CEMIG Geração e Transmissão S.A.

CONTENTS

REPORT OF MANAGEMENT FOR 2023

Dear Shareholders,

Cemig Geração e Transmissão ('Cemig GT' or 'the Company') submits for your consideration the Report of Management, the Financial Statements, the Opinion of the Audit Board, the report of the Audit Committee and the Report of the Company's external auditors on the business year ended December 31, 2023, together with the statements of the executive officers who have reviewed the financial statements and the related report of the external auditors.

MESSAGE FROM MANAGEMENT

At our annual meeting with investors in March 2023, we highlighted our goals of accelerating the process of transformation of Cemig GT, creating value for shareholders and society. We believe these goals will be achieved only through sustainable management, seeking always to maximize results and with a focus on the client.

Our results in 2023 are evidence of our making the correct decisions in executing our strategy. We report net income of R$2.4 billion for 2023, an increase of 15.25% in relation to 2022, with Ebitda of R$3.4 billion, a significant increase of 13.43%.

We continue to implement the strategy of reducing our foreign exchange exposure, with the repurchase in 2023 of more than US$375 million of our 2017/2018 Eurobond issue, reducing our foreign exchange exposure to US$381 million. Our leverage, as measured by Adjusted net debt/Adjusted Ebitda, was 0.51 at the end of the year, which gives us room for leverage to support the significant program of investments that we have planned for the coming years, while at the same time maintaining appropriate and attractive remuneration for our shareholders.

We have two Solar Photovoltaic Plants (UFVs) – *Boa Esperança* and *Jusante* – approximately 90% completed, and expected to start operation at the end of first half 2024. For estimated investment of R$850 million, these will add 188 MWp to our generation portfolio.

Once again our operational expenses were completely covered by the tariffs in our transmission businesses, with Ebitda in both businesses higher than the required regulatory level. We expect this to be repeated in 2024.

We are the largest trader in the Brazilian electricity sector for the clients of the Free Market, with a history of significant profitability and success in our strategies for managing the balance of power received and placed. But even considering this success story, 2023 was a year which we can especially commemorate. We achieved Adjusted Ebitda of R$3.4 billion on Cemig GT, which was the result of an appropriate strategy in Trading, anticipating market movements, in a context of favorable weather conditions.

We are well positioned to operate in Brazilian electricity trading market in the coming years, even with in spite of a challenging scenario, with prices lower due to a current imbalance in the market, and a significant excess of supply.

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The Cemig, our Parent Company, is recognized by the society for the sustainability of its operations: 100% of the energy comes from renewable sources – this is reflected in its inclusion in the main international and Brazilian sustainability indices, being the only energy company outside Europe included in the *Dow Jones Sustainability World Index,* and indeed it have been in that index for 24 consecutive years.

All the results we have been reporting in recent years make us optimistic for the future, and convince us that we are on the right track: that the strategy we have adopted of focusing on investments in the state of Minas Gerais, in businesses in which we have control of operations, with discipline in allocation of capital and operational efficiency, has proved to be right, with benefits for society and creation of value for our shareholders.

We thank our employees, shareholders and other stakeholders for the sum of their efforts to ensure that Cemig continues to play a protagonist role in the Brazilian power industry.

ABOUT CEMIG GERAÇÃO E TRANSMISSÃO

Cemig GT began its activities in January 2005, as a result of the spin-off of the activities of Companhia Energética de Minas Gerais ("Cemig"). Since Cemig GT was created it has always shown its vocation for energy generation through hydroelectric plants. Building very large projects, and overcoming immense challenges, it became a landmark in the history of major power plants by reason of its engineering and the scale of the power plants that it built.

Our mission, vision and values

MISSION

To provide the public with integrated solutions for clean and accessible energy in a way that is innovative, sustainable and competitive.

VISION

To be among the three best integrated energy groups in Brazil in terms of governance, financial health, performance of assets and satisfaction of clients.

VALUES

Respect for life; integrity; generation of value; sustainability and social responsibility; commitment and innovation.

