. OPERATING CONTEXT

a) The Company

Companhia Energética de Minas Gerais ('Cemig', ´Parent company' or 'Company') is a listed corporation registered in the Brazilian Registry of Corporate Taxpayers (CNPJ) under number 17.155.730/0001-64, with shares traded on the São Paulo Stock Exchange ('B3') at Corporate Governance Level 1; on the New York Stock Exchange ('NYSE'); and on the stock exchange of Madrid ('Latibex').

The Company is an entity domiciled in Brazil, with head office in Belo Horizonte/MG. Constituted to operate in the commercialization of electric power and as holding company, with interests in subsidiaries or jointly controlled entities, whose objects are: construction and operation of systems for generation, transformation, transmission, distribution and sale of energy, and also activities in the various fields of energy sector, including gas distribution, for the purpose of commercial operation.

b) Transmission Auction 02/2022

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

Presentation of the Added Value Statements (Demonstrações do Valor Adicionado – DVA) is required by the Brazilian corporate law, and by the accounting practices adopted in Brazil for

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listed companies (CPC 09 – Added Value Statements). IFRS does not require presentation of this statement. As a result, under IFRS this statement is presented as supplementary information, without prejudice to the financial statements as a whole.

With the exception of the new rules, or alterations to rules, that came into effect on January 1, 2023, this interim accounting information has been prepared in accordance with principles, practices and criteria consistent with those adopted the preparation of the financial statements at December 31, 2022.

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

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

The Company's Board of Directors authorized the issuance of these interim financial information on May 4, 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	Mar. 31, 2023	
1	1	Operational context
2	2	Basis of preparation
3	3	Consolidation principles
4	4	Concessions and authorizations
5	31	Operational segments
6	5	Cash and cash equivalents
7	6	Marketable securities
8	7	Customers and traders
9	8	Recoverable taxes
10	9	Income tax and social contribution tax
11	10	Accounts receivable from the State of Minas Gerais
12	11	Escrow deposits
13	12	Reimbursement of tariff subsidies
14	13	Concession financial assets
15	14	Contract assets
16	15	Investments
17	16	Property, plant and equipment
18	17	Intangible assets
19	18	Leasing transactions
20	19	Suppliers
21	20	Taxes
22	21	Loans and debentures
23	22	Regulatory charges
24	23	Post-employment obligations
25	24	Provisions
26	25	Equity and remuneration to shareholders
27	26	Revenues
28	27	Operating costs and expenses
29	28	Financial revenue and expenses
30	29	Related party transactions
31	30	Financial instruments and risk management
32	32	Assets classified as held for sale
35	33	Parliamentary Committee of Inquiry ('CPI')
36	34	Subsequent events

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The explanatory notes of financial statements as of December 31, 2022 that have not been included in this consolidated interim financial information because they had no material changes, and/or were not applicable to the interim financial information, are as follows:

Number	Title of the notes
33	Insurance
34	Commitments

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

The alterations to CPC 23 / IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, CPC 26 / IAS 1– Presentation of Financial Statements, and CPC 32 / IAS 12 – Income taxes, and the application of CPC 50 – Insurance Contracts, which come into effect for years starting on or after January 1, 2023, have had no impact on the Company's individual and consolidated interim financial information.

2.4 Regrouping of items in te income statement

Starting in the third quarter of 2022, the Company made some adjustments in the classification of expenses in its profit and loss account (income statement), so as to group certain items more accurately in accordance with their function. Description of the nature of each type of expense continues to be presented in the related Notes to the financial statements, without alteration. These adjustments do not affect margins, or indicators, and are merely improvements proposed by the Company's management.

To maintain comparability, the corresponding information for the period ended March 31, 2022 is being presented using the same criteria. The Company considers these adjustments not to be material.

3. PRINCIPLES OF CONSOLIDATION

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

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

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

Subsidiary	Mar. 31, 2023 and Dec. 31, 2022	
	Form of valuation	Direct interest, %
Cemig Geração e Transmissão S.A.	Consolidation	100.00
Cemig Distribuição S.A.	Consolidation	100.00
Companhia de Gás de Minas Gerais ("Gasmig")	Consolidation	99.57
Cemig Soluções Inteligentes em Energia S.A. ("Cemig Sim")	Consolidation	100.00
Sete Lagoas Transmissora de Energia S.A. ("Sete Lagoas")	Consolidation	100.00

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4. CONCESSIONS AND AUTHORIZATIONS

Cemig, through its subsidiaries, holds the following public service concessions and authorizations for services related to eletrical energy:

	Company holding concession or authorization	Concession or authorization contract	Expiration date
POWER GENERATION			
Hydroelectric plants			
Theodomiro Carneiro Santiago (Formely Emborcação) (1) (2) (8)	Cemig GT	07/1997	05/2027
Nova Ponte (1) (2)	Cemig GT	07/1997	08/2027
Santa Luzia (1)	Cemig GT	07/1997	02/2026
Sá Carvalho (1) (7)	Sá Carvalho	01/2004	08/2026
Rosal (1)	Rosal Energia	01/1997	12/2035
Machado Mineiro (1) (6) Salto Voltão (1) (6) Salto Paraopeba (1) Salto do Passo Velho (1) (6)	Horizontes Energia	Resolution 331/2002	05/2027 06/2033 10/2030 03/2031
PCH Pai Joaquim (1)	Cemig PCH S.A. (“Cemig PCH”)	Authorizing Resolution 377/2005	04/2032
Irapé (1)	Cemig GT	14/2000	09/2037
Queimado (Consortium) (1)	Cemig GT	06/1997	06/2034
Rio de Pedras (1)	Cemig GT	02/2013	12/2025
Poço Fundo (1)	Cemig Geração Poço Fundo S.A. (“Cemig Geração Poço Fundo”)	01/2021	05/2052
São Bernardo (1)	Cemig GT	02/2013	06/2027
Três Marias (3)	Cemig Geração Três Marias S.A. (“Cemig Geração Três Marias”)	08/2016	01/2053
Salto Grande (3)	Cemig Geração Salto Grande S.A. (“Cemig Geração Salto Grande”)	09/2016	01/2053
Itutinga (3)	Cemig Geração Itutinga S.A. (“Cemig Geração Itutinga”)	10/2016	01/2053
Camargos (3)	Cemig Geração Camargos S.A. (“Cemig Geração Camargos”)	11/2016	01/2053
Coronel Domiciano (3) Joasal, Marmelos, Paciência and Piau (3)	Cemig Geração Sul S.A. (“Cemig Geração Sul”)	12/2016 and 13/2016	04/2047 01/2053
Dona Rita (3) Ervália and Neblina (3) Peti (3) Sinceridade (3) Tronqueiras (3)	Cemig Geração Leste S.A. (“Cemig Geração Leste”)	14/2016 and 15/2016	07/2050 04/2047 01/2053 03/2047 12/2046
Cajurú, Gafanhoto and Martins (3)	Cemig Geração Oeste S.A. (“Cemig Geração Oeste”)	16/2016	01/2053
Wind power plants			
Central Geradora Eólica Praias de Parajuru (4)	Central Eólica Praias de Parajuru (“Parajuru”)	Resolution 526/2002	09/2032
Central Geradora Eólica Volta do Rio (4)	Central Eólica Volta do Rio (“Volta do Rio”)	Resolution 660/2001	01/2031
POWER TRANSMISSION			
National grid (5)	Cemig GT	006/1997	01/2043
Itajubá Substation (5)	Cemig GT	79/2000	10/2030
Furnas - Pimenta - Transmission line (5)	Companhia de Transmissão Centroeste de Minas S.A. (“Centroeste”)	004/2005	03/2035
Subestação Sete Lagoas 4 (5)	Sete Lagoas	006/2011	06/2041
ENERGY DISTRIBUTION	Cemig D	002/1997 003/1997 004/1997 005/1997	12/2045
GAS DISTRIBUTION (10)	Gasmig	State Law 11,021/1993	01/2053

(1) Refer to power generation concession agreements that are not in the scope of ICPC 01/IFRIC 12, whose infrastructure assets are recorded as property, plant and equipment since the grantor does not control to whom the services should be provided and their price, and their energy is mainly sold in the Free Contracting Environment ("ACL").
(2) On July 17, 2020, Cemig GT filed a statement of its interest in extending these plants concession, to ensure its right of option under the legislative changes currently under discussion, relating to the group of measures to modernize the energy sector. Any actual decision will only be made after publication by the Brazilian Mining and Energy Ministry and by the grantor, Aneel (“Agência Nacional de Energia Elétrica”), of the conditions for extension, which will be submitted to decision by Cemig’s governance bodies at the due time.
(3) Refers to energy generation concession contracts whose concession bonus revenue is classified as financial assets of the concession.

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(4) Refer to concessions, by means of authorization, of wind power generation in the independent production modality, commercialized in the scope of Proinfa. The assets linked to the exploration right are registered in fixed assets. The exploration authorization rights, which are considered in the parent company's financial statements as investments, are classified in the consolidated balance sheet as intangible assets, in accordance with technical interpretation ICPC 09.
(5) These refer to power transmission concession agreements which, in accordance with IFRS 15/CPC 47, are classified as contract assets as they are subject to the satisfaction of performance obligations in the provision of the electric energy transmission service.
(6) Aneel changed, through Authoritative Resolution 12,137, of June 14, 2022, the end of the validity of the authorization grants of these plants, due to the repactuation of the hydrological risk (GSF).
(7) In February 2023, Cemig GT, aiming to guarantee its right to request a new grant of the concession, filed its expression of interest in the extension of the concession of UHE Sá Carvalho through transfer of shareholding control to its wholly-owned subsidiary Sá Carvalho. Cemig GT reiterates that this expression of interest has the sole purpose of ensuring its right to an eventual extension of Concession Contract 01/2004, for up to 30 (thirty) years, at the discretion of the granting authority, after the required completion of the process of transfer of shareholder control, in accordance with the current legislation, which still has premises pending definition by the Ministry of Mines and Energy - MME.
(8) On March 17, 2023, Aneel Dispatch No. 738 was published registering the change of the name of UHE Emborcação to UHE Theodomiro Carneiro Santiago.
(9) On March 17, 2023, was published the public notice for the public auction aiming the sale of 15 PCHs/CGHs, being 12 assets of Cemig GT and 3 of the wholly-owned subsidiary Horizontes. The minimum value for the single lot of assets is R$48.2 million, with the auction scheduled for August 10, 2023.
(10) On January 25, 2023, SEDE Resolution 4 was issued, coming into effect from February 1, 2023, containing the tariff adjustments, which were for average reductions varying from 9.19% to 10.71%, depending on consumption levels and tariff categories. The largest reduction was in the Vehicle Natural Gas category, as a result of Gasmig's activity in making average margins more flexible to ensure competitiveness of natural gas against other energy sources.

5. CASH AND CASH EQUIVALENTS

	Consolidated		Parent company	
	Mar. 31, 2023	Dez. 31, 2022	Mar. 31, 2023	Dez. 31, 2022
Bank accounts	43,334	95,486	3,451	3,495
Cash equivalents				
Bank certificates of deposit (CDBs) (1)	1,322,922	1,049,244	156,635	170,185
Overnight (2)	233,922	293,688	8,745	16,803
Others	-	2,243	-	-
	1,556,844	**1,345,175**	**165,380**	**186,988**
Total	**1,600,178**	**1,440,661**	**168,831**	**190,483**

(1) *Bank Certificates of Deposit* (*Certificados de Depósito Bancário*, or CBDs), 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 March 31, 2023 (80.05% to 112% on December 31, 2022). For these CDBs, the Company and its subsidiaries have repo transactions which state, on their trading notes, the bank's commitment to repurchase the security, on demand, on the maturity date of the transaction, or earlier.
(2) *Overnight* transactions are repos available for redemption on the following day. They are usually backed by Treasury Bills, Notes or Bonds and referenced to a pre-fixed rate of 13.38% to 13.87% on March 31, 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 30 provides information in relation to the exposure of the Company and its subsidiaries to interest rate risks, and a sensitivity analysis of their effects on financial assets and liabilities.

6. MARKETABLE SECURITIES

	Consolidated		Parent company	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Investments				
Current				
Bank certificates of deposit (CDBs) (1)	17.380	191.338	650	10.947
Financial Notes (LFs) - Banks (2)	1.135.091	1.139.525	42.435	65.197
Treasury Financial Notes (LFTs) (3)	193.012	401.659	7.216	22.981
Others	11.444	12.024	958	1.167
	1.356.927	**1.744.546**	**51.259**	**100.292**
Non-current				
Bank certificates of deposit (CDBs) (1)	130.702	127.052	-	-
Debentures (4)	6.377	6.579	238	376
	137.079	**133.631**	**238**	**376**
	1.494.006	**1.878.177**	**51.497**	**100.668**

(1) Bank Certificates of Deposit (Certificados de Depósito Bancário, or CBDs), accrued interest at 103% 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 March 31, 2023 (103% to 104.4% on December 31, 2022).
(2) Bank Financial Notes (*Letras Financeiras*, or LFs) are fixed-rate fixed-income securities, issued by banks and that accrued interest a percentage of the CDI rate published by Cetip. The LFs had remuneration rates varying between 103.3% and 110.26% of the CDI rate on March 31, 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 13.65% and 13.88% on March 31, 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 114.29% of the CDI Rate on March 31, 2023 (TR+1% to 114.29% of the CDI Rate on December 31, 2022).

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

The Company classifies the interest of marktable securities as investing activities, which is the most appropriate classification for the business.

7. RECEIVABLES FROM CUSTOMERS, TRADERS AND CONCESSION HOLDERS

	Consolidated					
	Balances not yet due	Up to 90 days past due	More than 91 up to 360 days past due	More than 361 days past due	Mar. 31, 2023	Dec. 31, 2022
Billed supply	1,524,727	736,518	480,602	753,631	3,495,478	3,240,333
Unbilled supply	1,237,577	-	-	-	1,237,577	1,243,735
Other concession holders - wholesale supply	37,430	40,404	4,650	97	82,581	67,445
Other concession holders - wholesale supply, unbilled	320,155	-	-	-	320,155	368,970
CCEE (Power Trading Chamber)	13,284	65,405	4,236	3,640	86,565	162,104
Concession Holders - power transport	85,787	30,389	7,751	87,295	211,222	180,356
Concession Holders - power transport, unbilled	370,237	-	-	-	370,237	370,261
(-) Provision for expected credit losses	(142,845)	(17,913)	(145,056)	(540,711)	(846,525)	(820,324)
	3,446,352	**854,803**	**352,183**	**303,952**	**4,957,290**	**4,812,880**
Current assets					**4,911,463**	**4,769,431**
Non-current assets					**45,827**	**43,449**

	Parent company					
	Balances not yet due	Up to 90 days past due	More than 91 up to 360 days past due	More than 361 days past due	Mar. 31, 2023	Dec. 31, 2022
Billed supply	17,903	15,093	2,572	23,003	58,571	43,877
Unbilled supply	282,971	174	-	-	283,145	271,709
CCEE (Power Trading Chamber)	4,515	4,797	-	-	9,312	12,881
(-) Provision for expected credit losses	-	-	-	(22,997)	(22,997)	(23,003)
	305,389	**20,064**	**2,572**	**6**	**328,031**	**305,464**
Current assets					**328,031**	**305,464**

The Company and its subsidiaries' exposure to credit risk related to customers and traders is provided in Note 30 and the transactions involving related parties are disclosed in Note 29.

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

Consolidated	Mar. 31, 2023	Dec. 31, 2022
Residential	287,465	272,406
Industrial	169,799	168,215
Commercial, services and others	210,476	202,739
Rural	33,897	32,741
Public authorities	29,459	27,567
Public lighting	1,216	833
Public services	33,191	32,580
Charges for use of the network (TUSD)	81,022	83,243
	846,525	**820,324**

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Changes in the expected credit losses are as follows:

	Consolidated
Balance at December 31, 2022	**820,324**
Additions, net (Note 27)	7,926
Amounts written off	18,275
Balance at March 31, 2023	**846,525**

8. RECOVERABLE TAXES

	Consolidated		Parent company	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Current				
ICMS (VAT)	443,651	449,054	15	12
PIS/Pasep (a) (b)	189,662	257,680	24	24
Cofins (a) (b)	875,995	1,189,190	121	121
Others	20,055	20,777	930	930
	1,529,363	**1,916,701**	**1,090**	**1,087**
Non-current				
ICMS (VAT) (b)	597,110	547,156	-	-
PIS/Pasep (a)	129,471	166,193	116,212	114,944
Cofins (a)	675,401	644,497	412,968	408,427
	1,401,982	**1,357,846**	**529,180**	**523,371**
Total	**2,931,345**	**3,274,547**	**530,270**	**524,458**

a) Pis/Pasep and Cofins taxes credits over ICMS

As of March 31, 2023, the Company carries current asset and non-current asset in the amount of R$1,060,869 and R$800,070, respectively, corresponding to the tax credits of PIS/Pasep and Cofins over ICMS, with updating by the Selic rate to the date of their actual offsetting.

In the first quarter of 2023, credits of PIS/Pasep and Cofins taxes were offset against payable federal taxes in the amount of R$168,096 (R$391,915 in the same period of 2022).

9. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Income tax and social contribution tax recoverable

	Consolidated		Parent company	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Income tax	696,368	707,263	100,641	97,568
Social contribution tax	225,891	240,947	(684)	(1,818)
	922,259	**948,210**	**99,957**	**95,750**
Current	**778,173**	**775,492**	**35,308**	**-**
Non-current	**144,086**	**172,718**	**64,649**	**95,750**

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

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b) Income tax and social contribution tax payable

	Consolidated	
	Mar. 31, 2023	Dec. 31, 2022
Current		
Income tax	201,097	197,619
Social contribution tax	52,510	42,055
	253,607	**239,674**

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

c) Deferred income tax and social contribution tax

	Consolidated		Parent company	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Deferred tax assets				
Tax loss carryforwards	945,905	986,659	753,639	767,103
Provisions for contingencies	609,178	602,084	95,449	94,790
Impairment on investments	56,300	56,398	-	-
Fair value of derivative financial instruments (PUT SAAG)	239,758	228,621	-	-
Operational Provisions (1)	624,953	598,380	588	588
Income sharing provision	42,143	29,824	2,845	2,118
Post-employment obligations	1,840,950	1,852,232	226,690	223,779
Estimated credit losses	329,183	318,982	8,403	8,405
Provision for onerous concession	12,310	11,579	-	-
Others	25,143	24,928	99	93
Total	**4,725,823**	**4,709,687**	**1,087,713**	**1,096,876**
Deferred tax liabilities				
Deemed cost	(151,386)	(155,882)	-	-
Fair value of assets acquired in business combination	(452,358)	(456,418)	(100,911)	(101,727)
Borrowing costs capitalized	(171,089)	(169,801)	-	-
Taxes on unredeemed income - presumed income	(8,648)	(9,262)	-	-
Adjustment to expectation of cash flow - Concession assets	(278,342)	(263,041)	-	-
Adjustment of contract assets	(960,636)	(940,026)	-	-
Adjustment to fair value: Swap - Loss	(205,512)	(209,599)	-	-
Updating on escrow deposits	(8,393)	(7,950)	-	-
Reimbursement of costs - GSF	(262,744)	(274,036)	-	-
Others	(10,282)	(36,385)	-	-
Total	**(2,509,390)**	**(2,522,400)**	**(100,911)**	**(101,727)**
Total, net	**2,216,433**	**2,187,287**	**986,802**	**995,149**
Total assets	**3,131,998**	**3,119,522**	**986,802**	**995,149**
Total liabilities	**(915,565)**	**(932,235)**	**-**	**-**

(1) Includes provision recorded due to Law 14,385/22, which determined the full destination, for the benefit of consumers, of the amounts subject to refund of undue payment by the distributors, related to the exclusion of ICMS from the calculation basis of PIS/Pasep and Cofins. The amount refers to the period from the 11th year on, counted retroactively to the date of res judicata of the action, net of the portion included in the Annual Tariff Adjustment of 2022.

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

	Consolidated	Parent company
Balance at December 31, 2022	**2,187,287**	**995,149**
Effects allocated to net income	44,148	(6,855)
Effects allocated to Statement of comprehensive income	(20,811)	(1.491)
Others	5,809	(1)
Balance at March 31, 2023	**2,216,433**	**986,802**

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

	Consolidated		Parent company	
	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
Income before income tax and social contribution tax	**1,753,391**	**1,947,067**	**1,435,785**	**1,422,300**
Income tax and social contribution tax - nominal expense (34%)	(596,153)	(662,003)	(488,167)	(483,582)
Tax effects applicable to:				
Gain in subsidiaries by equity method (net of effects of Interest on Equity)	51,958	59,531	304,679	433,860
Tax incentives	21,936	22,605	19	-
Difference between Presumed Income and Real Income	29,431	24,222	-	-
Non-deductible penalties	(28,486)	(12,881)	23	(49)
Interest on equity declared	144,237	83,300	144,237	83,300
Others	21,892	(6,270)	962	(640)
Income tax and Social Contribution - effective gain (expense)	**(355,185)**	**(491,496)**	**(38,247)**	**32,889**
Current tax	**(399,333)**	**(573,914)**	**(31,392)**	-
Deferred tax	**44,148**	**82,418**	**(6,855)**	**32,889**
	(355,185)	**(491,496)**	**(38,247)**	**32,889**
Effective rate	**20.26%**	**25.24%**	**2.66%**	**(2.31)%**

10. ACCOUNTS RECEIVABLE FROM THE STATE OF MINAS GERAIS

The Company has a balance receivable from the State of Minas Gerais, recognized in Non-current assets, of R$13,366 (R$13,366 on December 31, 2022), relating to return of an administrative deposit made for a dispute on the criterion for inflation correction to be applied to an advance against future capital increase (‘AFAC’), made in prior years, which was the subject of a debt recognition agreement.