Ethical Principles and Code of Conduct

The Cemig Code of Conduct

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

Board of Directors, members of committees under the bylaws, employees, interns and outsourced parties who have any established relationship with the Company's stakeholders.

The Ethics Committee

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

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

OUR BUSINESS

Area of operation

The Company operates in several regions of Brazil, with the greatest concentration in the Southeast.

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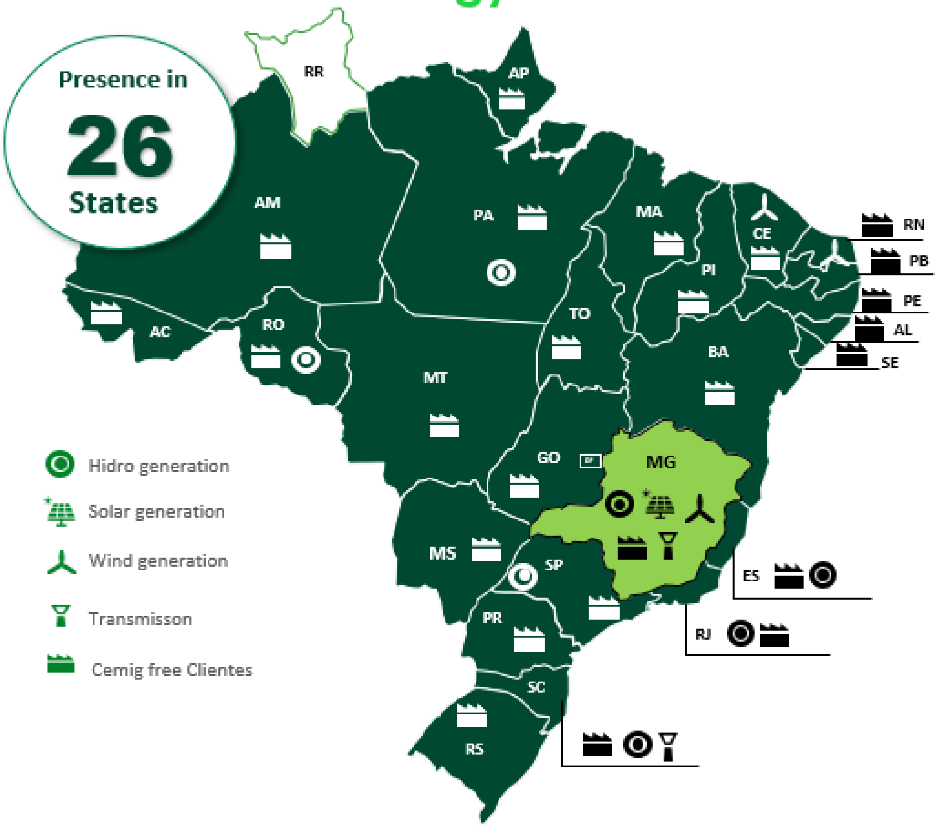
Renewable Energy Sources
100% of energy matrix

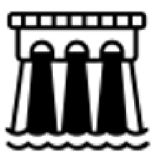


Generation

Underlining our commitment to being a sustainable company, all of our generation facilities are entirely sourced from clean and renewable energy – hydroelectric, wind and solar.

<u>**Composition of the energy matrix**</u>

96.54%

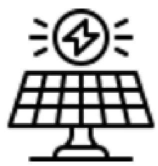


Hydroelectric

3.38%

Wind

0.08%



Solar

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Installed capacity

Including its subsidiaries and jointly controlled entities, on December 31, 2023, Cemig had 68 plants in operation (57 hydroeletric, 9 wind and 2 solar), with installed capacity of 5,189.96 MW, as follows:

Generating plant	Installed capacity (MW) (1)
Theodomiro Carneiro Santiago	1,192
Nova Ponte	510
Irapé	399
Três Marias	396
Salto Grande	102
Queimado	86.6
Rosal	55
Sá Carvalho	78
Itutinga	52
Camargos	46
Belo Monte	1,313
Aimorés	148.5
Amador Aguiar I	94.3
Amador Aguiar II	82.6
Funil	81
Igarapava	49.7
Eólicas	175.5
Outras	328.8
Total	**5,190**

(1) It is presented considering Cemig's share in the project.