On June 30, 2021, the Company retained the remaining portion of dividends to be paid to State of Minas Gerais and awaits development of the issue with CPRAC (government agency).

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

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11. ESCROW DEPOSITS

	Consolidated		Parent company	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Labor claims	**242,145**	**259,294**	**26,824**	**30,806**
Tax contingencies				
Income tax on Interest on Equity	31,583	31,297	343	337
PIS/Pasep and Cofins taxes (1)	71,843	70,453	-	-
Donations and legacy tax (ITCD)	60,658	59,591	59,628	58,574
Urban property tax (IPTU)	97,132	95,831	68,079	67,011
Finsocial tax	44,050	43,633	44,050	43,633
Income and Social Contr. Tax on indemnity for employees' 'Anuênio' benefit (2)	307,912	305,427	14,787	14,668
Income tax withheld at source on inflationary income	9,110	9,058	9,110	9,058
Income tax and contribution tax effective rate (3)	106,048	105,850	510	313
Others (4)	126,753	122,730	65,751	65,395
	855,089	**843,870**	**262,258**	**258,989**
Others				
Regulatory	46,318	45,642	9,421	9,311
Third party	9,307	9,156	3,204	3,202
Customer relations	7,504	7,890	965	971
Court embargo	23,944	19,991	3,339	3,310
Others	20,966	20,752	3,676	3,736
	108,039	**103,431**	**20,605**	**20,530**
	1,205,273	**1,206,595**	**309,687**	**310,325**

(1) This refers to escrow deposits in the action challenging the constitutionality of inclusion of ICMS tax within the amount to which PIS/Pasep and Cofins taxes are applied.

(2) See more details in Note 25 - Provisions under the section relating to the 'Anuênio indemnity'.

(3) Court escrow deposit in the proceedings challenging charging of corporate income tax and the Social Contribution tax on payments of Interest on Equityand application of the Social Contribution tax to cultural and artistic donations and sponsorship, expenses on punitive fines, and taxes with enforceability suspended.

(4) Includes escrow deposits from legal actions related to INSS and PIS/Pasep and Cofins taxes

12. REIMBURSEMENT OF TARIFF SUBSIDIES

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

In first quarter of 2023, the amount recognized as subsidies revenues, reimbursed through the transfer of resources of Energy Development Account (CDE), was R$225,567 (R$245,942 in the same period of 2022). Of the total amount of reimbursement of tariff subsidies, the Company has to receive the total amount of R$97,336 (R$96,947 on December 31, 2022), of such amounts, Cemig D has a receivable of R$90,916 (R$90,923 on December 31, 2022) and Cemig GT has a receivable of R$6,420 (R$6,024 on December 31, 2022) in current assets.

On March 10, 2023, Cemig D entered into an agreement for the assignment of credits without co-obligation with Banco ABC Brasil S.A. to anticipate the receivables with CDE in the amount of R$100.000, of which R$25,000 and R$75,000 from the invoices of April and May 2023, respectively.The total amount received on March 10, 2023 was R$97,554.

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13. CONCESSION FINANCIAL AND SECTOR ASSETS AND LIABILITIES

Consolidated	Mar. 31, 2023	Dec. 31, 2022
Concession financial assets		
Energy distribution concessions (13.1)	1,437,515	1,369,652
Gas distribution concessions (13.1)	38,063	36,945
Indemnifiable receivable - Generation (13.2)	713,935	691,460
Concession grant fee - Generation concessions (13.3)	3,003,695	2,950,418
	5,193,208	**5,048,475**
Sector financial assets		
Amounts receivable from Parcel A (CVA) and Other Financial Components (13.4)	991,540	944,090
Total	**6,184,748**	**5,992,565**
Current assets	**1,028,762**	**1,055,378**
Non-current assets	**5,155,986**	**4,937,187**

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

	Generation	Distribution	Gas	Total
Balance at December 31, 2022	**3,641,878**	**1,369,652**	**36,945**	**5,048,475**
Transfers of contract assets	-	37,097	-	**37,097**
Monetary updating	157,241	30,844	1,118	**189,203**
Disposals	-	(78)	-	**(78)**
Amounts received	(81,489)	-	-	**(81,489)**
Balance at March 31, 2023	**3,717,630**	**1,437,515**	**38,063**	**5,193,208**

13.1 Generation - Indemnity receivable

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

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

The Valuation Report was concluded, with the following results:

Generation plant	Concession expiration date	Installed capacity (MW) (1)	Net balance of assets on December 31, 2022	Financial Update	Net balance of assets on March 31, 2023
Lot D					
UHE Três Marias	July 2015	396,00	179.083	5.822	184.905
UHE Salto Grande	July 2015	102,00	91.874	2.986	94.860
UHE Itutinga	July 2015	52,00	10.825	352	11.177
UHE Camargos	July 2015	46,00	21.042	684	21.726
PCH Piau	July 2015	18,01	4.695	153	4.848
PCH Gafanhoto	July 2015	14,00	5.630	183	5.813
PCH Peti	July 2015	9,40	6.498	211	6.709
PCH Dona Rita	Sep. 2013	2,41	1.683	55	1.738
PCH Tronqueiras	July 2015	8,50	9.063	264	9.327
PCH Joasal	July 2015	8,40	6.727	218	6.945
PCH Martins	July 2015	7,70	4.776	155	4.931
PCH Cajuru	July 2015	7,20	20.238	659	20.897
PCH Paciência	July 2015	4,08	4.449	144	4.593
PCH Marmelos	July 2015	4,00	2.585	84	2.669
Others					
UHE Volta Grande	Feb. 2017	380,00	387	13	400
UHE Miranda	Dec. 2016	408,00	97.493	3.169	100.662
UHE Jaguara	Aug. 2013	424,00	147.788	4.834	152.622
UHE São Simão	Jan. 2015	1.710,00	76.624	2.491	79.115
		3.601,70	**691.460**	**22.477**	**713.937**

(1) Data not audited by external auditors..

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The remaining balance of R$713,937 represents management's best estimate for the right to receive cash from the regulator related to the generation entities, based on the evaluation criteria set by regulator (Aneel).

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

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

13.2 Concession grant fee - Generation concessions

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

The changes in concession financial assets are as follows:

SPC	Plants	Dec. 31, 2022	Interest	Amounts received	Mar. 31, 2023
Cemig Geração Três Marias S.A.	Três Marias	1,671,517	73,552	(43,783)	1,701,286
Cemig Geração Salto Grande S.A.	Salto Grande	524,779	23,168	(13,808)	534,139
Cemig Geração Itutinga S.A.	Itutinga	197,984	9,529	(5,870)	201,643
Cemig Geração Camargos S.A.	Camargos	148,407	7,108	(4,370)	151,145
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência and Piau	194,694	9,805	(6,149)	198,350
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	133,014	7,225	(4,670)	135,569
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto and Martins	80,023	4,379	(2,839)	81,563
Total		**2,950,418**	**134,766**	**(81,489)**	**3,003,695**

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

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

Balance sheet	Mar. 31, 2023			Dec. 31, 2022		
	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Assets	**246,495**	**745,045**	**991,540**	**544,370**	**399,720**	**944,090**
Current assets	246,495	467,763	**714,258**	544,370	201,661	746,031
Non-current assets	-	277,282	**277,282**	-	198,059	198,059
Liabilities	-	-	-	-	-	-
Current liabilities	-	-	-	-	-	-
Non-current liabilities	-	-	-	-	-	-
Total current, net	**246,495**	**467,763**	**714,258**	**544,370**	**201,661**	**746,031**
Total non-current, net	**-**	**277,282**	**277,282**	**-**	**198,059**	**198,059**
Total, net	**246,495**	**745,045**	**991,540**	**544,370**	**399,720**	**944,090**

Financial components	Mar. 31, 2023			Dec. 31, 2022		
	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Items of 'Parcel A'						
Energy Development Account (CDE) quota	62,993	(91,656)	(28,663)	140,528	(139,639)	889
Tariff for use of transmission facilities of grid participants	(33,344)	310,047	276,703	4,297	211,497	215,794
Tariff for transport of Itaipu supply	2,856	28,334	31,190	180	17,786	17,966
Alternative power source program (Proinfa)	15,844	(32,066)	(16,222)	38,984	(7,872)	31,112
ESS/EER System Service/Energy Charges	174,206	321,652	495,858	377,682	204,843	582,525
Energy bought for resale	120,902	(1,560,695)	(1,439,793)	233,721	(1,321,656)	(1,087,935)
Other financial components						
Over contracting of supply (1)	16,247	876,410	892,657	40,617	708,966	749,583
Neutrality of Parcel A	(13,073)	323,655	310,582	(32,683)	235,990	203,307
Excess demand and reactive power	(5,746)	(66,551)	(72,297)	(22,983)	(47,707)	(70,690)
Other financial items	(94,390)	635,915	541,525	(235,973)	537,512	301,539
TOTAL	**246,495**	**745,045**	**991,540**	**544,370**	**399,720**	**944,090**

(1) Cemig D was over contracted in 2017 and 2018 and the gain arising from the sale of the excess of energy in the spot market was provisionally passed through to customers 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 determined. To establish whether this is a voluntary over contracting, the Company considers that the portion above the regulatory limit will be recovered in the subsequent tariff adjustment. In 2020, Aneel published the Dispatch 2,508, which set new amounts for distributors' over contracting of 2017 in the amount of R$39,270, which was considered in the 2021 tariff process. Due to the administrative appeals submitted to Aneel, the amounts of overcontracting had their values adjusted through Aneel's dispatch 2.168, of 2022. With the publication of the order, and considering the current rules, the amount of R$218,900, pending transfer from 2017, will be considered in the next tariff process. Regarding the amount of R$26,778 related to the 2018 overcontracting, the Company continues to recognize the right and awaits publication of the respective order.

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

	Consolidated
Balance at December 31, 2022	**944,090**
Additions	339,854
Amortization	(319,014)
Updating - Selic rate (Note 28)	26,610
Balance at March 31, 2023	**991,540**

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14. CONCESSION CONTRACT ASSETS

Consolidated	Mar. 31, 2023	Dec. 31, 2022
Distribution - Infrastructure assets under construction	2,225,808	1,849,853
Gas - Infrastructure assets under construction	117,678	116,982
Transmission - National Grid ('BNES' - Basic Network of the Existing System) - Law 12,783/13	1,907,414	1,927,040
Transmission - Assets remunerated by tariff	2,877,951	2,810,949
	7,128,851	**6,704,824**
Current	**759,414**	**728,404**
Non-current	**6,369,437**	**5,976,420**

Changes in concession contract assets are as follows:

	Transmission	Distribution	Gas	Total
Balance at December 31, 2022	**4,737,989**	**1,849,853**	**116,982**	**6,704,824**
Additions	39,403	633,457	20,093	692,953
Inflation adjustment	177,254	-	-	177,254
Amounts received	(169,343)	-	-	(169,343)
Disposals	-	-	(1,502)	(1,502)
Others additions	62	-	-	62
Transfers to financial assets	-	(37,097)	-	(37,097)
Transfers to intangible assets	-	(235,988)	(17,895)	(253,883)
Adjustment of assets in progress	-	15,583	-	15,583
Balance at March 31, 2023	**4,785,365**	**2,225,808**	**117,678**	**7,128,851**

The amount of additions in the period ended March 31, 2023 includes R$12,325 borrowing costs, as presented in note 21. The capitalization of financial charges is a non-cash transaction, and therefore is not reflected in the Cash Flow Statements. The average rate to determine the amount of borrowing costs was 14.23%.

The transmission activity

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

	Mar. 31, 2023	Dec. 31, 2022
Current		
Concession contract - 004/05 (d)	26,417	28,879
Concession contract - 079/00 (b)	46,589	46,685
Concession contract - 006/11 (c)	8,464	8,371
Concession contract - 006/97 (a)		
National Grid ('BNES' - Basic Network of the Existing System)	433,533	408,395
National Grid - new facilities (RBNI)	244,412	236,073
	759,415	**728,403**
Non-current		
Concession contract - 004/05 (d)	80,380	81,399
Concession contract - 079/00 (b)	137,886	142,513
Concession contract - 006/11 (c)	85,691	85,391
Concession contract - 006/97 (a)		
National Grid ('BNES' - Basic Network of the Existing System)	1,473,881	1,518,645
National Grid - new facilities (RBNI)	2,248,112	2,181,638
	4,025,950	**4,009,586**
	4,785,365	**4,737,989**

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15. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investees	Control	Consolidated		Parent company	
		Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Cemig Geração e Transmissão	Subsidiary	-	-	9,421,054	8,966,797
Guanhães Energia S.A. ("Guanhães Energia")	Jointly controlled	199,274	182,579		
Hidrelétrica Cachoeirão S.A. ("Hidrelétrica Cachoeirão")	Jointly controlled	50,400	47,096	-	-
Hidrelétrica Pipoca S.A. ("Hidrelétrica Pipoca")	Jointly controlled	54,232	46,744	-	-
Madeira Energia ("MESA") (2) (4)	Affiliated	-	9,500	-	-
Fundo de Investimento em Participações Melbourne Multiestratégia ("FIP Melbourne") (2) (4)	Affiliated	-	7,760	-	-
Retiro Baixo Energética S.A. ("Retiro Baixo") (5)	Jointly controlled	189,598	185,495	-	-
Aliança Norte Participações S.A. ("Aliança Norte") (3)	Jointly controlled	570,031	575,745	-	-
Baguari Energia S.A. ("Baguari Energia") (5)	Jointly controlled	158,171	160,324	-	-
Aliança Geração de Energia S.A. ("Aliança Geração")	Jointly controlled	1,229,006	1,193,841	-	-
Amazônia Energia Participações S.A. ("Amazônia Energia") (3)	Jointly controlled	872,001	885,529	-	-
Paracambi Energética S.A. ("Paracambi")	Jointly controlled	134,080	134,425	-	-
Cemig Distribuição	Subsidiary	-	-	7,892,630	7,105,260
Transmissora Aliança de Energia Elétrica S.A. ("Taesa")	Jointly controlled	1,529,772	1,548,695	1,529,772	1,548,695
Gasmig	Affiliated	-	-	1,851,575	1,749,549
Cemig Sim	Subsidiary	-	-	215,369	198,880
UFVs (1)	Subsidiary	137,127	127,991	-	-
Sete Lagoas Transmissora de Energia S.A. ("Sete Lagoas")	Jointly controlled	-	-	69,789	68,263
Total of investments	Jointly controlled	**5,123,692**	**5,105,724**	**20,980,189**	**19,637,444**

(1) Set of photovoltaics bussiness, in which the investee Cemig Sim has a interest.
(2) Indirect interest in the Santo Antônio plant through these investees.
(3) Indirect interest in the Belo Monte plant through these investees.
(4) On March 20, 2023, Cemig GT completed the sale of its direct and indirect ownership interest in the capital stock of Mesa to Furnas Centrais Elétricas S.A. ("Furnas"). More details will follow in the course of this explanatory note.
(5) On April 14, 2023, share purchase contracts were signed for sale to Furnas Centrais Elétricas of the Cemig GT entire stockholding in the jointly-controlled subsidiaries Retiro Baixo and Baguari Energia. More details in Note 32.

For the period ended March 31, 2023, the Company concluded that were no indications of possible impairment of its investments, as required by CPC 01/IAS 36 - Impairment of Assets.

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

Movement of the right to exploitation of the regulated activity

Investees	Parent Company		
	Dec. 31, 2022	Amortization	Mar. 31, 2023
Paracambi	73,987	(626)	73,361
Taesa	142,141	(2,330)	139,811
Gasmig	380,989	(3,381)	377,608
Sete Lagoas	(4,262)	61	(4,201)
Total	**592,855**	**(6,276)**	**586,579**

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Consolidated				
Investees	**Dec. 31, 2022**	**Addition**	**Amortization**	**Mar. 31, 2023**
Cemig Geração e Transmissão				
Retiro Baixo	26,408	-	(347)	26,061
Aliança Geração	276,295	-	(6,327)	269,968
Aliança Norte	44,688	-	(493)	44,195
Paracambi	73,987	-	(626)	73,361
Taesa	142,141	-	(2,330)	139,811
Cemig Sim				
UFVs	14,205	3,031	(181)	17,055
Total	**577,724**	**3,031**	**(10,304)**	**570,451**

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

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

Parent Company						
Investees	**Dec. 31, 2022**	**Gain (loss) by equity method (Statement of income)**	**Gain (loss) by equity method (Other comprehensive income)**	**Dividends / Interest on equity**	**Additions**	**Mar. 31, 2023**
Cemig Geração e Transmissão	8,966,797	608,878	8,635	(163,256)	-	9,421,054
Cemig Distribuição	7,105,260	369,530	28,866	(155,026)	544,000	7,892,630
Gasmig	1,749,549	151,312	-	(49,286)	-	1,851,575
Cemig Sim	198,880	(35)	-	-	16,524	215,369
Sete Lagoas	68,263	1,526	-	-	-	69,789
Taesa	1,548,695	80,785	-	(99,708)	-	1,529,772
Total	**19,637,444**	**1,211,996**	**37,501**	**(467,276)**	**560,524**	**20,980,189**

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Consolidated						
Investees	Dec. 31, 2022	Gain (loss) by equity method (Statement of income)	Dividends / Interest on equity	Additions / acquisitions	Disposal	Mar. 31, 2023
Hidrelétrica Cachoeirão	47,096	3,304	-	-	-	50,400
Guanhães Energia	182,579	16,695	-	-	-	199,274
Hidrelétrica Pipoca	46,744	7,488	-	-	-	54,232
MESA (1)	9,500	(9,500)	-	-	-	-
FIP Melbourne (1)	7,760	22,326	-	-	(30,086)	-
Paracambi	134,425	(345)	-	-	-	134,080
Baguari Energia	160,324	9,426	(11,579)	-	-	158,171
Amazônia Energia (2)	885,529	(13,736)	-	208	-	872,001
Aliança Norte (2)	575,745	(6,047)	-	333	-	570,031
Taesa	1,548,695	80,785	(99,708)	-	-	1,529,772
Aliança Geração	1,193,841	35,165	-	-	-	1,229,006
Retiro Baixo	185,495	4,103	-	-	-	189,598
UFV Janaúba Geração de Energia Elétrica Distribuída S.A. (“UFV Janaúba”)	3,422	301	-	-	-	3,723
UFV Corinto Geração de Energia Elétrica Distribuída S.A. (“UFV Corinto”)	8,441	166	-	-	-	8,607
UFV Manga Geração de Energia Elétrica Distribuída S.A. (“UFV Manga”)	10,799	210	-	-	-	11,009
UFV Bonfinópolis II Geração de Energia Elétrica Distribuída S.A. (“UFV Bonfinópolis II”)	6,406	(153)	-	-	-	6,253
UFV Lagoa Grande Geração de Energia Elétrica Distribuída S.A. (“UFV Lagoa Grande”)	14,140	253	-	-	-	14,393
UFV Lontra Geração de Energia Elétrica Distribuída S.A. (“UFV Lontra”)	17,526	254	-	-	-	17,780
UFV Mato Verde Geração de Energia Elétrica Distribuída S.A. (“UFV Mato Verde”)	6,123	138	-	-	-	6,261
UFV Mirabela Geração de Energia Elétrica Distribuída S.A. (“UFV Mirabela”)	4,199	(47)	-	-	-	4,152
UFV Porteirinha I Geração de Energia Elétrica Distribuída S.A. (“UFV Porteirinha I”)	4,739	173	-	-	-	4,912
UFV Porteirinha II Geração de Energia Elétrica Distribuída S.A. (“UFV Porteirinha II”)	6,604	95	-	-	-	6,699
UFV Brasilândia Geração de Energia Elétrica Distribuída S.A. (“UFV Brasilândia”)	14,176	157	-	-	-	14,333
Apolo I SPE Empreendimentos e Energia S.A. (“UFV Apolo I”)	6,689	52	-	-	-	6,741
Apolo II SPE Empreendimentos e Energia S.A. ("UFV Apolo II")	-	1,520	-	5,759	-	7,279
G2 Campo Lindo I Energia S.A. (“UFV Campo Lindo I”)	8,161	100	-	-	-	8,261
G2 Campo Lindo II Energia S.A. (“UFV Campo Lindo II”)	8,458	81	-	-	-	8,539
G2 Olaria I Energia S.A. (“UFV Olaria I”)	8,108	77	-	-	-	8,185
Total investment	**5,105,724**	**153,041**	**(111,287)**	**6,300**	**(30,086)**	**5,123,692**

(1) Indirect participation in the Santo Antônio Plant through these investees.
(2) Indirect participation in Belo Monte Dam through these investees.

Changes in dividends receivable are as follows:

	Consolidated	Parent company
Balance at December 31, 2022	**145,908**	**2,655,433**
Investees’ dividends proposed	111,287	467,276
Withholding tax on interest on equity declared by investees	-	(47,742)
Amounts received	(99,708)	(654,880)
Balance at March 31, 2023	**157,487**	**2,420,087**

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Disposal of stockholding interest - Mesa

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

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

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

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

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

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

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

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

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

The share purchase agreement that governed the transaction for acquisition of the shares of SAAG by the Company specifies payment of indemnity to FIP Melbourne by AGPar in the event of any excess cost in Mesa as a result of any causative factor prior to the signature of that agreement. From the conclusion of the transaction in 2014, up to the year 2016, there were extraordinary expenditures, which had to be borne by FIP Melbourne, and which, in FIP Melbourne’s understanding, were within the scope of the provision of the share purchase

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agreement. Since agreement was not reached with AGPar on these questions, FIP Melbourne filed arbitration proceedings with the Brazil-Canada Chamber of Commerce.

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

Considering Cemig GT's participation in FIP Melbourne, the Company has a receivable recorded in the amount of R$165,826, in the statement of financial position under “Other Assets”.

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

Amazônia Energia and Aliança Norte are shareholders of Norte Energia S.A. (‘NESA’), which holds the concession to operate the *Belo Monte* Hydroelectric Plant. Through the jointly controlled entities referred to above, Cemig GT owns an indirect equity interest in NESA of 11.69%.

On March 31, 2023 NESA had negative net working capital of R$447,437 (R$494,493 on December 31, 2022). According to the estimates and projections, the situation of negative net working capital, and the future demands for investments in the hydroelectric plant, will be supported by revenues from future operations.

On September 21, 2015, NESA was awarded a preliminary injunction ordering ANEEL to abstain from applying penalties or sanctions to NESA in relation to the delay in Belo Monte Hydroelectric Plant to start operations , until the hearing of the application for an injunction made in the original case. The legal advisers of NESA have classified the probability of loss as ‘possible’ and estimated the potential loss on March 31, 2023 to R$2,977 millions (R$2,972 millions on December 31, 2022). The potential impact for the Company is limited to its investment interest in NESA.

UFV Três Marias S.A.

The investee UFV Três Marias S.A. will operate the Três Marias photovoltaic solar plant, in the municipality of Três Marias, which will have installed generation capacity of 1.5 MW.

On March 2 and April 27, 2023 the Cemig GT transferred assets, comprising R$32,396 in cash and R$6,886 in the form of operational assets for the Três Marias photovoltaic plant, as definitive Advances against Future Capital Increases for the purpose of enabling the investee’s operations.

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16. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Mar. 31, 2023			Dec. 31, 2022		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	245,800	(29,589)	216,211	247,028	(29,140)	217,888
Reservoirs, dams and watercourses	3,238,648	(2,411,046)	827,602	3,302,646	(2,432,974)	869,672
Buildings, works and improvements	1,084,847	(845,618)	239,229	1,092,227	(859,006)	233,221
Machinery and equipment	2,692,987	(2,020,839)	672,148	2,764,985	(2,059,246)	705,739
Vehicles	16,054	(13,228)	2,826	14,970	(13,050)	1,920
Furniture	13,762	(11,594)	2,168	13,739	(11,514)	2,225
	7,292,098	**(5,331,914)**	**1,960,184**	**7,435,595**	**(5,404,930)**	**2,030,665**
In progress	**447,855**	**-**	**447,855**	**378,686**	**-**	**378,686**
Net property, plant and equipment	**7,739,953**	**(5,331,914)**	**2,408,039**	**7,814,281**	**(5,404,930)**	**2,409,351**

Parent company	Mar. 31, 2023			Dec. 31, 2022		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	82	-	82	82	-	82
Buildings, works and improvements	55	(27)	28	55	(26)	29
Machinery and equipment	5,164	(5,093)	71	5,200	(5,124)	76
Furniture	727	(702)	25	727	(700)	27
	6,028	**(5,822)**	**206**	**6,064**	**(5,850)**	**214**
In progress	**1,029**	**-**	**1,029**	**1,026**	**-**	**1,026**
Net property, plant and equipment	**7,057**	**(5,822)**	**1,235**	**7,090**	**(5,850)**	**1,240**

Changes in PP&E are as follows:

Consolidated	Dec. 31, 2022	Additions	Disposals	Depreciation	Transfers / capitalizations	Mar. 31, 2023
In service						
Land (1)	217,888	-	(848)	(829)	-	216,211
Reservoirs, dams and watercourses	869,672	-	(21,710)	(20,360)	-	827,602
Buildings, works and improvements	233,221	-	(3,891)	(4,331)	14,230	239,229
Machinery and equipment (2)	705,739	-	(23,691)	(16,853)	6,953	672,148
Vehicles	1,920	-	-	(178)	1,084	2,826
Furniture and utensils	2,225	-	-	(76)	19	2,168
	2,030,665	**-**	**(50,140)**	**(42,627)**	**22,286**	**1,960,184**
In progress	**378,686**	**93,295**	**(1,840)**	**-**	**(22,286)**	**447,855**
Net property, plant and equipment	**2,409,351**	**93,295**	**(51,980)**	**(42,627)**	**-**	**2,408,039**

(1) Certain land linked to concession agreements with no indemnity provision is amortized over the concession period.
(2) Reversal of allowance for impairment of assets linked to constructions.

Parent company	Dec. 31, 2022	Addition	Depreciation	Mar. 31, 2023
In service				
Land	82	-	-	82
Buildings, works and improvements	29	-	(1)	28
Machinery and equipment	76	-	(5)	71
Furniture and utensils	27	-	(2)	25
	214	**-**	**(8)**	**206**
In progress	**1,026**	**3**	**-**	**1,029**
Net property, plant and equipment	**1,240**	**3**	**(8)**	**1,235**

Consortium

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

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	Stake in power output (%)	Average annual depreciation rate (%)	Mar. 31, 2023	Dec. 31, 2022
In service				
Queimado Power Plant	82.50	3.94	220,096	220,009
Accumulated depreciation			(136,498)	(134,524)
Total operation			**83,598**	**85,572**
In progress				
Queimado Power Plant	82.50	-	1,966	1,962
Total construction			**1,966**	**1,962**
Total			**85,564**	**87,534**

17. INTANGIBLE ASSETS

Consolidated	Mar. 31, 2023			Dec. 31, 2022		
	Historical cost	Accumulated amortization	Residual value	Historical cost	Accumulated amortization	Residual value
In service						
Useful life defined						
Temporary easements	14,689	(5,574)	9,115	14,692	(5,405)	9,287
Onerous concession	13,599	(9,272)	4,327	13,599	(9,116)	4,483
Assets of concession	24,068,709	(10,454,827)	13,613,882	23,813,446	(10,259,144)	13,554,302
Assets of concession - GSF	1,031,161	(233,140)	798,021	1,031,810	(199,809)	832,001
Others	99,503	(77,613)	21,890	92,279	(76,838)	15,441
	25,227,661	**(10,780,426)**	**14,447,235**	**24,965,826**	**(10,550,312)**	**14,415,514**
In progress	**196,984**	**-**	**196,984**	**206,339**	**-**	**206,339**
Net intangible assets	**25,424,645**	**(10,780,426)**	**14,644,219**	**25,172,165**	**(10,550,312)**	**14,621,853**

Parent company	Mar. 31, 2023			Dec. 31, 2022		
	Historical cost	Accumulated amortization	Residual value	Historical cost	Accumulated amortization	Residual value
In service						
Useful life defined						
Software use rights	13,565	(13,276)	289	13,564	(13,136)	428
Others	17	(17)	-	17	(17)	-
	13,582	**(13,293)**	**289**	**13,581**	**(13,153)**	**428**
In progress	**150**	**-**	**150**	**119**	**-**	**119**
Net intangible assets	**13,732**	**(13,293)**	**439**	**13,700**	**(13,153)**	**547**

Changes in intangible assets are as follow:

Consolidated	Dec. 31, 2022	Additions	Disposals	Amortization	Transfers (1)	Mar. 31, 2023
In service						
Useful life defined						
Temporary easements	9,287	-	(3)	(169)	-	**9,115**
Onerous concession	4,483	-	-	(156)	-	**4,327**
Assets of concession	13,554,302	(458)	(4,485)	(215,550)	280,073	**13,613,882**
Assets of concession - GSF	832,001	-	(473)	(33,507)	-	**798,021**
Others	15,441	-	-	(885)	7,334	**21,890**
	14,415,514	**(458)**	**(4,961)**	**(250,267)**	**287,407**	**14,447,235**
In progress	**206,339**	**27,680**	**(3,511)**	**-**	**(33,524)**	**196,984**
Net intangible assets	**14,621,853**	**27,222**	**(8,472)**	**(250,267)**	**253,883**	**14,644,219**

Parent company	Dec. 31, 2022	Additions	Amortization	Mar. 31, 2023
In service				
Softwares use rights	428	-	(139)	**289**
	428	**-**	**(139)**	**289**
In progress	**119**	**31**	**-**	**150**
Net intangible assets	**547**	**31**	**(139)**	**439**

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18. LEASING

a) Right of use assets

Changes in the right of use asset are as follows:

Consolidated	Real estate property	Vehicles	Total
Balances on December 31, 2022	**213,645**	**115,432**	**329,077**
Amortization (1)	(2,979)	(7,236)	(10,215)
Business combination adjustment	84	-	84
Disposals (contracts terminated)	(176)	-	(176)
Addition	1,804	2,126	3,930
Remeasurement (2)	82	54,671	54,753
Balances on March 31, 2023	**212,460**	**164,993**	**377,453**

(1) Amortization of the Right of Use recognized in the Statement of income is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R$177 in the period from January to March of 2023 (R$157 in the same period of 2022).
(2) The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The leasing liabilities are restated with adjustment to the asset of Right of Use.

Parent company	Real estate property
Balances on December 31, 2022	**2,151**
Amortization (1)	(23)
Balances on March 31, 2023	**2,128**

(1) Amortization of the Right of Use recognized in the Statement of income is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R$2 in the period from January to March of 2023 (R$2 in the same period of 2022).
(2) The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The leasing liabilities are restated with adjustment to the asset of Right of Use.

b) Leasing liabilities

The changes in the lease liabilities are as follows:

	Consolidated	Parent company
Balances on December 31, 2022	**354,633**	**2,426**
Addition	3,930	-
Business combination adjustment	599	-
Interest incurred (1)	8,368	76
Leasing paid	(15,736)	(79)
Interest in leasing contracts paid	(624)	(2)
Disposals (contracts terminated)	(199)	-
Remeasurement (2)	54,753	-
Balances on March 31, 2023	**405,724**	**2,421**
Current liabilities	**71,676**	**301**
Non-current liabilities	**334,048**	**2,120**

(1) Financial expenses recognized in the Statement of income are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R$489 and R$6 in the period from January to March of 2023 (R$452 and R$5 in the same period of 2022), for the consolidated and parent company financial statements, respectively.
(2) The Company and its subsidiaries identified events that give rise to restatement and modifications of their principal contracts; the leasing liability was remeasured with an adjustment to the asset of Right of Use.

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

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

Cash flow	Consolidated		Parent company	
	Nominal	Adjusted to present value	Nominal	Adjusted to present value
Consideration for the leasing	855,639	405,724	7,325	2,421
Potential PIS/Pasep and Cofins (9.25%)	58,139	20,386	678	224

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

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

	Consolidated (nominal)	Parent company (nominal)
2023	57,139	241
2024	82,569	322
2025	72,506	322
2026	72,339	322
2027	60,368	322
2028 to 2048	510,718	5,796
Undiscounted values	**855,639**	**7,325**
Embedded interest	(449,915)	(4,904)
Lease liabilities	**405,724**	**2,421**

19. SUPPLIERS

	Consolidated		Parent company	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Energy purchased for resale	1,000,462	1,162,009	183,435	151,715
Energy on spot market - CCEE	131,864	110,075	-	-
Charges for use of energy network	210,828	206,759	95	95
Itaipu Binacional	176,434	273,618	-	-
Gas purchased for resale	283,680	277,750	-	-
Materials and services	644,400	801,838	3,940	546
	2,447,668	**2,832,049**	**187,470**	**152,356**

20. TAXES PAYABLE AND AMOUNTS TO BE REFUNDED TO CUSTOMERS

	Consolidated		Parent company	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Current				
ICMS	143,633	107,523	13,081	15,318
Cofins (1)	206,953	199,179	34,477	28,128
PIS/Pasep (1)	44,918	43,214	7,463	6,084
INSS	45,326	43,870	1,991	2,011
Others (2)	127,214	150,360	40,882	88,062
	568,044	**544,146**	**97,894**	**139,603**
Non-current				
Cofins (1)	304,116	304,057	-	-
PIS/Pasep (1)	66,163	66,111	-	-
	370,279	**370,168**	**-**	**-**
	938,323	**914,314**	**97,894**	**139,603**
Amounts to be refunded to customers				
Current				
PIS/Pasep and Cofins	458,810	1,154,798	-	-
ICMS (3)	340,800	340,800	-	-
Non-current				
PIS/Pasep and Cofins	1,873,038	1,808,074	-	-
	2,672,648	**3,303,672**	**-**	**-**

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(1) PIS/Pasep and Cofins recorded in current liabilities include the deferral on the financial remuneration of the contract asset and on the construction and improvement revenues linked to the transmission contracts. For more information, see note 13.
(2) The March 31, 2023 balance includes income tax withholdings on interest on equity declared on March 27, 2023, the collection of which occurred in April 2023, in accordance with tax legislation.
(3) On June 23, 2022 Complementary Law no. 194 was enacted, with immediate effectiveness, which changed the National Tax Code (CTN) and Complementary Law no. 87/96 (Kandir Law), classifying electric energy, among other goods, as essential, prohibiting the establishment of ICMS rates for transactions with these goods at a higher level than for transactions in general, and applying the non-levy of this tax on transmission and distribution services and sectorial charges related to electric energy transactions.

The amounts of PIS/Pasep and Cofins taxes to be refunded to customers refer to the credits to be received by the Cemig D following the extinction of the ICMS value added tax within the taxable amount for calculation of those taxes, in amount of R$2,331,848. Until March, 31 2023 a total of R$4,639,359, has been reimbursed to clients (R$3,943,371 until December 31, 2022).

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

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

In December 2022, the Brazilian Association of Energy Distributors (Abradee) filed a Direct Unconstitutionality Action (ADI) with the Federal Supreme Court (STF) with a request for an injunction against article 1 of Law 14,385/2022, which, by amending Law 9,427/1996, determines and disciplines the destination to the users of the public service of electricity distribution, through tariffs, of the PIS and Cofins tax overpayments refunded as a consequence of the exclusion of the ICMS from their calculation bases, related to Theme No. 69 of the Supreme Court's General Repercussion and arising from lawsuits filed by the distribution companies.

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

- On August 18, 2020, Aneel ratified the inclusion into the tariff adjustment for 2020 of a negative financial component of R$714,339, in effect from August 19, 2020 to May 27, 2021 - this corresponds to the release of the escrow funds following final judgment in Company's favor against which there is no further appeal.
- On May 25, 2021, Aneel ratified incorporation into the 2021 tariff adjustment, in effect from May 28, 2021 to May 27, 2022, of the negative financial component of R$1,573,000, corresponding to the total amount of the credits offset and received when the escrow deposit was released.
- On June 22, 2022, Aneel ratified incorporation into the 2022 tariff adjustment, in effect from June 22, 2022 to May 27, 2023, of a negative financial component of R$2,810,830,

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corresponding to the reimbursements of the PIS/Pasep and Cofins taxes. There are more details on the credits in Note 8a to this interim financial information. See Note 13.4 for more information on the Cemig D tariff adjustment.

The subsidiary Gasmig recognized the liability corresponding to the amounts to be refunded to its customers, based on 10 years period, in the updated amount of R$173,545. The criteria for restitution to consumers of credits of PIS, Pasep and Cofins taxes are still the subject of discussions with the Minas Gerais State Department of Development.

21. LOANS AND DEBENTURES

Financing source	Principal maturity	Annual financial cost %	Currency	Consolidated			
				Mar. 31, 2023			Dec. 31, 2022
				Current	Non current	Total	Total
FOREIGN CURRENCY							
Eurobonds (1)	2024	9.25%	U$$	133,537	3,841,342	3,974,879	3,974,971
(-)Transaction costs				-	(3,917)	(3,917)	(5,743)
(±) Interest paid in advance (2)				-	(6,442)	(6,442)	(9,423)
Debt in foreign currency				**133,537**	**3,830,983**	**3,964,520**	**3,959,805**
BRAZILIAN CURRENCY							
Eletrobrás (3)	2023	UFIR + 6.00% a 8.00%	R$	1,572	-	1,572	2,380
Debt in Brazilian currency				**1,572**	**-**	**1,572**	**2,380**
Total of loans and financings				**135,109**	**3,830,983**	**3,966,092**	**3,962,185**
Debentures - 3th Issue - 3rd Series (3)(4)	2025	IPCA + 5.10%	R$	300,929	297,395	598,324	911,878
Debentures - 7th Issue - 1st Series (3)(4)	2024	CDI + 0.45%	R$	544,272	134,999	679,271	814,697
Debentures - 7th Issue - 2nd Series (3)(4)	2026	IPCA + 4.10%	R$	22,570	1,901,544	1,924,114	1,864,547
Debentures - 8th Issue - 1st Series (3)(4)	2027	CDI + 1.35%	R$	21,192	500,000	521,192	503,095
Debentures - 8th Issue - 2nd Series (3)(4)	2029	IPCA + 6.10%	R$	9,147	516,930	526,077	507,408
Debentures - 7th Issue- Single Series (5)	2023	CDI + 1.50%	R$	20,034	-	20,034	20,023
Debentures - 8th Issue- Single Series (5)	2031	IPCA + 5.27%	R$	6,416	1,046,089	1,052,505	1,043,943
Debentures - 9th Issue - 1st Series (1)	2027	CDI + 1.33%	R$	28,402	700,000	728,402	703,185
Debentures - 9th Issue - 2nd Series (1)	2029	IPCA + 7.63%	R$	6,443	308,032	314,475	302,216
(-) Discount on the issuance of debentures (6)				-	(11,220)	(11,220)	(12,048)
(-) Transaction costs				(3,030)	(36,919)	(39,949)	(41,631)
Total, debentures				**956,375**	**5,356,850**	**6,313,225**	**6,617,313**
Total				**1,091,484**	**9,187,833**	**10,279,317**	**10,579,498**

(1) Cemig Geração e Transmissão;
(2) Advance of funds to achieve the yield to maturity agreed in the Eurobonds contract;
(3) Debentures issued by Cemig Distribuição;
(4) Simple debentures, not convertible into shares, registered and book-entry, and there are no renegotiation clauses;
(5) Gasmig; The proceeds from the 8th debenture issue, concluded by Gasmig on September 10, 2020, in the amount of R$850,000, were used to redeem the Promissory Notes issued on September 26, 2019, with maturity at 12 months, whose proceeds were used in their entirety for payment of the concession grant fee for the gas distribution concession contract;
(6) Discount on the sale price of the 2nd series of the Seventh issue of Cemig Distribuição.