Transmission

The Company operates and maintains 40 substations and 5,060 km of transmission lines, operating at 230kV, 345kV and 500 kV, as part of Brazil's National Grid system. It also has assets that it operates and maintains as an access point, in eleven substations of other transmission agents.

In 2023, Cemig GT has transmission assets in 10 other companies, with whom it has operation and maintenance contracts, in 14 substations (of which tow are not substations of Cemig GT), and 95 km of transmission lines.

Trading

Cemig (the Parent Company) is a leader in serving the free market in Brazil, having expanded its area of operation to other states, consolidating its position with the addition of new costumers in the states where it already operates, especially Minas Gerais, São Paulo, and Rio Grande do Sul. Currently, Cemig has customers in 25 States and Federal District.

Maintaining the Parent company's corporate strategy of serving the market with the purpose of delivering energy to its customers, in the third quarter of 2021, the process of segregating the trading business began, following its partial transfer from Cemig GT to Cemig.

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Cemig Free Energy

Focusing on new markets, Cemig is innovating with the launch of '*Cemig Free Energy'*, an innovative e-commerce system that offers medium-voltage customers the possibility of making simulations of details and costs of supply, contracting renewable energy and resulting in discounts on the customer's energy bill.

This new platform will revolutionize the sector – it has been planned to make the entire process of electricity consumption simple and rapid, enabling energy to be contracted through a 100% digital system. It will serve customers from all regions of the country who want to migrate to the Free Market – an environment in which Cemig is already a leader and established as a benchmark in the sector.

THE MACROECONOMIC ENVIRONMENT

The year 2023 began with an expectation of low growth and annual inflation above 5% (the Brazilian Central Bank's *Focus Report* indicated growth of around 0.8%, and inflation of around 5.3%). The outlook was that the changes in taxation would affect administered prices, especially fuels, keeping inflation high in spite of the negative effects of an increase in interest rates on economic activity. However, there were benign surprises on both fronts: According to the Central Bank's most recent Focus Report, economic growth was stronger (2.9%), and inflation was lower (4.5%).

One of the factors contributing to the better than expected performance was the normalization of production chains, and the fall in commodity prices, both in turn contributing to deflation both globally and in Brazil.

Domestically, a record harvest – much higher than initially expected – contributed to higher GDP, both directly (with about 1.2 p.p.) and indirectly (through the multiplier effects of the income generated in the sector).

The better agricultural supply also helped reduce prices domestically, especially of food. In 2023, the IPCA index posted deflation, of 0.58%, in the Foods and Beverages price group. In spite of the re-imposition of taxes on fuels, and the high inflation in administered prices (9.12%), inflation in the full year was 4.62%, within the target range (the upper limit was 4.75%).

The process of slowing inflation in the year, with signs of decompression in core prices, enabled the Monetary Policy Committee to start cutting the Selic rate – which was 13.75% at the start of the year, and closed the year at 11.75%.

There was another significant factor at the end of the year: promulgation of a tax reform. Its main components are: implementation of a broad and non-cumulative system for the taxation base; standardization of the legislation; simplification of the system, providing some reduction in distortions of allocation, and increasing the productivity of the country's economy. In the wake of the reforms approved in 2023, S&P upgraded its risk classification for Brazilian debt, which helped to consolidate the movement of appreciation of the exchange rate in the final days of the year.

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REGULATORY ENVIRONMENT

Generation

In 2023, Brazil's hydrological situation was close to the historical average, with Affluent Natural Energy (ANE) measured as 102% of the long-term average (MLT) in the Brazilian National Grid as a whole. Within this overall figure, the great highlight was a very high ANE in the Southern Region (171% of the long-term average), due to formation of the *El Niño* phenomenon; while conversely, the effect of *El Niño* in Brazil's Northeast Region was negative, with ANE measured as 63% of the long-term average.