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

Guarantees

The guarantees of the debt Balance at loans and financing, on March 31, 2023, were as follows:

	Mar. 31, 2023
Promissory notes and Sureties	4,562,634
Guarantee and Receivables	2,588,387
Receivables	2,073,153
Shares	1,529
Unsecured	1,053,614
TOTAL	**10,279,317**

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

Consolidated	2023	2024	2025	2026	2027	2028 onwards	Total
Currency							
US dollar	133,537	3,841,342	-	-	-	-	**3,974,879**
Total, currency denominated	**133,537**	**3,841,342**	-	-	-	-	**3,974,879**
Index							
IPCA (1)	48,109	408,157	1,365,084	1,073,841	129,223	1,391,081	**4,415,495**
UFIR/RGR (2)	1,572	-	-	-	-	-	**1,572**
CDI (3)	478,900	269,999	233,334	233,333	733,333	-	**1,948,899**
Total by index	**528,581**	**678,156**	**1,598,418**	**1,307,174**	**862,556**	**1,391,081**	**6,365,966**
(-)Transaction costs	(2,642)	(7,397)	(4,370)	(4,426)	(4,344)	(20,687)	**(43,866)**
(±)Interest paid in advance	-	(6,442)	-	-	-	-	**(6,442)**
(-) Discount	-	-	(5,443)	(5,443)	-	(334)	**(11,220)**
Overall total	**659,476**	**4,505,659**	**1,588,605**	**1,297,305**	**858,212**	**1,370,060**	**10,279,317**

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

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

Currency	Accumulated change in first quarter of 2023 (%)	Accumulated change in first quarter of 2022 (%)	Indexer	Accumulated change in first quarter of 2023 (%)	Accumulated change in first quarter of 2022 (%)
US dollar	(2.63)	(15.10)	IPCA	(6.25)	3.20
			CDI	3.20	2.39
			TJLP	2.36	14.29

The changes in Loans and debentures are as follows:

	Consolidated
Balances on December 31, 2022	**10,579,498**
Monetary variation	71,950
Exchange Variation	(103,814)
Accrued financial charges	254,672
Amortization of transaction cost	3,542
Financial charges paid	(97,999)
Amortization of financing	(428,532)
Balance at March 31, 2023	**10,279,317**

Borrowing costs, capitalized

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

	Jan to Mar/2023	Jan to Mar/2022
Costs of loans and financing	254,750	232,247
Financing costs on intangible assets and contract assets (1)	(12,325)	(8,524)
Net effect in income or loss	**242,425**	**223,723**

(1) The average capitalization rate p.a. on March 31, 2023 was 14.23% (10.18% on March 31, 2022).

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

Restrictive covenants

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

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

Title - Security	Covenant	Ratio required - Issuer	Ratio required Cemig (guarantor)	Compliance required
Eurobonds Cemig GT (1)	Net debt / Ebitda adjusted for the Covenant (3)	The following or less: 2.5 on/after Dec. 31, 2021	The following or less: 3.0 on/after Dec. 31, 2021	Semi-annual and annual
7th and 8th Debentures Issue Cemig D	Net debt / Ebitda adjusted	Less than 3.5	Less than 3.0	Semi-annual and annual
8th Debentures Issue Gasmig Single series (2)	EBITDA/Debt servicing Net debt/EBITDA	1.3 or more 3.0 or less	- -	Annual Annual
9th Debenture Issue CEMIG GT 1st and 2nd Series (3)	Net debt / Adjusted Ebitda	The following or less: 3.5 on/after Dec. 31, 2022	3.0 from Dec. 31st, 2022 to Jun. 30th, 2026 and, 3.5 from Dec. 31st, 2026 onwards	Semi-annual and annual

(1) Adjusted Ebtida corresponds to earnings before interest, income taxes and social contribution on net income, depreciation and amortization, calculated in accordance with CVM Resolution 156, dated June 23, 2022, from which non-operating income, any credits and non-cash gains that increase net income are subtracted, to the extent that they are non-recurring, and any cash payments made on a consolidated basis during such period in respect of non-cash charges that were added back in the determination of Ebtida in any prior period, and increased by non-cash expenses and non-cash charges, to the extent that they are non-recurring.
(2) Non-compliance with financial covenants implies non-automatic early maturity. If early maturity is declared by the debenture holders, Gasmig must make the payment upon receipt of the notification.
(3) Non-compliance with financial covenants implies early maturity resulting in the immediate enforceability of payment by CEMIG GT of the Unit Nominal Value or Updated Unit Nominal Value of the Debentures, as the case may be, plus remuneration, in addition to the other charges due, regardless of judicial or extrajudicial notice, notification or interpellation.

Management monitors these indexes, so that the conditions are satisfied.

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

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22. REGULATORY CHARGES

	Consolidated	
	Mar. 31, 2023	Dec. 31, 2022
Liabilities		
Global Reversion Reserve (RGR)	28,099	28,245
Energy Development Account (CDE)	115,638	127,370
Regulator inspection fee - ANEEL	2,918	2,890
Energy Efficiency Program	221,111	220,802
Research and development (R&D)	137,509	125,864
Energy System Expansion Research	5,841	4,049
National Scientific and Technological Development Fund	11,698	8,114
Proinfa - Alternative Energy Program	10,512	10,291
Royalties for use of water resources	7,941	10,424
Emergency capacity charge	26,325	26,325
Customer charges - Tariff flags	16	16
CDE on R&D	3,627	2,551
CDE on EEP	1,860	4,041
Others	4,625	4,625
	577,720	**575,607**
Current liabilities	**530,616**	**510,247**
Non-current liabilities	**47,104**	**65,360**

23. POST-EMPLOYMENT OBLIGATIONS

Changes in net liabilities

Consolidated	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities on December 31, 2022	**2,317,621**	**3,313,138**	**61,226**	**5,691,985**
Expense recognized in Statement of income	68,029	98,384	1,840	168,253
Past service cost	-	(55,489)	(1,472)	(56,961)
Contributions paid	(68,162)	(50,389)	(964)	(119,515)
Actuarial losses (gains)	-	(60,274)	(934)	(61,208)
Net liabilities on March 31, 2023	**2,317,488**	**3,245,370**	**59,696**	**5,622,554**
			Mar. 31, 2023	**Dec. 31, 2022**
Current liabilities			**399,078**	**388,447**
Non-current liabilities			**5,223,476**	**5,303,538**

Parent Company	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities on December 31, 2022	**459,146**	**206,722**	**4,673**	**670,541**
Expense recognized in Statement of income	13,475	5,950	135	19,560
Past service cost	-	(2,075)	(74)	(2,149)
Contributions paid	(3,353)	(2,830)	(57)	(6,240)
Actuarial losses (gains)	-	(4,295)	(92)	(4,387)
Net liabilities on March 31, 2023	**469,268**	**203,472**	**4,585**	**677,325**
			Mar. 31, 2023	**Dec. 31, 2022**
Passivo circulante			**29,689**	**29,166**
Passivo não circulante			**647,636**	**641,375**

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

The amounts reported as ‘Expense recognized in the Statement of income’ refer to the costs of post-employment obligations, totaling R$159,998 in the period from January to March of 2023 (R$153,480 in the same period of 2022), plus the finance expenses and monetary updating on the debt with Forluz, in the amounts of R$8,255 in the period from January to March of 2023 (R$14,040 in the same period of 2022).

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Health Plan and Dental Plan

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

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

The curtailment event that was recognized for the 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$60,274 for the health plan, and R$934 for the dental plan.

Debt with the pension fund (Forluz)

On March 31, 2023, the Company and its subsidiaries have recognized an obligation for past actuarial deficits relating to the pension fund in the amount of R$215.239 (R$251,401 on December 31, 2022). This amount has been recognized as an obligation payable by Cemig and its subsidiaries, and will be amortized until June of 2024, through monthly installments calculated by the system of constant installments (known as the ‘Price’ table), and adjusted by the IPCA (Expanded National Customer Price) inflation index (published by the Brazilian Geography and Statistics Institute - IBGE) plus 6% per year. The Company is required to pay this debt even if Forluz has a surplus, thus, the Company maintain recorded the debt in full, and record the effects of monetary updating and interest in finance income (expenses) in the statement of income.

Agreement to cover the deficit on Forluz Pension Plan ‘A’

Forluz and the sponsors Cemig, Cemig GT and Cemig D have signed a Debt Assumption Instrument to cover the deficit of Plan A for the years of 2015, 2016 and 2017. On March 31, 2023 the total amount payable by Cemig and its subsidiaries as a result of the Plan A deficits was R$543,041 (R$547,251 on December 31, 2022 referring to the Plan A deficits of 2015, 2016 and 2017).

The monthly amortizations, calculated by the constant installments system (Price Table), will be paid up to 2031 for the 2015 and 2016 deficits, in the amount of R$360,270, and up to 2033 for the 2017 deficit, in the amount of R$182,771. Remuneratory interest applicable to the outstanding balance is 6% p.a., plus the effect of the IPCA. If the plan reaches actuarial surplus

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before the full period of amortization of the debt, the Company will not be required to pay the remaining installments and the contract will be extinguished.

Restricted deposits made to Forluz

Resolution of the 2019 deficit

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

The Company recognized the legal obligation in relation to the deficit of Plan A corresponding to 50% of the minimum amount, and, thus, obeying the contribution parity rule, made payments in the amount of R$19,158 in consignment (R$16,636 on December 31, 2022), to remain at the disposal of Forluz to be redeemed at an account with an official bank. Due to the refusal by Forluz to receive this amount, on May 26, 2021 the Company proposed an Action of Consignment in Payment, which is in its initial pleading phase.

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

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

Resolution of the 2020 deficit

On March 31, 2022, in view of the divergences mentioned in the previous item, payment in consignation of the 2020 deficit of Plan A was begun, with deposit of the first tranche, limited to 50% of the amounts specified in the Plan proposed by Forluz, in obedience to the constitutional rule of parity of contribution. Forluz appealed, exercising its procedural right, on April 18, 2022. The amount deposited by the Company was R$14,556 (R$10,877 on December 31, 2022), which will be held in escrow, available to Forluz, by an official bank.

The total amount to be paid by the Company arising from the deficit ascertained in Plan A, without considering parity, is R$251,644, in 158 monthly payments, with remuneratory interest

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of 6% per year on the outstanding balance, plus inflation as measured by the IPCA-IBGE (Expanded National Consumer Price index). If the plan reaches actuarial balance before the full period of amortization of the contract, the Company is dispensed from payment of the remaining installments and the contract is extinguished.

24. PROVISIONS

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

Company and its subsidiaries recorded provisions for contingencies in relation to the legal actions in which, based on the assessment of the Company's management and its legal advisors, the chances of loss are assessed as 'probable' (i.e. an outflow of funds to settle the obligation will be necessary), as follows:

	Consolidated				
	Dec. 31, 2022	Additions	Reversals	Settled	Mar. 31, 2023
Labor	414,809	28,769	(6,622)	(22,922)	414,034
Civil					
Customer relations	41,208	15,007	(5,661)	(9,616)	40,938
Other civil actions	36,296	3,654	-	(3,372)	36,578
	77,504	**18,661**	**(5,661)**	**(12,988)**	**77,516**
Tax	1,474,690	38,533	-	(30)	1,513,193
Regulatory	47,493	1,498	(20)	(179)	48,792
Others	14,525	12,178	(9,225)	(11,020)	6,458
Total	**2,029,021**	**99,639**	**(21,528)**	**(47,139)**	**2,059,993**

	Parent company				
	Dec. 31, 2022	Additions	Reversals	Settled	Mar. 31, 2023
Labor	40,743	6,689	(2,405)	(6,689)	38,338
Civil					
Customer relations	4,527	188	(2,053)	(69)	2,593
Other civil actions	3,609	421	-	(289)	3,741
	8,136	**609**	**(2,053)**	**(358)**	**6,334**
Tax	221,494	5,870	-	(8)	227,356
Regulatory	8,462	284	-	-	8,746
Others	306	244	(74)	(240)	236
Total	**279,141**	**13,696**	**(4,532)**	**(7,295)**	**281,010**

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

Possible losses				
	Consolidated		Parent company	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Labor	1,333,035	1,198,657	125,803	110,093
Civil				
Customer relations	246,763	230,919	9,527	8,329
Other civil actions	559,372	527,753	37,979	33,142
	806,135	**758,672**	**47,506**	**41,471**
Tax	2,302,734	2,084,899	570,818	593,075
Regulatory	3,221,057	3,044,857	1,432,414	1,402,417
Others	1,438,746	1,371,168	27,301	10,035
Total	**9,101,707**	**8,458,253**	**2,203,842**	**2,157,091**

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

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

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

Tax

Company and its subsidiaries are involved in numerous administrative and judicial claims actions relating to taxes, including, among other matters, subjects relating to the Urban Property Tax (*Imposto sobre a Propriedade Territorial Urbana*, or IPTU); the Rural Property Tax (ITR); the Tax on Donations and Legacies (ITCD); the Social Integration Program (*Programa de Integração Social*, or PIS); the Contribution to Finance Social Security (*Contribuição para o Financiamento da Seguridade Social*, or Cofins); Corporate Income tax (*Imposto de Renda Pessoa Jurídica*, or IRPJ); the Social Contribution (*Contribuição Social sobre o Lucro Líquido*, or CSLL); and motions to tax enforcement. The aggregate amount of this contingency is approximately R$296,654 (R$276,265 at December 31, 2022), of which R$25,248 (R$22,664 at December 31, 2022) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

In addition to the issues above the Company and its subsidiaries are involved in various proceedings on the applicability of the IPTU Urban Land Tax to real estate properties that are in use for providing public services. The aggregate amount of the contingency is approximately R$182,839 (R$94,324 at December 31, 2022). Of this total, R$3,583 has been recognized (R$3,525 at December 31, 2022) - this being the amount estimated as probably necessary for settlement of these disputes. The Company has been successful in its efforts to have its IPTU tax liability suspended, winning judgments in favor in some cases.

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Social Security contributions on income sharing payments

The Brazilian tax authority (*Receita Federal*) has filed administrative and court proceedings against the Company, relating to social security contributions on the payment of income sharing to its employees over the period 1999 to 2016, alleging that the Company did not comply with the requirements of Law 10.101/2000 on the argument that it did not previously establish clear and objective rules for the distribution of these amounts. In August 2019, the Regional Federal Court of the First Region published a decision against the Company on this issue. As a result the Company, based on the opinion of its legal advisers, reassessed the probability of loss from 'possible' to 'probable' for some portions paid as income-sharing amounts, maintaining the classification of the chance of loss as 'possible' for the other portions, since it believes that it has arguments on the merit for defense and/or because it believes that the amounts questioned are already within the period of limitation.

The amount of the contingencies is approximately R$1,674,108 (R$1,639,980 on December 31, 2022), of which R$1,345,883 has been provisioned (R$1,311,148 on December 31, 2022), this being the estimate of the probable amount of funds to settle these disputes.

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

In 2006 the Company paid an indemnity to its employees, totaling R$177,686, in exchange for rights to future payments (referred to as the Anuênio) for time of service, which would otherwise be incorporated, in the future, into salaries. The Company did not pay income tax nor Social Security contributions in relation to these amounts because it believed that amounts paid as indemnity are not taxable. However, given the possibility of dispute and to avoid risk of future penalty payments, the Company and its subsidiaries filed legal actions for recognition of the right of non-taxation on these Anuênio payments, making separate submissions and argument in relation to (a) income tax and (b) the social security contribution, in the aggregate historic amount of R$121,834, which is considered sufficient for payment of the lawsuit.

In the action relating to applicability of the social security contribution, a court judgment was given that impedes consideration of an appeal to the Federal Supreme Court - thus consideration by the Higher Appeal Court remains. Additionally, in October 2022, a judgment was published refusing to recognize the Special Appeal filed by the Company, reducing the chances of success in the action. As a result the assessment of the chances of loss in this action were altered from 'possible' to 'probable', and a provision made for the amount deposited in escrow. The chances of loss in the action relating to applicability of income tax on the amounts of the *anuênios*, due to its current phase of procedure, have been maintained as 'possible'. The amount of the contingency is approximately R$307,912 (R$305,427 on December 31, 2022), of which (R$137,239 (R$136,131 on December 31, 2022) has been provisioned.

Lack of approval to offsett tax credit

The federal tax authority did not approve the Company's offset, in corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes - IRPJ, CSLL, PIS/Pasep and Cofins

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- identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The Company and its subsidiaries are contesting the lack of approval of the amounts offseted. The amount of the contingency is R$168,919 (R$164,014 on December 31, 2022), of which R$1,240 (R$1,221 at December 31, 2022), has been provisioned, since the relevant requirements of the National Tax Code (CTN) have been complied with. The probability of loss related to the amount not provisioned has been assessed as 'possible'.

Social Security contributions

The Brazilian federal tax authority (*Secretaria da Receita Federal*) has filed administrative proceedings related to various matters: employee income sharing; the Workers' Food Program (*Programa de Alimentação do Trabalhador*, or PAT); education benefit; food benefit; Special Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers' support programs) and fines for non-compliance with accessory obligations. The Company and its subsidiaries have presented defenses and await judgment. The amount of the contingency is approximately R$137,256 (R$124,621 on December 31, 2022). Management has classified the chance of loss as 'possible', also taking into account assessment of the chance of loss in the judicial sphere, (the claims mentioned are in the administrative sphere), based on the evaluation of the claims and the related case law.

Income tax withheld on capital gain in a shareholding transaction

The federal tax authority issued a tax assessment against Cemig as a jointly responsible party with its jointly controlled entity Parati S.A. Participações em Ativos de Energia Elétrica (Parati), relating to withholding income tax (*Imposto de Renda Retido na Fonte*, or IRRF) allegedly applicable to returns paid by reason of a capital gain in a shareholding transaction relating to the purchase by Parati, and sale, by Enlighted, at July 7, 2011, of 100.00% of the equity interests in Luce LLC (a company with head office in Delaware, USA), holder of 75.00% of the shares in the Luce Brasil equity investment fund (FIP Luce), which was indirect holder, through Luce Empreendimentos e Participações S.A., of approximately 13,03% of the total and voting shares of Light S.A. (Light). The amount of the contingency is approximately R$260,330 (R$255,792 on December 31, 2022), and the loss has been assessed as 'possible'.

The social contribution tax on net income (CSLL)

The federal tax authority issued a tax assessment against the Company and its subsidiaries for the years of 2012 and 2013, alleging undue non-addition, or deduction, of amounts relating to the following items in calculating the social contribution tax on net income: (i) taxes with liability suspended; (ii) donations and sponsorship (Law 8,313/91); and (iii) fines for various alleged infringements. The amount of this contingency is R$534,507 (R$517,199 on December 31, 2022), and the probability of loss has been assessed as 'possible'.

ICMS (local state value added tax)

From December 2019 to March 2022, the Tax Authority of Minas Gerais State issued infraction notices against the subsidiary Gasmig, in the total amount of R$357,435, relating to reduction of

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the calculation base of ICMS tax in the sale of natural gas to its customers over the period from December 1, 2014 to September 30, 2021, alleging a divergence between the form of calculation used by Gasmig and the opinion of that tax authority, The claims comprises principal amount of R$124,478, penalty payments of R$200,546 and interest of R$32,411.

Considering that the State of Minas Gerais, over a period of more than 25 years, has never made any allegations against the methodology of calculation by the Company, Management and Company's legal advisors, believe that there is a defense under Article 100, III of the National Tax Code, which removes claims for penalties and interest; and that the contingency for loss related to these amounts is 'remote', In relation to the argument on the difference between the amount of ICMS tax calculated by Gasmig and the new interpretation by the state tax authority, the probability of loss was considered 'possible'. On March 31, 2023 the amount of the contingency for the period relating to the rules on expiry by limitation of time is R$192,490 (R$182,058 on December 31, 2022). In July 2021, Gasmig filed a lawsuit for annulment of a tax debit, against the State of Minas Gerais, and this proceeding suspended the tax claim referred to above.

Interest on Equity

The Company filed an application for mandamus, with interim relief, requesting the right to deduct, from the basis of calculation of corporate income tax and Social Contribution tax, the expense relating to payment of Interest on Equity in 4Q20 calculated on the basis of prior periods (the first and second quarters of 2020), and for cancellation of the demand for new supposed credits of corporate income tax and the Social Contribution relating to the amount that was not paid as a result of the deduction of the said financial expense, with application of fines. The amount of the contingencies in this case is approximately R$68,532 (R$66,693 on December 31, 2022). The Company has evaluated the tax treatments adopted, which are susceptible to dispute by the tax authorities, and concluded that it is more likely than not that the tax authority will accept the Company's conclusions.

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

The Brazilian tax authority issued, in August 2021, two infringement notices relating to calculation of the PIS/Pasep and Cofins taxes, from August 2016 to December 2017, alleging insufficiency of payment of these contributions due to supposed undue credits deduction of the expenses on the Proinfa charge, and absence of reversal of the credits related to non-technical losses. The Company is contesting these infringement notices. The amount of the contingency is R$184,870 (R$179,848 on December 31, 2022) and the Company has classified the chances of loss as 'possible', due to the scarcity of case law on the subject.

Labor claims

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

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

The aggregate amount of the contingency is approximately R$1,747,069 (R$1,613,466 at December 31, 2022), of which R$414,033 (R$414,809 at December 31, 2022) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

Customers claims

The Company and its subsidiaries are involved in various civil actions relating to indemnity for personal injury and for material damages, arising, principally, from allegations of irregularity in measurement of consumption, and claims of undue charging, in the normal course of business, totaling R$287,701 (R$272,127 at December 31, 2022), of which R$40,938 (R$41,208 at December 31, 2022) has been recorded - this being the probable estimate for funds needed to settle these disputes.

Other civil proceedings

The Company and its subsidiaries are involved in various civil actions claiming indemnity for personal and material damages, among others, arising from incidents occurred in the normal course of business, in the amount of R$595,950 (R$573,493 on December 31, 2022), of which R$36,578 (R$36,296 at December 31, 2022) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

Regulatory

The Company and its subsidiaries are involved in numerous administrative and judicial proceedings, challenging, principally: (i) tariff charges in invoices for use of the distribution system by a self-producer; (ii) alleged violation of targets for continuity indicators in retail supply of energy; and (iii) the tariff increase made during the federal government's economic stabilization plan referred to as the 'Cruzado Plan', in 1986. The aggregate amount of the contingency is approximately R$602,137 (R$484,034 on December 31, 2022), of which 48,792 (R$47,493 at December 31, 2022) has been recorded as provision - the amount estimated as probably necessary for settlement of these disputes.