In this scenario, and with the need for measures to preserve and maintain levels of storage, the Electricity Sector Monitoring Committee (CMSE) worked with the National System Operator (ONS) to coordinate operation of the system with the thermal generation plants at their minimum operating levels throughout the year. As a result, the level of storage in the system was close to historic maximum levels for most of the year, reaching 88% at the end of April, and 60% of overall capacity at the end of December.

With good hydrology, high storage and large structural oversupply, the spot price (PLD) for the Southeast and Center-West in 2023 averaged R$72.17/MWh in 2023, compared to R$58.99/MWh in 2022. For 8 months of the year the PLD remained at its floor value (R$69.04/MWh), but had a peak at R$84.40 in November, due to the need for dispatching of thermoelectric plants to meet high single peaks of demand during heatwaves. The better hydrological situation in 2023 led to the average of the Generation Scaling Factor (GSF) being higher in 2023, at 0.90, compared to 0.86 in 2022.

Review of physical guarantee levels

Ministerial Order 709/GM/MME of November 30, 2022 revised the physical guarantee levels of the hydroelectric plants that are subject to centralized dispatch in the National Grid, as from January 1, 2023.

These included 10 Cemig plants. The changes did not have a material effect, as shown below:

Plant	Entitie	Previous physical guarantee (MW $_{average}$) (1)	Revised physical guarantee (MW $_{average}$) (1)	Change, %
Theodomiro Carneiro Santiago	Cemig Geração e Transmissão	499.70	474.80	(4.98)
Nova Ponte	Cemig Geração e Transmissão	270.10	256.60	(5.00)
Três Marias	Cemig Geração e Transmissão	239.00	227.10	(4.98)
Irapé	Cemig Geração e Transmissão	207.90	197.90	(4.81)
Salto Grande	Cemig Geração e Transmissão	75.00	73.80	(1.60)
Queimado (Consortium)	Cemig Geração e Transmissão	67.90	64.60	(4.86)
Sá Carvalho	Sá Carvalho	56.10	54.40	(3.03)
Rosal	Rosal Energia	29.10	27.70	(4.81)
Itutinga	Cemig Geração Itutinga	28.00	26.60	(5.00)
Camargos	Cemig Geração Camargos	21.00	21.60	2.86
Total		**1,493.80**	**1,425.10**	**(4.60)**

(1) These figures are for 100% of each plant, not taking into account the Company's equity interest, where applicable.

Transmission

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The Company's revenue from transmission comprises the sum of the revenues of all its transmission assets. Thus, the concession contracts set values for initial Annual Permitted Revenues (RAP) for these assets, as the basic revenue financing the concession holder's operation.

This being a regulated market, Cemig GT's revenue from its transmission assets is set by Aneel, and updated, in three ways: by (i) the Periodic Tariff Review, any (ii) Extraordinary Tariff Review, and the (iii) Annual Tariff Adjustment. Brazil adopts the revenue-cap model for regulation of transmission – setting a ceiling for the revenue to be earned from transmission during the period. Cemig GT works with the regulator for recognition of its costs in the processes of reviews, price adjustments, and ratification of Annual Permitted Revenues (RAPs) for new assets.

A Periodic Tariff Review of the RAP was scheduled for 2023, but postponed by the regulator to 2024, through Aneel Dispatch 402/2023. Thus in 2023 there was the normal annual adjustment of transmission revenue. This process aims to (i) adjust the approved RAP by the adjustment index specified in each concession contract; (ii) add a component of new RAP for improvements that have started commercial operation in the tariff cycle in question (July of the previous year through June of the year of the adjustment); and (iii) calculate the Adjustment Amount, which is a financial component referring to the adjustments in RAP of the prior cycles.

The result of the Annual Adjustment of the RAP for 2023–2024, of July 1, 2023, was published by Aneel Ratifying Resolution (ReH) 3,216/2023. The adjustment to the RAP of Cemig GT (Concession Contract 006/1997) was 31%. This comprised: the effect of the reprofiling of the Financial Component of the RAP, the Annual Cost of the Assets within the National Grid, updating of the previously ratified revenue by the IPCA inflation index, and recognition of new components added for strengthening or improvement of the grid.