Public Lighting Contribution (CIP)

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

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The Company and its subsidiaries believes it has arguments of merit for defense in these claims, including a partial favorable decision. As a result it has not constituted a provision for this action, the amount of which is estimated at R$1,445,557 (R$1,432,813 at December 31, 2022). The Company has assessed the probability of loss in this action as 'possible', due to the Customer Defense Code (*Código de Defesa do Consumidor*, or CDC) not being applicable, because the matter is governed by the specific regulation of the electricity sector, and because Cemig complied with Aneel Resolutions 414 and 456, which deal with the subject.

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

In a claim dating from August 2002, AES Sul Distribuidora challenged in the court the criteria for accounting of energy sale transactions in the wholesale energy market (*Mercado Atacadista de Energia*, or MAE) (predecessor of the present Power Exchange Chamber - *Câmara de Comercialização de Energia Elétrica*, or CCEE), during the period of rationing. It obtained a favorable interim judgment on February 2006, which ordered the grantor (Aneel), working with the CCEE, to comply with the claim by AES Sul and recalculate the settlement of the transactions during the rationing period, not considering the grantor (Aneel) Dispatch 288 of 2002.

This should take effect in the CCEE as from November 2008, resulting in an additional disbursement for Cemig GT, related to the expense on purchase of energy in the spot market on the CCEE, in the approximate amount of R$527,497 (R$506,742 on December 31, 2022). On November 9, 2008 Cemig GT obtained an interim decision in the Regional Federal Appeal Court (*Tribunal Regional Federal*, or TRF) suspending the obligatory nature of the requirement to pay into court the amount that would have been owed under the Special Financial Settlement made by the CCEE, Cemig GT has classified the chance of loss as 'possible', since this action deals with the General Agreement for the Electricity Sector, in which the Company has the full documentation to support its arguments.

Exclusion of customers classified as low-income

The Federal Public Attorneys' Office filed a class action against the Company and the grantor (Aneel), to avoid exclusion of customers from classification in the *Low-income residential tariff* sub-category, requesting an order for Cemig D to pay twice the amount paid in excess by customers. A decision was given in favor of the plaintiffs, but the Company and the grantor (Aneel) have filed an interlocutory appeal and await judgment. The amount of the contingency is approximately R$503,976 (R$483,294 on December 31, 2022), Cemig D has classified the chances of loss as 'possible' due to other favorable decisions on this matter.

Environmental claims

Impact arising from construction of power plants

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

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changes that have been made in the new Forest Code and in the case law on this subject, Cemig GT has classified the chance of loss in this dispute as ‘possible’. The estimated value of the contingency is R$141,054 (R$136,795 on December 31, 2022).

Other legal actions in the normal course of business

Energy billing dispute

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

The arbitration proceeding is still in progress, in which this client is questioning the points informed above. If the arbitration decision grants the client's request, the Company will have to refund the difference between the contracted amounts and the adjustments demanded, which amounted to R$190,681 on March 31, 2023. Management, based on the opinion of its legal advisors, classified the probability of loss as possible.

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

The Company and its subsidiaries are involved in disputes alleging losses suffered as a result of supposed breaches of contract at the time of provision of services of cleaning of power line pathways and firebreaks. In October 2022, the judge authorized the opposing party to withdraw the amount deposited of R$37,792, converting it into payment of the conviction. In February 2023, the payment of R$7,272 was made, referring to the residual issues of the process, and the discussion was closed.

‘*Luz Para Todos’* Program

The Company is a party in disputes alleging losses suffered by third parties as a result of supposed breach of contract at the time of implementation of part of the rural electrification program known as the ‘*Luz Para Todos’*. The estimated amount of the contingency is approximately R$485,964 (R$470,248 on December 31, 2022). Of this total, R$146 (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$231,129 (R$223,395 on December 31,

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2022). Cemig D has classified the chance of loss as ‘possible’, after analysis of the case law on this subject.

Renova: Application to override corporate identity

A receivables investment fund filed an application for Override of Legal Identity (Incidente de Desconsideração da Personalidade Jurídica - IDPJ) in relation to certain companies of the Renova group, aiming to include some shareholders of Renova, including the Company and its subsidiary Cemig GT, as defendants jointly and severally liable. The amount involved in this dispute is estimated at R$107,206 (R$102,760 on December 31, 2022). The probability of loss has been assessed as ‘possible’.

Other legal proceedings

Company and its subsidiaries are involved as plaintiff or defendant, in other less significant claims, related to the normal course of their operations including: environmental matters, removal of residents from risk areas; and indemnities for rescission of contracts, on a lesser scale, related to the normal course of its operations, with an estimated total amount of R$479,850 (R$433,911 at December 31, 2022), of which R$6,313 (R$5,912 at December 31, 2022), the amount estimated as probably necessary for settlement of these disputes.

25. EQUITY AND REMUNERATION TO SHAREHOLDERS

a) Share capital

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

b) Earnings per share

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

	Number of shares	
	Jan to Mar, 2023	Jan to Mar, 2022
Common shares already paid up	735,847,624	735,847,624
Shares in treasury	(102)	(102)
Total common shares	**735,847,522**	**735,847,522**
Preferred shares already paid up	1,465,523,064	1,465,523,064
Shares in treasury	(846,062)	(846,062)
Total preferred shares	**1,464,677,002**	**1,464,677,002**
Total	**2,200,524,524**	**2,200,524,524**

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Basic and diluted earnings per share

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

	Jan to Mar, 2023	Jan to Mar, 2022
Total earnings (A)	1,448,545	1,455,189
Total shares (B)	2,200,524,524	2,200,524,524
Basic and diluted earnings per common share (A/B) (R$)	**0.66**	**0.66**

c) Equity valuation adjustments

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$60,274 for the health plan, and R$934 for the dental plan.

d) Remuneration to shareholders

On March 23, 2023, the Company's Executive Board decided to declare Interest on Equity in the amount of R$424,226, payable to shareholders whose names are on the Company's Nominal Share Register on March 27, 2023, with retention of income tax amount to R$40,498.

The amount of income tax withheld at source, by obligation of the tax legislation, is not considered when the Interest on Equity are attributed to the mandatory dividend and is calculated at the rate of 15%, in the cases where this tax is levied, under the terms of the current legislation.

26. REVENUE

	Consolidated		Parent company	
	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
Revenue from supply of energy (a)	7,095,344	8,304,056	816,757	314,449
Revenue from use of the electricity distribution systems (TUSD)	980,398	859,444	-	-
CVA and Other financial components (b)	20,840	(700,107)	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization (1)	695,989	436,718	-	-
Transmission revenue				
Transmission operation and maintenance revenue	87,740	83,787	-	-
Transmission construction revenue	39,403	68,395	-	-
Interest revenue arising from the financing component in the transmission contract asset (Note 15)	177,254	191,945	-	-
Generation indemnity revenue (note 13.1)	22,476	-	-	-
Distribution construction revenue	676,448	440,565	-	-
Adjustment to expectation of cash flow from indemnifiable financial assets of distribution concession	30,844	19,732	-	-
Revenue on financial updating of the Concession Grant Fee	134,766	131,595	-	-
Transactions in energy on the CCEE	29,363	(18,670)	6,798	10,438
Mechanism for the sale of surplus	(3,766)	138,994	-	-
Supply of gas	1,123,570	956,008	-	-
Fine for violation of service continuity indicator	(38,469)	(31,894)	-	-
Other operating revenues (c)	492,015	501,358	24,906	109
Deductions on revenue	(2,917,278)	(3,534,478)	(119,269)	(38,441)
Net operating revenue	**8,646,937**	**7,847,448**	**729,192**	**286,555**

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

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a) Revenue from energy supply

	Consolidated				Parent Company			
	MWh (1)		R$		MWh (1)		R$	
	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
Residential	2,984,825	2,841,768	2,394,792	3,115,806	-	-	-	
Industrial	4,307,674	4,158,420	1,439,741	1,393,200	1,089,819	227,931	284,014	47,469
Commercial, services and others	2,343,460	2,276,420	1,503,080	1,743,177	273,315	69,565	70,277	19,108
Rural	526,308	545,936	392,758	489,779	5,538	3,344	1,532	925
Public authorities	223,654	204,191	164,544	179,314	-	-	-	
Public lighting	269,516	285,011	116,991	167,372	-	-	-	
Public services	272,353	339,958	164,251	246,977	-	-	-	
Subtotal	**10,927,790**	**10,651,704**	**6,176,157**	**7,335,625**	**1,368,672**	**300,840**	**355,823**	**67,502**
Own consumption	7,545	9,854	-	-	-	-	-	-
Unbilled revenue	-	-	13,439	77,884	-	-	48,402	1,105
	10,935,335	**10,661,558**	**6,189,596**	**7,413,509**	**1,368,672**	**300,840**	**404,225**	**68,607**
Wholesale supply to other concession holders (2)	4,038,776	3,700,905	964,188	866,323	1,629,701	909,809	449,672	230,473
Wholesale supply unbilled, net	-	-	(58,440)	24,224	-	-	(37,140)	15,369
Total	**14,974,111**	**14,362,463**	**7,095,344**	**8,304,056**	**2,998,373**	**1,210,649**	**816,757**	**314,449**

(1) Data not audited by external auditors.
(2) Includes a CCEAR (Regulated Market Sales Contract), 'bilateral contracts' with other agents, and the revenues from management of generation assets (GAG) for the 18 hydroelectric plants of Lot D of Auction no 12/2015.

b) Transmission concession revenue

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

	Jan to Mar, 2023	Jan to Mar, 2022
Construction and upgrades revenue	39,403	68,395
Construction and upgrades costs	(26,833)	(50,696)
Margin	12,570	17,699
Mark-up (%)	**46.85%**	**34.91%**
Operation and maintenance revenue	87,740	83,787
Operation and maintenance cost	(69,679)	(68,554)
Margin	18,061	15,233
Mark-up (%)	**25.92%**	**22.22%**

c) Other operating revenues

Consolidated	Jan to Mar/2023	Jan to Mar/2022
Charged service	5,117	4,294
Services rendered	20,354	15,019
Low-income subsidy	87,221	72,360
Subsidies (1)	252,769	322,897
Rental and leasing	98,085	63,792
Other	28,469	22,996
Total	**492,015**	**501,358**

(1) Includes the revenue recognized as a result of the subsidies incident on the tariffs applicable to users of the public eletrical energy distribution service, in the amount of R$225,567 in the period from January to March of 2023 (R$245,942 in the same period of 2022), which includes load subsidies of encouraged source, rural, night irrigators, generation of encouraged source and public service; the revenue from tariff flags, in the amount of R$17,523 in the period from January to March of 2023 (R$76,089 in the same period of 2022), recognized as a result of the credit position acquired by the Company in CCRBT and the reversal of revenue recognized as a result of subsidies related to the Program of Incentives to the Voluntary Reduction of Electric Energy Consumption, in the amount of R$7 in the period from January to March of 2023 (R$5,485 in the same period of 2022).

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d) Deductions on revenue

	Consolidated		Parent Company	
	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
Taxes on revenue				
ICMS (1)	952,838	1,872,055	44,944	9,233
Cofins	755,418	664,046	61,067	23,998
PIS/Pasep	160,107	145,008	13,258	5,210
Others	1,377	1,441	-	-
	1,869,740	**2,682,550**	**119,269**	**38,441**
Charges to the customer				
Global Reversion Reserve (RGR)	3,324	3,742	-	-
Energy Efficiency Program (PEE)	8,808	16,219	-	-
Energy Development Account (CDE)	950,418	1,009,297	-	-
Research and Development (R&D)	12,613	8,583	-	-
National Scientific and Technological Development Fund (FNDCT)	17,966	12,211	-	-
Energy System Expansion Research (EPE of MME)	8,983	6,105	-	-
Customer charges - Proinfa alternative sources program	15,908	19,490	-	-
Energy services inspection fee	8,761	7,603	-	-
Royalties for use of water resources	12,624	11,747	-	-
Customer charges - the 'Flag Tariff' system	-	(251,821)	-	-
CDE on R&D	5,352	3,630	-	-
CDE on PEE	2,781	5,122	-	-
	1,047,538	**851,928**	**-**	**-**
Total	**2,917,278**	**3,534,478**	**119,269**	**38,441**

(1) On June 23, 2022, Complementary Law 194/2022 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.

27. OPERATING COSTS AND EXPENSES

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

a) Cost of energy and gas

	Consolidated		Parent company	
	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
Energy purchased for resale				
Supply from Itaipu Binacional	262,175	394,055	-	-
Physical guarantee quota contracts	226,248	214,718	-	-
Quotas for Angra I and II nuclear plants	89,917	89,298	-	-
Spot market	110,319	93,764	7,488	(220)
Proinfa Program	127,894	151,414	-	-
'Bilateral' contracts	125,429	110,083	-	-
Energy acquired in Regulated Market auctions	937,269	625,633	-	-
Energy acquired in the Free Market (1)	1,225,659	1,230,940	500,509	262,657
Distributed generation ('Geração distribuída')	618,732	453,589	-	-
PIS/Pasep and Cofins credits	(279,575)	(260,112)	(46,990)	(24,275)
	3,444,067	**3,103,382**	**461,007**	**238,162**
Basic Network Usage Charges				
Transmission charges - Basic Grid	766,754	952,751	-	-
Distribution charges	13,778	11,558	-	-
PIS/Pasep and Cofins credits	(80,351)	(95,777)	-	-
	700,181	**868,532**	**-**	**-**
Gas purchased for resale	**614,803**	**563,781**	-	-
Total costs of energy and gas	**4,759,051**	**4,535,695**	**461,007**	**238,162**

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

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b) Infrastructure and construction cost

	Consolidated	
	Jan to Mar, 2023	Jan to Mar, 2022
Personnel and managers	25,823	30,351
Materials	386,496	281,455
Outsourced services	250,502	157,508
Others	40,460	21,948
Total	**703,281**	**491,262**

c) Other operating costs and expenses

Consolidated	Operating costs		ECL		General and administrative expenses		Other operating expenses, net		Total Jan to Mar, 2023	Total Jan to Mar, 2022
	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022		
Personnel	259,355	228,266	-	-	75,842	75,301	-	-	**335,197**	**303,567**
Employees’ and managers’ income sharing	-	-	-	-	-	-	38,127	37,150	**38,127**	**37,150**
Post-employment benefits - note 23	-	-	-	-	-	-	103,038	153,480	**103,038**	**153,480**
Materials	24,438	15,482	-	-	4,795	4,770	-	-	**29,233**	**20,252**
Outsourced services	410,989	323,900	-	-	56,457	55,849	-	-	**467,446**	**379,749**
Depreciation and amortization	299,258	265,192	-	-	3,408	18,717	-	-	**302,666**	**283,909**
Operating provisions and adjustments for operating losses	68,945	76,317	-	-	-	-	44,591	43,948	**113,536**	**120,265**
Expected credit losses of accounts receivable (1)	-	-	-	-	-	-	46,126	-	**46,126**	**-**
Expected credit losses	-	-	7,926	43,092	-	-	-	-	**7,926**	**43,092**
Gains arising from the sale of equity interest (note 15)	-	-	-	-	-	-	(30,487)	-	**(30,487)**	**-**
Other operation costs and expenses	36,791	15,093	-	-	18,169	1,111	10,573	14,347	**65,533**	**30,551**
Total	**1,099,776**	**924,250**	**7,926**	**43,092**	**158,671**	**155,748**	**211,968**	**248,925**	**1,478,341**	**1,372,015**

(1) This refers to recognition of impairment of the plants of Cemig GT that are in the process of sale. More details in Note 32.

Parent Company	General and administrative expenses		Other operating expenses		Total Jan to Mar, 2023	Total Jan to Mar, 2022
	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022		
Personnel	6,660	7,009	-	-	**6,660**	**7,009**
Employees’ and managers’ income sharing	-	-	4,001	3,756	**4,001**	**3,756**
Post-employment benefits - note 23	-	-	17,005	18,661	**17,005**	**18,661**
Materials	6	6	-	-	**6**	**6**
Outsourced services	4,238	3,433	-	-	**4,238**	**3,433**
Depreciation and amortization	168	395	-	-	**168**	**395**
Operating provisions and adjustments for operating losses	-	-	9,165	14,810	**9,165**	**14,810**
Other operation costs and expenses	1,040	-	(2,004)	(4,646)	**(964)**	**(4,646)**
Total	**12,112**	**10,843**	**28,167**	**32,581**	**40,279**	**43,424**

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28. FINANCE INCOME AND EXPENSES

	Consolidated		Parent company	
	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
FINANCE INCOME				
Income from financial investments	97,983	73,658	10,150	15,313
Interest on sale of energy	68,504	95,375	444	155
Foreign exchange variations - Itaipu Binacional	1,889	23,965	-	-
Foreign exchange variations - loans	103,814	842,700	-	-
Interest	9,453	17,215	90	3,598
Interest - CVA	26,610	51,999	-	-
Interests of escrow deposits	15,394	14,885	3,624	2,907
PIS/Pasep and Cofins charged on finance income (1)	(43,188)	(24,426)	(30,704)	(13,407)
Prepayments rents	1,029	469	-	-
Borrowing costs paid by related parties	-	-	6,342	1,020
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	25,548	(375)	5,809	4,154
Others	22,748	13,560	696	1,669
	329.784	**1.109.025**	**(3.549)**	**15.409**
FINANCE EXPENSES				
Interest on loans and debentures (Note 22)	(242.347)	(223.723)	-	(1.400)
Cost of debt - amortization of transaction cost	(3.542)	(1.600)	-	-
Interest - loans and debentures (Note 22)	(71.950)	(65.249)	-	-
Charges and monetary updating on post-employment obligations	(8.254)	(14.040)	(406)	(692)
Losses with financial instruments - Swap	(12.725)	(456.647)	-	-
Interest on leases	(8.503)	(6.285)	(70)	(65)
Financial expenses R&D and PEE	(10.259)	(7.313)	-	-
Other financial expenses	(78.118)	(20.005)	(92)	(38)
	(435.698)	**(794.862)**	**(568)**	**(2.195)**
NET FINANCE INCOME (EXPENSES)	**(105.914)**	**314.163**	**(4.117)**	**13.214**

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

29. RELATED PARTY TRANSACTIONS

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

COMPANY	ASSETS		LIABILTIES		REVENUES		EXPENSES	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
Transactions with energy (4)								
Aliança Geração	4,218	4,070	17,689	18,567	8,705	15,422	(49,246)	(53,865)
Norte Energia	2,319	2,352	30,053	37,900	6,962	6,466	(67,925)	(80,685)
Paracambi	-	-	2,850	2,476	-	-	(6,069)	(8,472)
Hidrelétrica Pipoca	-	108	4,714	3,491	292	-	(13,686)	(12,363)
Hidrelétrica Cachoeirão	-	-	-	-	429	-	-	-
Taesa	-	24	9,856	12,226	72	65	(35,235)	(33,742)
								-
Customers and traders								
Governo do Estado de Minas Gerais (2)	41,692	36,558	-	-	40,925	43,360	-	-
	-	-	-	-	-	-	-	-
Provision of services								
Aliança Geração (5)	613	673	-	-	1,500	1,303	-	-
Taesa (5)	158	125	-	-	374	288	-	-
Accounts Receivable - AFAC								
Governo do Estado de Minas Gerais (3)	13,366	13,366	-	-	-	-	-	-
								-
Other credits								
FIP Melbourne (7)	190,730	160,644	-	-	-	-	-	-
								-
Contingency								
Aliança Geração (6)	-	-	55,610	54,905	-	-	(705)	(833)
Interest on Equity, and dividends								
Retiro Baixo	5,867	5,867	-	-	-	-	-	-
Baguari Energia	11,579	-	-	-	-	-	-	-
Hidrelétrica Pipoca	3,882	3,882	-	-	-	-	-	-

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COMPANY	ASSETS		LIABILTIES		REVENUES		EXPENSES	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022	Jan to Mar, 2023	Jan to Mar, 2022	Jan to Mar, 2023	Jan to Mar, 2022
Hidrelétrica Cachoeirão	3,867	3,867	-	-	-	-	-	-
								-
FIC Pampulha								
Current								
Cash and cash equivalents	231,109	291,598	-	-	-	-	-	-
Marketable securities	1,338,662	1,730,105	-	-	72,404	41,775	-	-
Non-current								
Marketable securities	6,299	6,533	-	-	-	-	-	-
FORLUZ								
Current								
Post-employment obligations (8)	-	-	206,925	198,569	-	-	(68,029)	(71,205)
Supplementary pension contributions - Defined contribution plan (9)	-	-	-	-	-	-	(18,854)	(18,027)
Administrative running costs (10)	-	-	-	-	-	-	(9,355)	(8,024)
Operating leasing (11)	-	-	25,429	25,607	-	-	(8,287)	(7,536)
Non-current								
Post-employment obligations (8)	-	-	2,110,563	2,119,052	-	-	-	-
Operating leasing (11)	179,477	181,637	178,208	178,661	-	-	-	-
Cemig Saúde								
Current								
Health Plan and Dental Plan (12)	-	-	220,316	218,040	-	-	(100,224)	(96,315)
Non-current								
Health Plan and Dental Plan (12)	-	-	3,084,750	3,156,322	-	-	-	-