The values of the RAP of Cemig GT - Itajubá (concession contract 079/2000) and of Companhia de Transmissão Centroeste de Minas Gerais - Centroeste (concession contract 004/2005) were adjusted upward by -4.44% for the 2023-2024 cycle (from the previous cycle), reflecting inflation as measured by the IGPM index in the period.

In December 2023, Aneel judged the requests for reconsideration to ReH 3,216/2023, resulting in the publication of Dispatch 4,675/2023, which recognized adjustments in the RAP and in the Adjustment Amounts that had been previously ratified, notably for the revenues of the contract 006/1997. The financial effects of these adjustments will be perceived in 2024-2025, when these RAPs and Adjustment Amounts are received.

RAP for 2023-2024 cycle

Through ReH 3,216/2023, Aneel established the RAPs for the 2023-2024 cycle, in effect from July 1, 2023.

	Readjustment index	RAP 2022-2023 cycle R$MM	RAP 2023-2024 cycle R$MM	Var %
Concession contract - 006/97	IPCA	825.6	1,084.6	31.37%
Concession contract - 079/00	IGPM	45.0	43	-4.44%
Concession contract - 004/05	IGPM	31.5	30.1	-4.44%
		902.1	**1,157.7**	**28.33%**

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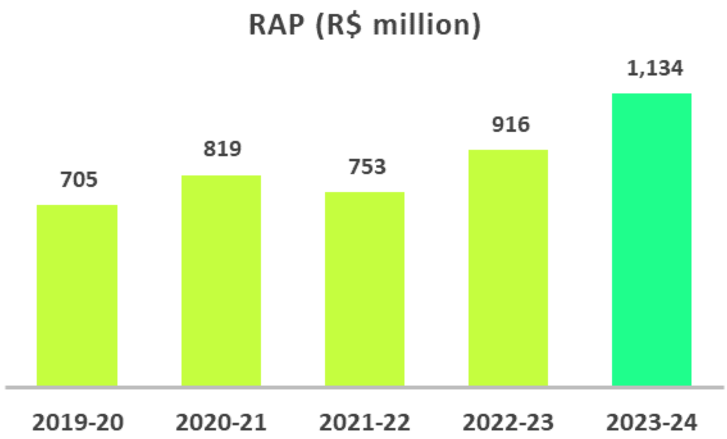
The increase was mainly due to the effect of the re-profiling of the financial component of Cemig GT's existing assets (RBSE) - 006/1997, whose value for the 2023-24 cycle was 120% higher than that of the 2022-23 cycle, in addition to the entry of new works and correction of revenue by the index in the concession contract.

The total, including the effect of the adjustment in the amount of R$24 million, revenue of the transmission companies for the 2023-24 cycle - the aggregate for the contracts of Cemig GT, Itajubá and Centroeste - was R$1,134 million, a total increase of 28.33% over the previous cycle.



In December 2023, Aneel judged the requests for reconsideration of ReH n. 3,216/2023, resulting in the publication of new Annual Permitted Revenues and Adjustment Installments for the 2023-2024 cycle, by means of Order n. 4,675/2023.

According to the aforementioned Order, the RAPs of Cemig GT's transmission assets in operation now amount to R$1,179 million, an increase of R$12 million in relation to that approved by ReH no. 3,216/2023. The main adjustment occurred in the RAP of contract 006/1997, which increased by R$12 million, while contract 006/2011 had a negative adjustment of -R$0.04 million due to Aneel's self-certification regarding the result of the 2021 review. The adjustment installments were also rectified to -R$10.4 million, resulting in a gain of R$14 million compared to that approved by ReH n. 3,216/2023. The main adjustment in this component was the rectification of retroactive revenues associated with new works. The financial effects of the increase in the RAP and adjustment installments will only be seen in 2024, when these revenues are actually received.

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OPERATIONAL PERFORMANCE

Geration

Availability of generation

Availability of generation is measured by the Availability Factor (*Fator de Disponibilidade* – FID), which is a ratio resulting from dividing the actual availability found in the last 60 months by the benchmarks set by Aneel. So, the higher the FID, the better the performance of the asset.

The Company's FIDS have been increasing in recent years, reaching 96.50% in December 2023. This result is a consequence of seeking maximum efficiency in programmed downtimes and the lowest possible incidence of forced downtimes.

Volume of power generated

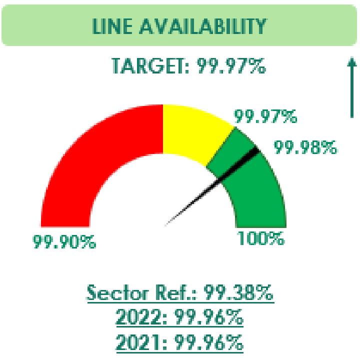
Generation in GWh	Total 2023	Cemig share
Hydro plants centrally dispatched (1)	47,878.80	13,807.06
Hydro plants not centrally dispatched	1,179.87	943.43
Wind plants	821.02	491.42
Solar plants	7.29	7.29
Total	**49,886.98**	**15,249.20**

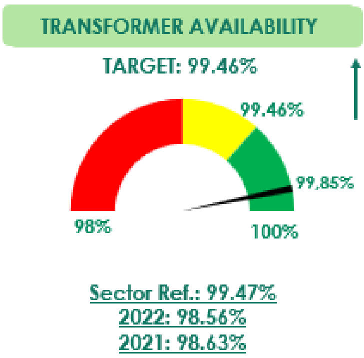
(1) The figures for the *Baguari, Retiro Baixo* and *Santo Antônio* hydroelectric plants are the total volume of energy generated up to the date of sale of Cemig GT's holdings in these plants. There are more details on these sales in Note 14 to the financial statements.

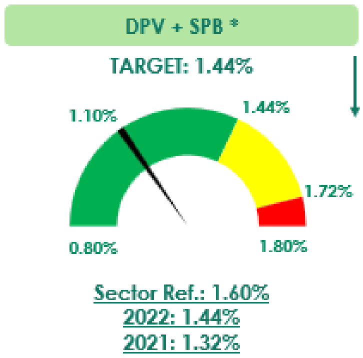
Transmission

Transmission availability rate

Transmission's operational performance indicators are as follows:







(1) Variable Installment Discount, or DPV (in Portuguese);
(2) Suspension of Base Payment, or SPB (in Portuguese).

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CONSOLIDATED FINANCIAL RESULTS

Net income for the year

For 2023, the Company reports an increase of 15.25% in its net income, which was R$2,403 million compared to R$2,085 million in 2022.

The main variations in revenue, costs, expenses and net finance income (expenses) are presented in the sequence of this report.

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

The consolidated Ebitda, measured according to CVM Instruction n. 156/2022, increased in 13.43% in 2023, compared to 2022. The Ebitda margin increased from 36.92% in 2022 to 50.47% for 2023.

The Ebitda, adjusted including the removal of non-recurrent items, increased in 11.45% in 2023, compared to 2022. The Ebitda margin increased from 33.55% in 2022 to 45.07% for 2023.

More details on the specific items of this Comment.

Ebitda 2023 million	Generation	Transmission	Trading	Investee	Total
Net income for the year	1,396	457	352	198	2,403
+ Current and deferred income tax and social contribution tax	324	110	116	34	584
+/- Net financial revenue (expenses)	11	48	(81)	118	96
+ Depreciation and amortization	328	1	-	-	329
= Ebitda according to "CVM Instruction n. 156" (1)	**2,059**	**616**	**387**	**350**	**3,412**
Non-recurring and non-cash effects					
- Gains arising from the sale of investiment	-	-	-	(344)	(344)
- Remeasurement of post-employment liabilities	(11)	(7)	(1)	(2)	(21)
= Ebitda Adjusted (2)	**2,048**	**609**	**386**	**4**	**3,047**