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

(1) The relationships between Cemig and its investees are described in the investment note 15;
(2) Refers to the sale of energy to the State Government of Minas Gerais considering that the price of energy is that defined by Aneel through a resolution on the Company's annual tariff adjustment.
(3) This refers to the recalculation of the monetary correction of amounts related to AFAC returned to the State of Minas Gerais. These receivables are guaranteed by the retention of dividends or interest on equity distributed to the State, in proportion to its participation, while the delay and/or default persists. For further information see note 10;
(4) The sale and purchase of electricity between generators and distributors are carried out through auctions in the regulated contracting environment organized by the Federal Government. In the free contracting environment, in turn, they are carried out by means of auctions or direct contracting, according to the applicable legislation. Electricity transport operations, on the other hand, are carried out by the transmitters and result from the centralized operation of the National Interconnected System by the National System Operator (ONS);
(5) Refers to service agreement for the operation and maintenance of power plants and transmission networks;
(6) This refers to contractual obligations to the investee Aliança Geração corresponding to contingencies arising from events that occurred before the closing of the transaction that resulted in the contribution of assets by Cemig and Vale S.A. in the capital of this investee. The total value of the shares is R$103 million (R$156 million at December 31, 2022), of which R$56 million (R$55 million at December 31, 2022) is attributable to Cemig;
(7) In January 2021, a final arbitration award was issued in favor of FIP Melbourne, and in August 2022 an agreement was reached between the parties to close the dispute, with the establishment of an updated compensation amount of R$200 million, settled on September 12, 2022 (see note 15);
(8) Forluz's contracts are adjusted by the Broad National Consumer Price Index - IPCA of the Brazilian Institute of Geography and Statistics - IBGE, plus interest of 6% per year and will be amortized until 2031 (see note 23);
(9) Company's contributions to the Pension Fund regarding the employees participating in the Mixed Plan and calculated over monthly remunerations in conformity with the Fund's regulation;
(10) Funds for the annual administrative funding of the Pension Fund in accordance with the specific legislation for the sector. The amounts are estimated as a percentage of the Company's payroll;
(11) Rental of the Company's administrative headquarters, valid until August 2024 (Júlio Soares building, which can be extended every 5 years, until 2034), annually adjusted by the IPCA, and its prices are reviewed every 60 months. On September 20, 2021, the rent contract was readjusted in 8.72%, corresponding to the accumulated IPCA of the last 12 months. On April 27, 2021 an amendment to the contract was signed with Forluz, due to the transfer of the facilities of the invested companies Cemig SIM and Gasmig to the Júlio Soares building with the consequent reduction of the rent cost to Cemig;
(12) Post-employment obligations related to the employees' health and dental plan (see note 23).

Dividends receivable

Dividends receivable	Consolidated		Parent company	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Cemig GT	-	-	1,045,725	1,406,958
Cemig D	-	-	1,315,618	1,183,846
Gasmig	-	-	49,285	55,170
Sete Lagoas	-	-	3,801	3,801
Aliança Geração	126,634	126,634	-	-
Taesa	5,646	5,646	5,646	5,646
Others (1)	25,207	13,628	12	12
	157,487	**145,908**	**2,420,087**	**2,655,433**

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

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Guarantees on loans and debentures

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

Related party	Relationship	Type	Objective	Mar. 31, 2023	Maturity
Norte Energia (NESA) (1)	Affiliated	Surety	Financing	2,606,320	2042
Norte Energia (NESA)/Light (2)	Affiliated	Counter-guarantee	Financing	683,615	2042
Norte Energia (NESA)	Affiliated	Surety	Debentures	81,789	2030
				3,371,724	

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

At March 31, 2023, Management believes that there is no need to recognize any provisions in the Company's financial statements for the purpose of meeting any obligations arising under these sureties and/or guarantees.

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

Cemig and its subsidiaries and jointly controlled entities invest part of their financial resources in an investment fund which has the characteristics of fixed income and obeys the Company's cash investment policy. The amounts invested by the fund are reported as cash and cash equivalent 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 March 31, 2023 and 2022, are as follows:

	Jan to Mar, 2023	Jan to Mar, 2022
Remuneration	6,870	5,866
Income sharing	2,533	2,436
Pension plans	371	401
Health and dental plans	44	53
Life insurance	7	8
Total	**9,825**	**8,764**

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30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments classification and fair value

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

	Level	Mar. 31, 2023		Dec. 31, 2022	
		Book value	Fair value	Book value	Fair value
Financial assets					
Amortized cost					
Marketable securities - Cash investments		358,145	358,145	379,390	379,390
Customers and Traders; Concession holders (transmission service)		4,957,290	4,957,290	4,812,880	4,812,880
Restricted cash		21,709	21,709	15,933	15,933
Accounts receivable from the State of Minas Gerais (AFAC)		13,366	13,366	13,366	13,366
Concession financial assets - *CVA* (Parcel 'A' Costs Variation Compensation) Account and *Other financial components*		991,541	991,541	944,090	944,090
Escrow deposits		1,205,273	1,205,273	1,206,595	1,206,595
Concession grant fee - Generation concessions		3,003,695	3,003,695	2,950,418	2,950,418
Receivables - FIP Melbourne		190,730	190,730	160,643	160,643
		10,741,749	**10,741,749**	**10,483,315**	**10,483,315**
Fair value through income or loss					
Cash equivalents - Cash investments	2	1,556,844	1,556,844	1,345,175	1,345,175
Marketable securities					
Bank certificates of deposit	2	17,380	17,380	191,338	191,338
Financial Notes - Banks	2	925,469	925,469	905,790	905,790
Treasury Financial Notes (LFTs)	1	193,012	193,012	401,659	401,659
		2,692,705	**2,692,705**	**2,843,962**	**2,843,962**
Derivative financial instruments (Swaps)	3	709,067	709,067	702,734	702,734
Concession financial assets - Distribution infrastructure	3	1,475,578	1,475,578	1,406,597	1,406,597
Reimbursements receivable - Generation	3	713,937	713,937	691,460	691,460
		5,591,287	**5,591,287**	**5,644,753**	**5,644,753**
		16,333,036	**16,333,036**	**16,128,068**	**16,128,068**
Financial liabilities					
Amortized cost (1)					
Loans and debentures		(10,279,317)	(10,279,317)	(10,579,498)	(10,579,498)
Debt with pension fund (Forluz)		(215,239)	(215,239)	(251,401)	(251,401)
Deficit of pension fund (Forluz)		(543,041)	(543,041)	(545,196)	(545,196)
Concessions payable		(29,338)	(29,338)	(27,291)	(27,291)
Suppliers		(2,447,668)	(2,447,668)	(2,832,049)	(2,832,049)
Leasing transactions		(405,724)	(405,724)	(354,633)	(354,633)
Sector financial liabilities		-	-	-	-
		(13,920,327)	**(13,920,327)**	**(14,590,068)**	**(14,590,068)**
Fair value through income or loss					
Derivative financial instruments - Swaps	3	(109,584)	(109,584)	(90,526)	(90,526)
SAAG put options	3	(705,171)	(705,171)	(672,416)	(672,416)
		(814,755)	**(814,755)**	**(762,942)**	**(762,942)**
		(14,735,082)	**(14,735,082)**	**(15,353,010)**	**(15,353,010)**

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

b) Derivative financial instruments

Put option - SAAG

A liability of R$705,171 was recorded in the Company's financial statements, for the difference between the exercise price and the estimated fair value of the assets. Considering the early liquidation of Funds, and early maturity of put option, this amount was classified as current liabilities.

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

	Consolidated
Balance at December 31, 2022	**672,416**
Adjustment to fair value	32,755
Balance at March 31, 2023	**705,171**

Early liquidation of Funds, and early maturity of put option

On February 7, 2023, the decision of the arbitration proceeding was released, condemning Cemig GT to full payment of the exercise price of the options included in the contracts. The Company, together with its legal advisors, is evaluating the appropriate measures. Financial settlement is expected to take place within five business days from signature of the final agreement, which will be subject to approval by the Board of Directors.

Swap transactions and currency Options

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

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

The notional amount of derivative transactions are not presented in the statement of financial position, since they refer to transactions that do not require cash as only the gains or losses actually incurred are recorded. The net result of those transactions on March 31, 2023 was a loss of R$12,725 (R$456,647 on March 31, 2022), which was posted in finance income (expenses).

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

This table presents the derivative instruments as of March 31, 2023 and 2022:

Assets (1)	Liability	Maturity period	Trade market	Notional amount (2)	Unrealized gain / loss		Unrealized gain / loss	
					Notional amount Mar. 31. 2023	Fair value Mar. 31, 2023	Notional amount Dec. 31, 2022	Fair value Dec. 31, 2022
US$ exchange variation + Rate (9,25% p,y,) (1)	R$152,01% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US$250,000	416,666	271,600	428,134	272,846
US$ exchange variation + Rate (9,25% p,y,) (1)	R$125,52% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US$500,000	548,468	327,883	568,487	339,362
					965,134	**599,483**	**996,621**	**612,208**
Current asset						**709,067**		**702,734**
Current liabilities						**(109,584)**		**(90,526)**

(1) For the US$1 billion Eurobond issued on December 2017: (i) for the principal, a call spread was contracted, with floor at R$3.25/US$ and ceiling at R$5.00/US$; and (ii) a swap was contracted for the total interest, for a coupon of 9.25% p.a. at an average rate equivalent to 150.49% of the CDI. For the additional US$500

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

(2) In thousands of US$.

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

The fair value on March 31, 2023 was R$599,483 (R$612,208 on December 31, 2022), which would be the reference if Cemig GT would liquidate the financial instrument on March 31, 2023, but the swap contracts protect the Company's cash flow up to the maturity of the bonds in 2024 and they have carrying amount of R$965,134 at March 31, 2023 (R$996,621 on December 31, 2022).

The Company is exposed to market risk due to having contracted this hedge, the principal potential impact being a change in future interest rates and/or the future exchange rates. Based on the futures curves for interest rates and dollar, Cemig GT prepare a sensitivity analyses and estimates that in a probable scenario its results at December 31, 2024, would be positively affected by the swap and call spread at the end of the period in the amount of R$129,686. The fair value of the financial instrument was estimated in R$729,169, with a positive amount of R$781,836 refers to the option (call spread) and a loss of R$52,667 refers to the swap.

The Company, from the base scenario observed on March 31, 2023, measured the effects on its results for the probable and adverse scenarios, in which the projections for interest rates and the US dollar are high, simulating economic stress.

The results are shown below:

Parent Company and Consolidated	Base scenario Mar. 31, 2023	'Probable' scenario Selic 12.75% Dollar 5.10	Adverse Scenario Selic 15.75% Dollar 5.99
Swap (asset)	2,934,299	2,895,149	2,892,489
Swap (liability)	(3,065,195)	(2,947,816)	(3,002,250)
Option / Call spread	730,379	781,836	902,458
Derivative hedge instrument	**599,483**	**729,169**	**792,697**

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

c) Financial risk management

Exchange rate risk

The Company and its subsidiaries are exposed to the risk of appreciation in exchange rates, with effect on loans and financing, suppliers (energy purchased from Itaipu) and cash flow. For Cemig

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GT debt denominated in foreign currency, were contracted a derivative financial instrument that protects the risks associated with the interest and principal, in the form of a swap and a call spread, respectively, in accordance with the hedge policy of the Company. The Cemig GT exposures to market risk associated to this instrument is described in the topic "Swap transaction" of this Note. The risk exposure of Cemig D is mitigated by the account for compensation of variation of parcel A items (CVA).

The net exposure to exchange rates is as follows:

Exposure to exchange rates	Mar. 31, 2023		Dec. 31, 2022	
	Foreign currency	R$	Foreign currency	R$
US dollar				
Loans and financing (Note 21)	(782,395)	(3,974,879)	(761,824)	(3,974,971)
Suppliers (Itaipu Binacional	(34,728)	(176,434)	(52,440)	(273,618)
	(817,123)	**(4,151,313)**	**(814,264)**	**(4,248,589)**
Net liabilities exposed		**(4,151,313)**		**(4,248,589)**

Sensitivity analysis

Based on finance information from its financial consultants, the Company estimates that in a probable scenario the variation of the exchange rates of foreign currencies in relation to the Real on March 31, 2024 will be an deppreciation of the dollar by 0.39% to R$5.10. The Company has prepared a sensitivity analysis of the effects on the Company's net income arising from depreciation of the Real exchange rate considering an adverse scenario in relation to the probable scenario.

Risk: foreign exchange rate exposure	Base Scenario	'Probable' scenario US$=R$5.10	'Adverse scenario US$= R$5.92
US dollar			
Loans (Note 21)	(3,974,879)	(3,990,214)	(4,629,978)
Suppliers (Itaipu Binacional) (Note 20)	(176,434)	(177,115)	(205,512)
	(4,151,313)	**(4,167,329)**	**(4,835,490)**
Net liabilities exposed	**(4,151,313)**	**(4,167,329)**	**(4,835,490)**
Net effect of exchange rate fluctuation		**(16,016)**	**(684,177)**

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

Interest rate risk

The Company and its subsidiaries are exposed to the risk of decrease in Brazilian domestic interest rates on March 31, 2023. This risk arises from the effect of variations in Brazilian interest rates on net financial income comprised by financial revenues from cash investments made by the Company, and also to the financial assets related to the CVA and other financial components, net of the effects on financial expenses associated to loans, financings and debentures in Brazilian currency, and also sectorial financial liabilities.

Part of the loans and financings in Brazilian currency comprises financings obtained from various financial agents that specify interest rates taking into account basic interest rates, the risk

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premium compatible with the companies financed, their guarantees, and the sector in which they operate.

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

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

Risk: Exposure to domestic interest rate changes	Mar. 31, 2023	Dec. 31, 2022
Assets		
Cash equivalents - Cash investments (Note 6) - CDI	1.556.844	1.345.176
Marketable securities (Note 7) - CDI / Selic	1.494.006	1.878.177
Indemnities receivable - Generation	713.935	691.460
Restricted cash - CDI	21.709	15.933
CVA and in tariffs – Selic (note 14)	991.541	944.090
	4.778.035	**4.874.836**
Liabilities		
Loans and debentures (Note 21) - CDI	(1.948.899)	(2.041.000)
	(1.948.899)	**(2.041.000)**
Net assets exposed	**2.829.136**	**2.833.836**

<u>Sensitivity analysis</u>

In relation to the most significant interest rate risk, the Company and its subsidiaries estimate that in a probable scenario the Selic rate will be 12.50% and the TJLP rate will be 6.74% on March 31, 2024. The Company and its subsidiaries made a sensitivity analysis of the effects on results considering an adverse scenario in relation to the probable scenario, as shown in the table below. The CDI rate follows the Selic rate.

Increase in Brazilian interest rates	Mar. 31, 2023	Dec. 31, 2023	
	Amount Book value	'Probable' scenario Selic 12.5% TJLP 6.74%	'Adverse' scenario Selic 9.75% TJLP 5.96%
Assets			
Cash equivalents (Note 5)	1,556,844	1,751,450	1,708,636
Marketable securities (Note 6)	1,494,006	1,680,757	1,639,672
Restricted cash	21,709	24,423	23,826
CVA and *Other financial components* - SELIC (Note 13)	991,541	1,115,484	1,088,216
	4,064,100	**4,572,114**	**4,460,350**
Liabilities			
Loans and financing (Note 21)	(1,948,899)	(2,192,511)	(2,138,917)
	(1,948,899)	**(2,192,511)**	**(2,138,917)**
Net assets exposed	**2,115,201**	**2,379,603**	**2,321,433**
Net effect of fluctuation in interest rates		**264,402**	**206,232**

Increase in inflation risk

The Company and its subsidiaries are exposed to the risk of increase in inflation index on March 31, 2023. A portion of the loans, financings and debentures as well as the pension fund liabilities are adjusted using the IPCA (Expanded National Customer Price). The revenues are also adjusted using the IPCA and IGP-M index, mitigating part of the Company risk exposure.

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

Exposure to increase in inflation	Mar. 31, 2023	Dec. 31, 2022
Assets		
Concession financial assets related to Distribution infrastructure - IPCA (1)	1,475,578	1,406,597
Concession Grant Fee - IPCA (Note 13)	3,003,695	2,950,418
	4,479,273	**4,357,015**
Liabilities		
Loans and debentures - IPCA and IGP-DI (Note 21)	(4,415,495)	(4,629,992)
Debt with pension fund (Forluz) - IPCA (Note 23)	(215,239)	(251,401)
Deficit of pension plan (Forluz) - IPCA (Note 23)	(543,041)	(545,196)
	(5,173,775)	**(5,426,589)**
Net assets exposed	**(694,502)**	**(1,069,574)**

(1) Portion of the concession financial assets relating to the Regulatory Remuneration Base of Assets ratified by the grantor (Aneel) after the 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 March 31, 2024 the IPCA inflation index will be 5.38% and the IGPM inflation index will be 2.68%. The Company has prepared a sensitivity analysis of the effects on its net income arising from reductions in rates in an adverse scenario.

Risk: increase in inflation index	Mar. 31, 2023	Dec. 31, 2023	
	Amount Book value	'Probable scenario' IPCA 5.3% IGPM 3.49%	'Adverse Scenario' IPCA 7.9% IGPM 6.9%
Assets			
Concession financial assets related to Distribution infrastructure - IPCA (1)	1,437,515	1,514,853	1,547,341
Concession financial assets related to gas distribution infrastructure - IGPM	38,063	39,083	40,252
Concession Grant Fee - IPCA (Note 13)	3,003,695	3,165,294	3,233,177
	4,479,273	**4,719,230**	**4,820,770**
Liabilities			
Loans and debentures - IPCA and IGP-DI (Note 21)	(4,415,495)	(4,653,049)	(4,752,839)
Debt agreed with pension fund (Forluz) - IPCA (Note 23)	(215,239)	(226,819)	(231,683)
Deficit of pension plan (Forluz) (Note 23)	(543,041)	(572,257)	(584,529)
	(5,173,775)	**(5,452,125)**	**(5,569,051)**
Net liabilities exposed	**(694,502)**	**(732,895)**	**(748,281)**
Net effect of fluctuation in IPCA and IGP-M indexes		**(38,393)**	**(53,779)**

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

Liquidity risk

Cemig has sufficient cash flow to cover the cash needs related to its operating activities.

The Company manages liquidity risk with a group of methods, procedures and instruments that are coherent with the complexity of the business, and applied in permanent control of the financial processes, to guarantee appropriate risk management.

Cemig manages liquidity risk by permanently monitoring its cash flow in a budget-oriented manner. Balances are projected monthly, for each one of the companies, over a period of 12 months, and daily liquidity is projected over 180 days.

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Short-term investments must comply with investing principles established in the Company's Cash Investment Policy. These include applying its resources in private credit investment funds, without market risk, and investment of the remainder directly in bank CDs or repo contracts which earn interest at the CDI rate.

In managing cash investments, the Company seeks to obtain profitability through a rigid analysis of financial institutions' credit risk, applying operational limits for each bank, based on assessments that take into account their ratings, exposures and balance sheet. It also seeks greater returns on investments by strategically investing in securities with longer investment maturities, while bearing in mind the Company's minimum liquidity control requirements.

Any reduction in the Company and subsidiaries ratings could result in a reduction of its ability to obtain new financing and could also make refinancing of debts not yet due more difficult or more costly. In this situation, any financing or refinancing of the Company's debt could have higher interest rates or might require compliance with more onerous covenants, which could additionally cause restrictions to the operations of the business.

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

Consolidated	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at interest rates:						
- loating rates*						
Loans and debentures	56,970	477,440	1,206,764	9,338,970	885,348	**11,965,492**
Onerous concessions	358	705	3,020	13,364	17,466	**34,913**
Debt with pension plan (Forluz) (Note 23)	14,958	30,079	138,095	47,168	-	**230,300**
Deficit of the pension plan (FORLUZ) (Note 23)	6,619	13,340	61,256	357,490	391,434	**830,139**
	78,905	**521,564**	**1,409,135**	**9,756,992**	**1,294,248**	**13,060,844**
- Fixed rate						
Suppliers	1,990,841	420,387	36,440	-	-	**2,447,668**
Total	**2,069,746**	**941,951**	**1,445,575**	**9,756,992**	**1,294,248**	**15,508,512**

(*) The lease payment flow is presented in note 18.

Parent company	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at interest rates:						
- Floating rates*						
Debt with pension plan (Forluz) (Note 23)	736	1.480	6.795	2.321		**11.332**
Deficit of the pension plan (FORLUZ) (Note 23)	326	656	3.014	17.589	19.259	**40.844**
	1.062	**2.136**	**9.809**	**19.910**	**19.259**	**52.176**
- Fixed rate						
Suppliers	187.470	-	-	-	-	**187.470**
Total	**188.532**	**2.136**	**9.809**	**19.910**	**19.259**	**239.646**

(*) The lease payment flow is presented in note 18.

Risk of debt early maturity

The Company's subsidiaries have loan contracts with restrictive covenants normally applicable to this type of transaction, related to compliance with a financial index. Non-compliance with these covenants could result in earlier maturity of debts. More details in Note 21.

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Capital management

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

	Consolidated	
	Mar. 31, 2023	Dec. 31, 2022
Total liabilities	31,287,931	31,887,571
(-) Cash and cash equivalents	(1,600,178)	(1,440,661)
(-) Restricted cash	(21,709)	(15,933)
Net liabilities	**29,666,044**	**30,430,977**
Total equity	**22,848,437**	**21,783,266**
Net liabilities / equity	**1.30**	**1.40**

Credit risk and other operating risks

The information on how the Company manages: (i) credit risk; (ii) the risk of over-contracting and under-contracting of supply; (iii) the risk to continuity of the concession; and (iv) hydrological risk is given in Note 31 to the financial statements for the year ended December 31, 2022.

31. OPERATING SEGMENTS

The detailed information on the operational segments is given in Note 5 to the financial statements for the year ended December 31, 2022.

INFORMATION BY SEGMENT AS OF AND FOR THE YEAR ENDED MARCH 31, 2023									
ACCOUNT/DESCRIPTION	ENERGY				INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING	DISTRIBUTION					
NET REVENUE	**647,428**	**288,036**	**1,857,609**	**5,376,938**	**901,417**	**9,071,428**	**(286,626)**	**(137,865)**	**8,646,937**
COST OF ENERGY, GAS AND CHARGES FOR USE OF THE NATIONAL GRID	**20,603**	**(80)**	**(1,519,274)**	**(3,053,275)**	**(616,168)**	**(5,168,194)**	**286,626**	**122,517**	**(4,759,051)**
OPERATING COSTS AND EXPENSES (3)									
Personnel	(36,605)	(35,095)	(7,154)	(224,665)	(31,678)	(335,197)	-	-	(335,197)
'Employees and managers' income sharing	(3,824)	(4,050)	(831)	(24,614)	(4,808)	(38,127)	-	-	(38,127)
Post-employment obligations	(6,549)	(4,046)	(927)	(73,266)	(18,250)	(103,038)	-	-	(103,038)
Materials, outsourced services and others expenses (revenues)	(53,216)	(24,374)	(4,157)	(517,350)	52,024	(547,073)	-	15,348	(531,725)
Depreciation and amortization	(81,140)	(1)	(4)	(194,240)	(27,281)	(302,666)	-	-	(302,666)
Operating provisions and impairment	(49,530)	(2,113)	(45)	(51,070)	(64,830)	(167,588)	-	-	(167,588)
Construction costs	-	(26,833)	-	(657,608)	(18,840)	(703,281)	-	-	(703,281)
Total cost of operation	**(230,864)**	**(96,512)**	**(13,118)**	**(1,742,813)**	**(113,663)**	**(2,196,970)**	**-**	**15,348**	**(2,181,622)**
OPERATING COSTS AND EXPENSES	**(210,261)**	**(96,592)**	**(1,532,392)**	**(4,796,088)**	**(760,318)**	**(7,365,164)**	**286,626**	**137,865**	**(6,940,673)**
Equity in earnings of unconsolidated investees, net	(299)	-	-	-	153,340	153,041	-	-	153,041
OPERATING INCOME BEFORE FINANCE INCOME (EXPENSES)	**436,868**	**191,444**	**325,217**	**580,850**	**324,926**	**1,859,305**	**-**	**-**	**1,859,305**

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INFORMATION BY SEGMENT AS OF AND FOR THE YEAR ENDED MARCH 31, 2023									
ACCOUNT/DESCRIPTION	ENERGY				INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING	DISTRIBUTION					
Finance net income (expenses)	12,517	(649)	15,528	(92,347)	(40,963)	(105,914)	-	-	(105,914)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	**449,385**	**190,795**	**340,745**	**488,503**	**283,963**	**1,753,391**	**-**	**-**	**1,753,391**
Income tax and social contribution tax	(100,990)	(35,885)	(108,152)	(118,970)	8,812	(355,185)	-	-	(355,185)
NET INCOME FOR THE YEAR	**348,395**	**154,910**	**232,593**	**369,533**	**292,775**	**1,398,206**	**-**	**-**	**1,398,206**
Equity holders of the parent	348,395	154,910	232,593	369,533	292,107	1,397,538	-	-	1,397,538
Non-controlling interests	-	-	-	-	668	668	-	-	668

(1) The only inter-segment transactions are from the generation to the trading segment, as explained above.
(2) The reconciliation between the published amounts for the segments and the accounting information on revenue and costs indicates the transactions between the consolidated companies (eliminations).
(3) The information on operational costs and expenses separated by type is segregated in accordance with the internal business model, which has immaterial differences in relation to the accounting information.

INFORMATION BY SEGMENT AS OF AND FOR THE YEAR ENDED MARCH 31, 2022									
ACCOUNT/DESCRIPTION	ENERGY				INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING	DISTRIBUTION					
NET REVENUE	**700,034**	**307,556**	**1,420,645**	**4,748,317**	**784,355**	**7,960,907**	**-**	**(113,459)**	**7,847,448**
COST OF ENERGY, GAS AND CHARGES FOR USE OF THE NATIONAL GRID	**(55,673)**	**(70)**	**(1,148,156)**	**(2,867,437)**	**(563,781)**	**(4,635,117)**	**-**	**99,422**	**(4,535,695)**
OPERATING COSTS AND EXPENSES (3)									
Personnel	(34,203)	(31,576)	(5,198)	(200,016)	(32,574)	(303,567)	-	-	(303,567)
‘Employees and managers’ income sharing	(3,776)	(3,850)	(630)	(23,999)	(4,895)	(37,150)	-	-	(37,150)
Post-employment obligations	(14,838)	(10,316)	(2,332)	(103,809)	(22,185)	(153,480)	-	-	(153,480)
Materials, outsourced services and others expenses (revenues)	(43,065)	(17,990)	(2,095)	(370,640)	(10,887)	(444,677)	-	14,098	(430,579)
Depreciation and amortization	(81,875)	(1)	(3)	(175,375)	(26,655)	(283,909)	-	-	(283,909)
Operating provisions and impairment	(9,114)	(4,822)	(866)	(98,385)	(50,143)	(163,330)	-	-	(163,330)
Construction costs	-	(50,696)	-	(429,503)	(11,063)	(491,262)	-	-	(491,262)
Total cost of operation	**(186,871)**	**(119,251)**	**(11,124)**	**(1,401,727)**	**(158,401)**	**(1,877,374)**	**-**	**14,098**	**(1,863,277)**
OPERATING COSTS AND EXPENSES	**(242,544)**	**(119,321)**	**(1,159,280)**	**(4,269,164)**	**(722,182)**	**(6,512,491)**	**-**	**113,520**	**(6,398,972)**
Equity in earnings of unconsolidated investees, net	56,475	-	-	-	127,953	184,428	-	-	184,428
OPERATING INCOME BEFORE FINANCE INCOME (EXPENSES)	**513,965**	**188,235**	**261,365**	**479,153**	**190,125**	**1,632,843**	**-**	**61**	**1,632,904**
Finance net income (expenses)	121,741	71,502	10,344	24,803	85,773	314,163	-	-	314,163
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	**635,706**	**259,737**	**271,709**	**503,956**	**275,898**	**1,947,006**	**-**	**61**	**1,947,067**
Income tax and social contribution tax	(167,973)	(83,333)	(95,335)	(128,030)	(16,825)	(491,496)	-	-	(491,496)
NET INCOME FOR THE YEAR	**467,733**	**176,404**	**176,374**	**375,926**	**259,073**	**1,455,510**	**-**	**61**	**1,455,571**
Equity holders of the parent	467,733	176,404	176,374	375,926	258,691	1,455,128	-	61	1,455,189
Non-controlling interests	-	-	-	-	382	382	-	-	382

(1) The only inter-segment transactions are from the generation to the trading segment, as explained above.
(2) The reconciliation between the published amounts for the segments and the accounting information on revenue and costs indicates the transactions between the consolidated companies (eliminations).
(3) The information on operational costs and expenses separated by type is segregated in accordance with the internal business model, which has immaterial differences in relation to the accounting information.

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

32. ASSETS CLASSIFIED AS HELD FOR SALE

Disposal process of Cemig's equity participation in Axxiom

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

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

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

Process of sale of 15 PCHs/CGHs

On March 17, 2023 the invitation and tender were published for a public auction to sell 15 small hydroelectric generation plants and units (PCHs and CGHs), 12 owned by Cemig GT and 3 by its wholly-owned subsidiary Horizontes. The minimum price for the single lot of these assets is R$ 48,185. The auction is scheduled for August 10, 2023.

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

(1) Information not audited by the independent auditors.

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

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

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

The Company evaluated the recoverable value of its assets immediately before classifying them as assets held for sale and recognized in income a provision for impairment, in the amount of R$46,126. The estimated value in use was determined using the shareholder's cash flow discounted by the IPCA + a rate that varies between 5% and 10%. The projection horizon considers the contract terms of each of the plants.

Subsequently, the assets were classified as held for sale, having been measured at the lower of the book value and fair value less selling expenses, with the balance of the asset held for sale amounting to R$7,212, pursuant to item 15 of CPC 31/ IFRS 5, with no effects recognized in income.

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

The Company continues to operate in the power generation business.

33. 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

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submissions of it should be made. So far there are not known to be any potential accusations that might take place by reason of the results indicated by the CPI.

The Company carries out regular internal audits; and based on the results identified to date, no material impacts on the first quarter of 2023, nor for prior fiscal year, have been identified.

34. SUBSEQUENT EVENTS

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

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

(i) for R$200.4 million, the 49.9% equity interest held by the Cemig GT in Retiro Baixo, which operates the Retiro Baixo Hydroelectric Plant, in Minas Gerais, with installed capacity of 81.1 MW, and assured energy (physical offtake guarantee) of 34.8 MW.
(ii) for R$393 million, the Cemig GT's indirectly held interest of 34% in the Baguari Consortium, which operates the Baguari hydroelectric plant, in Minas Gerais, with installed generation capacity of 140 MW and assured energy (physical offtake guarantee) of 81.9 MW, representing 69.38% of the share capital of Baguari Energia.

The figures will be updated by 100% of the CDI rate, from the base date of December 31, 2022, up to the date of payment at closing of the transactions.

The transfers of shares are subject to certain suspensive conditions that are usual in transactions of this type, including authorization by the Brazilian anti-trust authority CADE (Conselho Administrativo de Defesa Econômica), and by Aneel.

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

Advance against future capital increase

On April 25, 2023 the Cemig made an Advance against Future Capital Increase to the Cemig D, in the amount of R$ 100,000, to strengthen its cash position. This will be used for investments and operational expenses.

Gas Distribution – Tariff adjustment

On April 25, 2023, SEDE Resolution 10 was issued, coming into effect from May 1, 2023, containing the tariff adjustments, which were for average reductions varying from 4.74% to 8.34%, depending on consumption levels and tariff categories.

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FINANCIAL RESULTS

(Figures in R$'000000 unless otherwise indicated)

Consolidated results

Net income for the quarter

Cemig presented a net income of R$1,398,206 in the first quarter of 2023 compared to a net income of R$1,455,571 in the first quarter of 2022.

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

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

Cemig's consolidated Ebitda, adjusted by the exclusion of non-recurring items, increased by 8.15% in the first quarter of 2023, compared to the same period of 2022, whereas the adjusted Ebitda margin went from 24.42% in the first quarter of 2022 to 23.97% in the first quarter of 2023.

Ebitda – Jan to Mar, 2023 - R$'000	Generation	Transmission	Trading	Distribution	Investee	Total
Net income for the year	348,395	154,910	232,593	369,533	292,775	**1,398,206**
Income tax and Social Contribution tax	100,990	35,885	108,152	118,970	(8,812)	**355,185**
Net financial revenue (expenses)	(12,517)	649	(15,528)	92,347	40,963	**105,914**
Depreciation and amortization	81,140	1	4	194,240	27,281	**302,666**
Ebitda according to "CVM Instruction n. 156" (1)	**518,008**	**191,445**	**325,221**	**775,090**	**352,207**	**2,161,971**
Non-recurring and non-cash effects						
Net income attributable to non-controlling interests	-	-	-	-	(668)	**(668)**
Gains arising from the sale of non-current asset held for sale (note 15)	-	-	-	-	(55,391)	**(55,391)**
Remeasurement of post-employment liabilities (note 23)	(10,679)	(6,599)	(1,512)	(33,990)	(4,181)	**(56,961)**
Impairment of assets – Small Hydro Plants held for sale (Note 32)	46,126	-	-	-	-	**46,126**
Others	-	-	(22,511)	-	-	**(22,511)**
Adjusted EBITDA (2)	**553,455**	**184,846**	**301,198**	**741,100**	**291,967**	**2,072,566**

(1) Ebitda is a non-accounting measure prepared by the Company, reconciled with the consolidated financial statements in accordance with CVM Circular SNC/SEP n. 1/2007 and CVM Resolution n. 156 of June 23, 2022. It comprises Net income adjusted by the effects of net financial revenue (expenses), Depreciation and amortization, and Income and Social Contribution taxes. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it does not have a standard meaning; and it may be non-comparable with measures with similar titles provided by other companies. The Company publishes Ebitda because it uses it to measure its own performance. Ebitda should not be considered in isolation or as a substitution for net income or operational profit, nor as an indicator of operational performance or cash flow, nor to measure liquidity nor the capacity for payment of debt.

(2) The Company adjusts the Ebitda measured according to CVM Resolution n. 156/2022 removing non-current items, which, because of their nature, do not contribute towards information on the potential of future cash generation, since they are extraordinary items.

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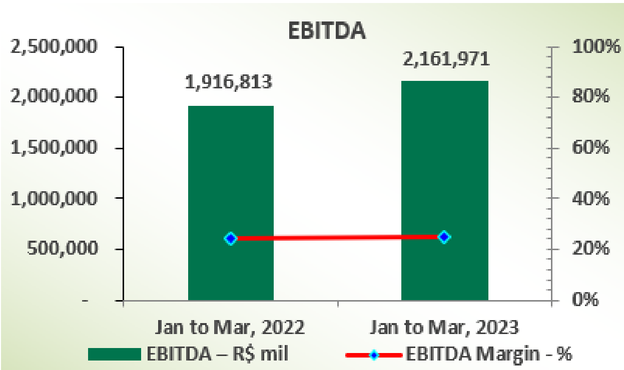
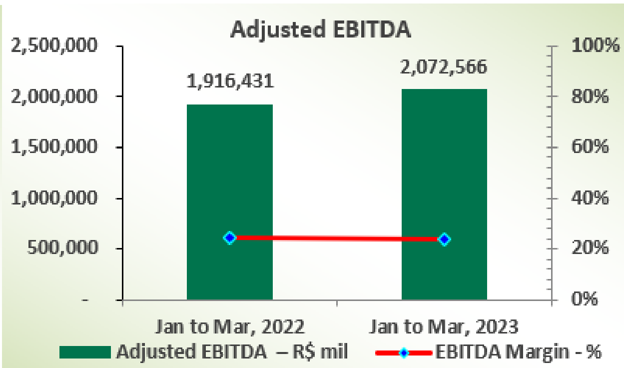
Ebitda – Jan to Mar, 2022 - R$'000	Generation	Transmission	Trading	Distribution	Investee	Total
Net income for the year	467,733	176,404	176,374	375,926	259,134	**1,455,571**
+/- Income tax and Social Contribution tax	167,973	83,333	95,335	128,030	16,825	**491,496**
+/- Net financial revenue (expenses)	(121,741)	(71,502)	(10,344)	(24,803)	(85,773)	**(314,163)**
+ Depreciation and amortization	81,875	1	3	175,375	26,655	**283,909**
= Ebitda according to "CVM Instruction n. 156" (1)	**595,840**	**188,236**	**261,368**	**654,528**	**216,841**	**1,916,813**
Non-recurring and non-cash effects						
- Net income attributable to non-controlling interests	-	-	-	-	(382)	**(382)**
Adjusted EBITDA (2)	**595,840**	**188,236**	**261,368**	**654,528**	**216,459**	**1,916,431**

(1) Ebitda is a non-accounting measure prepared by the Company, reconciled with the consolidated financial statements in accordance with CVM Circular SNC/SEP n. 1/2007 and CVM Resolution n. 156 of June 23, 2022. It comprises Net income adjusted by the effects of net financial revenue (expenses), Depreciation and amortization, and Income and Social Contribution taxes. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it does not have a standard meaning; and it may be non-comparable with measures with similar titles provided by other companies. The Company publishes Ebitda because it uses it to measure its own performance. Ebitda should not be considered in isolation or as a substitution for net income or operational profit, nor as an indicator of operational performance or cash flow, nor to measure liquidity nor the capacity for payment of debt.

(2) The Company adjusts the Ebitda measured according to CVM Resolution n. 156/2022 removing non-current items, which, because of their nature, do not contribute towards information on the potential of future cash generation, since they are extraordinary items.





Operational revenue

The breakdown of revenue is as follows:

	Consolidated	
	Jan to Mar, 2023	Jan to Mar, 2022
Revenue from supply of energy - captive customers, in Cemig's concession area	7,095,344	8,304,056
Revenue from use of the energy distribution systems (TUSD) - free customers	980,398	859,444
CVA, and Other financial components	20,840	(700,107)
Restitution of PIS/Pasep and Cofins credits to consumers - Realization	695,989	436,718
Revenues from transmission		
Revenues from operation and maintenance	87,740	83,787
Revenue of transmission construction	39,403	68,395
Financial remuneration of the transmission contract assets	177,254	191,945
Generation indemnity revenue	22,476	-
Revenue of distribution construction	676,448	440,565
Adjustment of cash flow expectation of the financial asset of distribution concession	30,844	19,732
Revenues from financial actualization of the concession bonus	134,766	131,595
Settlement in the CCEE	29,363	(18,670)
Transactions in the mechanism of sale of surplus - MVE	(3,766)	138,994
Gas supply	1,123,570	956,008
Fine for violation of the continuity indicator standard	(38,469)	(31,894)
Other operational revenues	492,015	501,358
Taxes and charges levied on revenue	(2,917,278)	(3,534,478)
Net operating revenues	**8,646,937**	**7,847,448**

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

Revenue from supply of energy in the first quarter of 2023 was R$7,095,344 compared to R$8,304,056 in the same period of 2022, representing a decrease of 14.56%.

	Jan to Mar, 2023			Jan to Mar, 2022			Change, %	
	MWh (2) (3)	R$(million)	Average price/MWh billed (R$/MWh) (1)	MWh (2) (3)	R$(million)	Average price/MWh billed (R$/MWh) (1)	MWh	R$
Residential	2,984,825	2,394,792	802.32	2,841,768	3,115,806	1,096.43	5.03	(23.14)
Industrial	4,307,674	1,439,741	334.23	4,158,420	1,393,200	335.03	3.59	3.34
Commercial, Services and Others	2,343,460	1,503,080	641.39	2,276,420	1,743,177	765.75	2.94	(13.77)
Rural	526,308	392,758	746.25	545,936	489,779	897.14	(3.60)	(19.81)
Public authorities	223,654	164,544	735.71	204,191	179,314	878.17	9.53	(8.24)
Public lighting	269,516	116,991	434.08	285,011	167,372	587.25	(5.44)	(30.10)
Public services	272,353	164,251	603.08	339,958	246,977	726.49	(19.89)	(33.50)
Subtotal	**10,927,790**	**6,176,157**	**565.18**	**10,651,704**	**7,335,625**	**688.68**	**2.59**	**(15.81)**
Own consumption	7,545	-	-	9,854	-	-	(23.43)	-
Net unbilled retail supply	-	13,439	-	-	77,884	-	-	(82.74)
	10,935,335	**6,189,596**	**565.18**	**10,661,558**	**7,413,509**	**688.68**	**2.57**	**(16.51)**
Wholesale supply to other concession holders (2)	4,038,776	964,188	238.73	3,700,905	866,323	234.08	9.13	11.30
Wholesale supply unbilled, net	-	(58,440)	-	-	24,224	-	-	(341.25)
Total	**14,974,111**	**7,095,344**	**477.09**	**14,362,463**	**8,304,056**	**571.46**	**4.26**	**(14.56)**

(1) The calculation of the average price does not include revenue from supply not yet billed.
(2) Includes Regulated Market Energy Sale Contracts (CCEARs) and 'bilateral contracts' with other agents.
(3) Data not audited by external auditors.

The variation in net revenues in the compared periods is basically due to the significant reduction of the ICMS tax included in the electricity tariffs in the second half of 2022 as a result of the ICMS rate being fixed at a maximum of 18% for all consumption classes, and the non-levy of this tax on transmission and distribution services and sectorial charges related to electricity operations.

Additionally, the mai variations in the energy volumes of the consumer classes are described below:

- 3.60% reduction in the amount of energy billed, due mainly of migration to other consumer categories in compliance with Aneel Normative Resolution (ReN) 901/2020, which ordered change of category for clients that did not re-register and provide proof of the status of their activity as qualifying for the tariff benefit applied to Rural consumers;
- Despite the increase of 5.03% increase in the amount of energy billed for residential consumers, there was a 23.14% reduction in operating revenue for this class of consumer;
- Volume of energy billed to Industrial consumers 3.59% lower, due to migration of clients from the captive market to the Free Market, and also to lower activity in the industrial sector in the state than in the previous year;
- Volume of energy billed to the Public illumination category 5.44% lower due to replacement of existing lamps with LED lamps in some prefectures;
- 19.89% reduction in the amount of energy billed for consumers in the utilities class due, mainly, to the migration of some large customer installations from the basic sanitation sector to the free environment;

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- Volume of energy billed to the Commercial and services category 2.94% higher, due to the increase in the number of consumers in this category mainly as a result of migration of clients from the Public services and Rural categories.

In addition to the comments above, we should also highlight the significant reduction in the ICMS tax component of the amounts that Cemig D charges to clients, in the second half of 2022, as a result of ICMS tax for all categories of consumer being limited to a maximum of 18%, and this tax not being applicable to distribution services, nor to the sector charges linked to electricity operations.

Revenue from Use of Distribution Systems (TUSD)

This is revenue from charging Free Customers the Tariff for Use of the Distribution System (TUSD), on the volume of energy distributed. On January to March 2023, this was R$980,398, compared to R$859,444 in the same period of 2022 - an increase of 14.07%.

This variation is mainly due to the 22.82% increase in the average tariff on free customers in the first quarter of 2023, compared to the same period in 2022.

CVA and Other financial components in tariff adjustments

A gain of R$ 20,840 was posted in the first quarter of 2023, compared to an expense of R$700,107 in the same period of 2022. The difference mainly reflects the application of the extra 'Flag Tariff' water scarcity charge, at its highest level, in September 2021 through April 2022, due to the worst water scarcity scenario suffered by Brazil in recent times. The effect of the Flag Tariff in the first quarter of 2022 reduced the costs to be passed through to consumers in the corresponding annual tariff adjustment, in proportion to the billing arising from the Flag Tariff component. This compares with first quarter of 2023 when there was no activation of any level of the Flag Tariff.

See more information in note 13.4 of this interim financial information.

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

In the first quarter of 2023, the Company posted a gain from realization of the restitution to consumers of credits of R$695,989, compared to R$436,718 in the same period in 2022. The return of these amounts to revenue reflects the tariff charged by Cemig from June 2022 through May 2023 being discounted by these amounts of the PIS, Pasep and Cofins taxes, which are being returned to consumers. See more details in note 20.

Transmission concession revenue

The main variations in revenue are presented below:

- The revenues posted for construction, strengthening and enhancement of infrastructure totaled R$39,403 in the first quarter of 2023, compared to R$68,395 in the same period of 2022, 42.39% lower. This difference reflects expectation for the projects that are in the final phase of execution, resulting in lower amounts of investment in the first quarter of 2023 than in the first quarter of 2022. Also, the new projects are at the initial phase, with disbursements associated with the planning and decision phases, which have lower costs;

- Revenues from financial remuneration of transmission contract assets were 7.65% lower, at R$177,254 in the first quarter of 2023, compared to R$191,945 in the same period of 2022. This variation mainly reflects the lower value of the IPCA inflation index - the indexor used for remuneration of the contract - which was 6.25% i % in the first quarter of 2023, compared to 3.20% in the same period of 2022.

More details in Note 14.

Distribution Construction Revenue

The construction revenues associated with assets related to the infrastructure of the distribution concession totaled R$676,448 in the first quarter of 2023, compared to R$440,565 in the same period of 2022, an increase of 53.54%. This reflects higher execution of the Company's investment plan than in the previous year, with a greater mobilization of teams in the construction stage, added to the increase in the average cost of the works, with an increase in the prices of various materials and services in the current period.

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

Supply of gas

We report revenue from supply of gas totaling R$1,123,570 in the first quarter of 2023, compared to R$956,008 in the same period of 2022 - an increase of 17.53%. This variation is basically due to the increase in the gas tariff approved in 2023.

Taxes and regulatory charges reported as deductions from revenue

The sector charges and taxes that are treated as deductions from revenue totaled R$2,917,278 in the first quarter of 2023, or 17.46% less than in the same period of 2022 (R$3,534,478). This is mainly a reflection of reduction of the ICMS tax rate for all categories of consumer, and removal of applicability of this tax to distribution services and the sector charges linked to electricity operations, as mentioned above.

Operating costs and expenses (excluding financial income/expenses)

Operating costs and expenses totaled R$6,971,160 in the first quarter of 2023, compared to R$6,398,972 in the same period of 2022.

The following paragraphs comment on the main variations. See more on the breakdown of Operating costs and expenses in Note 27 of these financial statements.

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Energy bought for resale

The expense on electricity purchased for resale was R$3,444,067 in the first quarter of 2023, or 10.98% lower than in the same period of 2022 (R$3,103,382). The main factors are:

- Expenses on electricity acquired at auctions in the Regulated Market 49.81% higher, at R$937,269 in the first quarter of 2023, compared to R$625,633 in the same period of 2022. This increase is mainly due to lower energy costs in 2022;
- The expense on electricity from Itaipu Binacional was 33.47% lower: R$262,175 in the first quarter of 2023, compared to R$394,055 in the same period of 2022. The lower figure mainly reflects reduction, by issue of a resolution, in the price for demand from Itaipu, in US dollars - from R$24.73/kW to R$16.19/kW;
- Expenses on Distributed Generation 36.41% higher in 2023, at R$618,732 in the first quarter of 2023, compared to R$453,589 in the same period of 2022. This higher figure reflects the higher number of generation units installed (212,940 in March 2023, compared to 133,282 in March 2022); and the higher volume of energy injected into the grid (1,020,445 MWh in the first quarter of 2023, compared to 630,952 MWh in 2022);

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 28a of these financial statements.

Charges for use of the transmission network and other system charges

Charges for use of the transmission network in the first quarter of 2023 totaled R$700,181 compared with the same period of 2022 (R$868,532), a reduction of 19.38%.

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).

This variation mainly reflects costs of the System Services Charge (CCEE-ESS) as a result of lower dispatching of plants outside the merit order.

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 13b of these financial statements

Gas bought for resale

In the first quarter of 2023, the Company recorded an expense with gas purchased for resale in the amount of R$614,803 compared to R$563,781 in the same period of 2022, representing an increase of 9.05%. This variation is basically due to the increase in the cost of purchased gas in 2023.

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Post-employment obligations

The impact of the post-employment obligations of the Company on operational profit in the first quarter of 2023 was an expense of R$103,038, compared to an expense of R$153,480 in the same period of 2022. The lower figure is mainly due to the remeasurement of the post-employment liability in the first quarter of 2023, as a result of current active employees accepting the new Health Plan. More details in note 23.

Outsourced services

The expense with outsourced services was R$467,446 in the first quarter of 2023, compared to R$379,749 in the same period of 2022, representing an increase of 23.09%. The main variations that explain this increase are:

- 23.11% increase in expenses with maintenance and conservation of eletrical facilities and equipment, being R$176,247 in the first quarter of 2023, compared to R$143,160 in the same period of 2022;
- increase of 16.93% in information technology expenses, being R$51,532 in the first quarter of 2023, compared to R$44,070 in the same period of 2022.

Operational provisions

Operating provisions were R$159,662 in the first quarter of 2023, compared to R$120,265 in the same period of 2022, representing an increase of 32.76%. The variation is justified, mainly, by the constitution of a provision for reduction in the recoverable value of the PCHs that were classified as assets held for sale. More details in note 32.

Expected credit losses (PCE)

Reduction of 81.61% in the expected credit loss, which represented a constitution of R$7,926 in the first quarter of 2023, compared to R$43,092 in the same period of 2022, due, mainly, to the revision of the rules for measuring losses, seeking greater adherence to the behavior of the Company's default and the increase in the settlement of regular debts by customers.

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

A net gain of R$153,041 value of non-consolidated investees was posted by the equity method in the first quarter of 2023, compared to R$184,428 in the same period of 2022.

The result for the first quarter of 2023 is mainly associated with the portion recorded under equity income from the gain on the sale of the equity interest in the investee MESA.

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

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Net financial result

The Company reports net financial expense of R$105,915 in the first quarter of 2023, compared to net financial expenses of R$314,163 in the same period of 2022. This variation is mainly due to the following factors:

- greater exchange devaluation in the first quarter of 2023 compared to the same period of 2022, generating financial revenues from exchange variation on loans in the amounts of R$103,814 and R$842,700 in the periods from January to March 2023 and 2022, respectively;
- the fair value of the financial instrument contracted to hedge the risks connected with the Eurobonds resulted in a negative item of R$12,725 in the first quarter of 2023, compared with a negative item of R$456,647 in the same period of 2022, arising basically from a rise in the yield curve related to expectation of increase in the US$/R$exchange rate;

For a breakdown of financial revenues and expenses see Note 28 of these financial statements.

Income tax and social contribution tax

In the first quarter of 2023, the expense on income tax and the Social Contribution tax totaled R$355,185, on pre-tax profit of R$1,753,391, an effective rate of 20.26%. In the same period of 2022, the Company's expense on income tax and the Social Contribution tax totaled R$491,496, on pre-tax profit of R$1,947,067, an effective rate of 25.24%.

There is a reconciliation of these effective rates with the nominal tax rates in Note 9(d) to the financial statements.

Results by segment

Distribution - Results

Cemig D reports, in the first quarter of 2023, net profit of R$369,531, which compares with net profit of R$375,926 in the same period of 2022. The main variations are presented below:

Net operational revenue

Net operational revenue in the first quarter of 2023 was R$5,376,937, 13.24% higher than in the same period of 2022 (R$4,748,317) due mainly to the following factors:

- Total revenue from supply of electricity in the first quarter of 2023 was R$4,721,748 or 21.22% lower than in the same period of 2022 (R$5,993,356). The main impacts on revenue are due to the reduction in the average price of billed MWh, and also the lower rate of ICMS tax charged on electricity bills in the second half of 2022, with reduction of the tariff. This lower amount of ICMS tax does not affect the Company's net profit, since it is offset by lower payments of ICMS tax;

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- Revenue from charging Free Consumers the Tariff for Use of the Distribution System (Tarifa de Uso do Sistema de Distribuição, or TUSD) on the volume of energy distributed was R$987,508 in the first quarter of 2023, or 13.75% more than in the same period of 2022 (R$868,131);
- The sector charges, and taxes, that are treated as deductions from revenue totaled R$2,132,841 in the first quarter of 2023, or 24.32% less than in the same period of 2022 (R$2,818,174). This reflects the significant reduction in the ICMS tax applied to electricity tariffs, in the second half of 2022, after ICMS tax for all categories of consumer were limited to a maximum of 18%, and ICMS was ruled as not applicable to distribution services, nor to the sector charges linked to transactions in electricity.

Cost of electricity

In the first quarter of 2023 the cost of electricity was R$3,053,275, compared to R$2,867,437 in the same period of 2022, an increase of 6.48%, mainly due to:

- expenses on Distributed Generation 36.41% higher in the first quarter of 2023, at R$618,732, compared to R$453,589 in the same period of 2022. This higher figure reflects the higher number of generation units installed (212,940 in March 2023, compared to 133,282 in March 2022) and the higher volume of energy injected into the grid (1,020,445 MWh in the first quarter of 2023, compared to 630,952 MWh in the same period of 2022);
- expenses on electricity acquired at auctions in the Regulated Market 50.03% higher, at R$951,606 in the first quarter of 2023, compared to R$634,296 in the same period of 2022.

Costs of operation

Costs of operation in the first quarter of 2023 totaled R$1,742,814, 24.33% more than in the same period of 2022 (R$1,401,727), mainly due to these factors:

- construction revenues representing assets related to the infrastructure of the distribution concession totaled R$657,608 in the first quarter of 2023, compared to R$429,503 in the same period of 2022, basically reflecting the higher volume of execution of Cemig D's investment plan than in the previous year;
- increase in outsourced services, being R$401,236 in the first quarter of 2023, compared to R$323,630 in the same period of 2022, due, mainly, to the increase in expenses with maintenance and conservation of electrical installations and equipment.

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

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Transmission - Results

In the first quarter of 2023 the transmission segment produced net profit of R$154,911, 12.18% lower than its profit of R$176,404 in the same period of 2022.

Transmission concession revenue

The following paragraphs comment on the main variations:

- the revenues posted for construction, strengthening and enhancement of infrastructure totaled R$39,403 in the first quarter of 2023, compared to R$68,395 in the same period of 2022, 42.39% lower. This difference reflects expectation for the projects that are in the final phase of execution, resulting in lower amounts of investment in the first quarter of 2023 than in the first quarter of 2022. Also, the new projects are at the initial phase, with disbursements associated with the planning and decision phases, which have lower costs;
- financial remuneration on transmission contract assets was 7.65% lower in the first quarter of 2023, at R$177,254, compared to R$191,945 in the same period of 2022. This increase mainly reflects the lower IPCA inflation index - the indexor used for remuneration of the contract - in 2022, which was 6.25% in the first quarter of 2023, compared to 3.20% in the same period of 2022.

Construction cost

Construction cost in the first quarter of 2023 was R$26,833 - compared to R$50,696 in the same period of 2022, a reduction of 47.07%, in line with the policy in the Company's Strategic Plan, to intensify investment in strengthening and enhancement for upgrading of the asset base, based on consideration of deadlines, costs and expected return. Execution of the investment portfolio in 2022 complied with the planning for projected energizations and revenues. The revenues will be recognized and formalized in the Tariff Review process scheduled for 2023.

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

Generation - Results

Cemig's generation segment produced net profit of R$348,396 in the first quarter of 2023, 25.51% lower than R$467,733 in the same period of 2022. There was a reduction of 89.72% in the financial result, being R$12,517 in the first quarter of 2023, compared to R$121,741 in the same period of 2022. The variation is mainly due to the reduction in financial income with foreign exchange variation.

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

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Trading - Results

In the first quarter of 2023 the Trading segment reported net profit of R$232,592, or 31.87% higher than in the same period of 2022 (R$176,374) - mainly from the higher volume of energy sales contracts and the increase in short term energy sales.

Results of equity holdings, and the holding company

The results of the affiliated companies, the jointly-controlled subsidiaries and the holding company are calculated as a single segment, in accordance with the Company's business strategies. The equity investments and holding segment reported a net income of R$292,775 in the first quarter of 2023, compared to R$259,073 in the same period of 2022. The sale of the direct and indirect ownership interest in the investee MESA generated a gross gain of R$55,391. More detail in Note 32.

The other changes in the results of investees, which justify the better results obtained in the first quarter of 2023, are presented in more detail in Note 15.

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OTHER INFORMATION THAT THE COMPANY BELIEVES TO BE MATERIAL

Corporate Governance

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

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

Board of Directors

Meetings

The Board of Directors met 3 times up to March 31, 2023, to discuss strategic planning, projects, acquisition of new assets, various investments, and other subjects.

Membership, election and period of office

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

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

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

The Board of Directors has eleven sitting members, 11 nominated and elected by the stockholders, and one elected by the employees. One member of the Board of Directors is its Chair, and another is its Deputy Chair. The members of the Board of Directors are elected for concurrent periods of office of 2 (two) years, and may be dismissed at any time, by the General Meeting of Shareholders, Re-election for a maximum of 3 (three) consecutive periods of office is permitted, subject to any requirements and prohibitions in applicable legislation and regulations.

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A list with the names of the members of the Board of Directors, their responsibilities and resumes is on our website at: https://ri.cemig.com.br/en

The Audit Committee

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

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

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

Executive Board

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

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

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

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

The members of the Executive Board, their resumes and responsibilities are on our website: https://ri.cemig.com.br/en

Fiscal Board

Meetings

In the period from January to March 2023, 4 meetings of the Fiscal Board were held.

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Composition, election and term

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

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

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

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

Internal auditing, management of risks and internal controls

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

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

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

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

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

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

Anti-fraud Policy

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

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

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

Ethical Principles and Code of Professional Conduct

The Cemig Code of Conduct

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

The Ethics Committee

The Ethics Committee is responsible, among other attributions, for coordinating action in relation to management (interpretation, publicizing, application and updating) of the Statement of Cemig Code of Conduct, including assessment of and decision on any possible non-compliances.

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The Commission is made up of 8 members including Superintendents and Managers, appointed by the Executive Board. It may be contacted through our Ethics Channel - the anonymous reporting channel on the corporate Intranet, or by email, internal or external letter or by an exclusive phone line - these means of communication are widely publicized internally to all staff. These channels enable both reports of adverse activity and also consultations. Reports may result in opening of proceedings to assess any non-compliances with Cemig's Statement of Cemig Code of Conduct.

SHAREHOLDING POSITION OF HOLDERS OF MORE THAN 5% OF THE VOTING STOCK ON MARCH 31, 2023

	Quantidade de ações em 31/03/2023					
	Common shares	%	Preferred shares	%	Total	%
State of Minas Gerais	375,031,302	50.97	17,085	-	375,048,387	17.04
Other entities of Minas Gerais State	30,021	-	27,129,745	1.85	27,159,766	1.23
FIA Dinâmica Energia S/A	235,488,192	32.00	116,951,354	7.98	352,439,546	16.01
BNDES Participações	82,007,784	11.14	-	-	82,007,784	3.73
BlackRock	-	-	218,212,381	14.89	218,212,381	9.91
Others						
In Brazil	24,817,515	3.37	167,700,610	11.44	192,518,125	8.75
Foreign shareholders	18,472,810	2.52	935,511,889	63.84	953,984,699	43.33
Total	**735,847,624**	**100.00**	**1,465,523,064**	**100.00**	**2,201,370,688**	**100.00**

CONSOLIDATED SHAREHOLDING POSITION OF THE CONTROLLING SHAREHOLDERS AND MANAGERS, AND FREE FLOAT, ON MARCH 31, 2023

	March 31, 2023	
	ON	PN
Controlling shareholder	375,031,302	17,085
Other entities of Minas Gerais State	30,021	27,129,745
Board of Directors	-	109,976
Fiscal Board	-	30,179
Executive Board	14,947	4,419
Shares in Treasury	102	846,062
Free float	360,771,252	1,437,385,598
Total	**735,847,624**	**1,465,523,064**

Investor Relations

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

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

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

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

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Reynaldo Passanezi Filho
Diretor-Presidente

Leonardo George de Magalhães
Chief Finance and Investor Relations Officer

Henrique Motta Pinto
Chief Regulation and Legal

Marney Tadeu Antunes
Chief Distribution Officer

Marco da Camino Ancona Lopez Soligo
Chief Officer Cemigpar

Thadeu Carneiro da Silva
Chief Generation and Transmission Officer

Dimas Costa
Chief Trading Officer

Mário Lúcio Braga
Controller
CRC-MG 47.822

José Guilherme Grigolli Martins
Financial Accounting and Equity Interests Manager
Accountant - CRC-1SP/242.451-O4

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

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

Introduction

We have reviewed the individual and consolidated interim financial information of Companhia Energética de Minas Gerais - CEMIG ("the Company"), included in the Quarterly Information Form (ITR), for the quarter ended March 31, 2023, which comprises the statement of financial position as of March 31, 2023 and the respective statements of income, and other comprehensive income for the three months period then ended, and changes in shareholders' equity and cash flows for the three-month period then ended, and explanatory footnotes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

Emphasis of matter

Risks related to compliance with laws and regulations
As mentioned in notes 15 and 33 to the individual and consolidated interim financial information, there are investigations being conducted by public authorities regarding the Company, its subsidiaries and investees Madeira Energia S.A. and Norte Energia S.A., which involve the investees and their executives and other shareholders of these investees. We are currently unable to foresee future developments or potential impacts of these investigations conducted by public authorities. Our conclusion is not modified in respect of this matter.

Other matters

Statements of Value Added
The quarterly information referred to above include the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2023, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34. These statements were submitted to the same review procedures followed together with the review of the Company's interim financial information, in order to form our conclusion whether they are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the statements of value added were not prepared, in all material respects, in accordance with the criteria set on that Standard and consistently with the individual and consolidated interim financial information taken as a whole.

Belo Horizonte, May 04, 2023

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-MG
Free-translation – Original version issued in Portuguese[1]

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

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