Ebitda 2022 million	Generation	Transmission	Trading	Investee	Total
Net income for the year	890	338	197	660	2,085
+ Current and deferred income tax and social contribution tax	307	169	63	(421)	118
+/- Net financial revenue (expenses)	150	97	(34)	264	477
+ Depreciation and amortization	328	-	-	-	328
= Ebitda according to "CVM Instruction n. 156" (1)	**1,675**	**604**	**226**	**503**	**3,008**
Non-recurring and non-cash effects					
- Gains arising from the sale of non-current asset held for sale	-	-	-	(60)	(60)
+ Adjustment to fair value of financial asset (note 11)	172	-	-	-	172
- Reversal of provision for loss - MESA (note 13)	-	-	-	(162)	(162)
- Reversal of tax provisions - Social security contributions on profit sharing	(29)	(27)	(5)	(6)	(67)
+ Impairment	-	-	-	7	7
+ Tax provisions - Indemnity of employess' future benefit (the 'Anuênio')	14	13	2	3	32
- Put option – SAAG	-	-	-	(35)	(35)
- Result of the agreement between FIP Melbourne and AGPar	-	-	-	(161)	(161)
= Ebitda Adjusted (2)	**1,832**	**590**	**223**	**89**	**2,734**

(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) In accordance with CVM Instruction 156/2022, the Company adjusts Ebitda to exclude items which by their nature do not contribute to information on the potential for gross cash flow generation, since they are extraordinary items.

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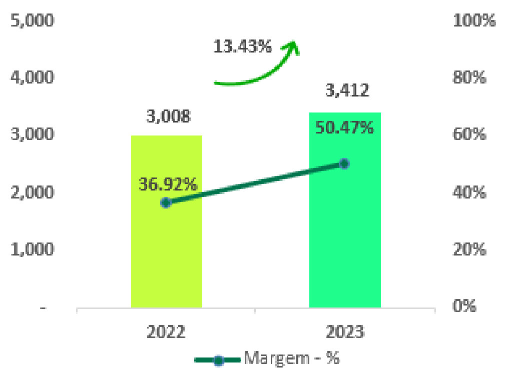
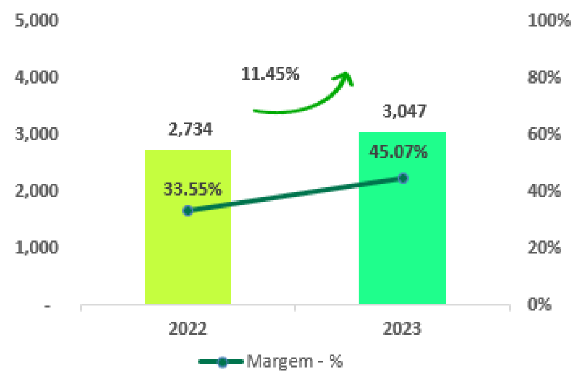
Ebtida (R$ Million)



Ebtida Adjusted (R$ Million)

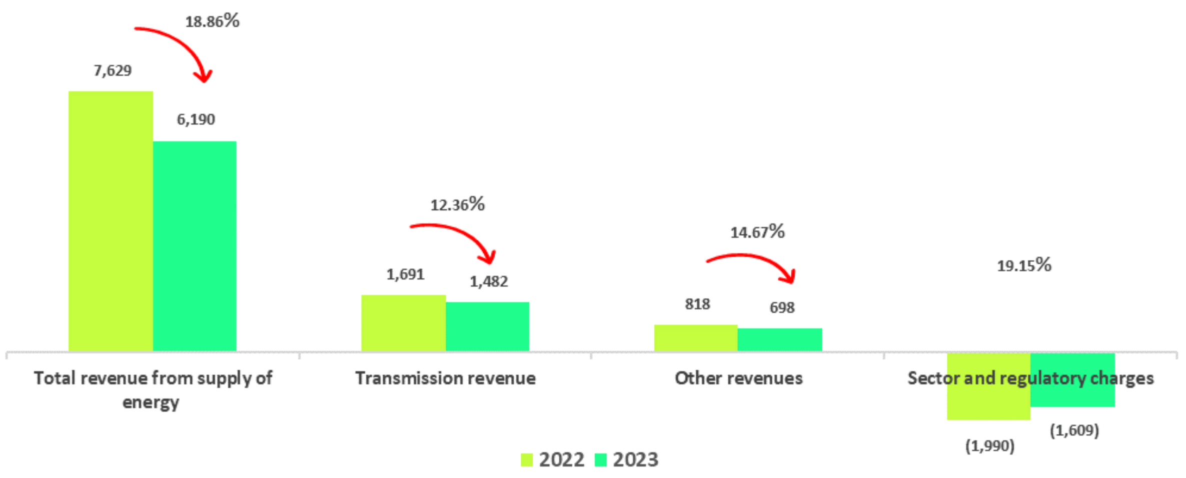


Revenue

The composition of net revenue is as follows:

	Consolidated (R$ million)		Charge (%)
	2023	2022	
Total revenue from supply of energy - with taxes	6.190	7.629	(18,86)%
Transmission revenue			
Transmission operation and maintenance revenue	740	723	2,35%
Transmission construction revenue	227	407	(44,23)%
Interest revenue arising from the financing component in the transmission contract asset	515	561	(8,20)%
Revenue from updating of the concession grant fee	412	467	(11,78)%
Transactions on CCEE	69	186	(62,90)%
Generation indemnity revenue	93	47	97,87%
Other revenues	124	119	4,20%
Sector / regulatory charges - Deductions from revenue	(1.609)	(1.990)	(19,15)%
	6.761	**8.148**	**(17,02)%**

Revenue (R$ Million)



The main variations are described below:

<u>Revenue from supply of energy</u>

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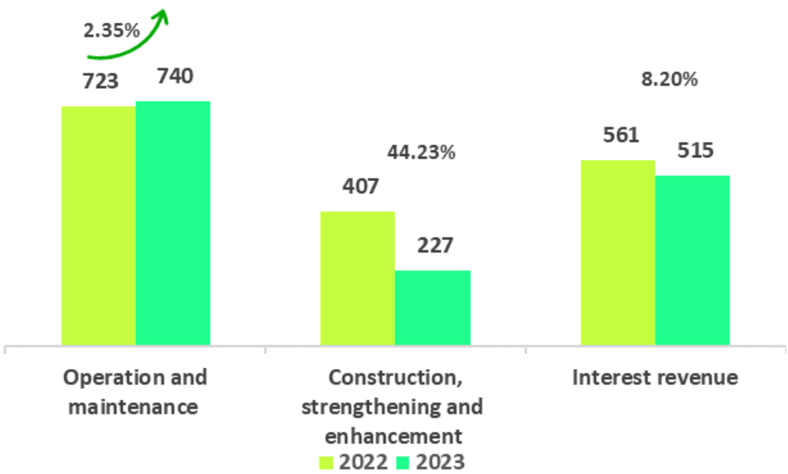
Revenue from supply of electricity was 18.86% lower, at R$6,190 million in 2023, compared to R$7,629 million in 2022. This variation was basically due to the 18.61% reduction in the volume of energy sold, mainly associated with continuing transfers of the Cemig Group's activity in Trading from Cemig GT to the Cemig holding.

	2023			2022		
	MWh³	R$ (million)	Average price/MWh billed - R$/MWh¹	MWh³	R$ (million)	Average price/MWh billed - R$/MWh¹
Industrial	10,198,825	3,063	300,33	14,453,048	4,229	292,60
Commercial	3,865,766	993	256,87	4,127,836	1,051	254,61
Rural	18,723	5	267,05	15,959	5	313,30
Subtotal	**14,083,314**	**4,061**	**288,36**	**18,596,843**	**5,285**	**284,19**
Net unbilled retail supply	-	(57)	-	-	62	-
	14,083,314	**4,004**	**288,36**	**18,596,843**	**5,347**	**284,19**
Wholesale supply to other concession holders (2)	10,311,213	2,149	208,41	11,376,243	2,290	201,30
Wholesale supply unbilled, net	-	37	-	-	(8)	-
	24,394,527	**6,190**	**254,57**	**29,973,086**	**7,629**	**252,73**

(1) The calculation of the average price does not include revenue from supply not yet billed.
(2) This revenue includes sales contracts in the Regulated Market to distribution companies, sales on the Free Market to traders and generation companies, '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.
(3) Information not audited by the independent auditors.

Transmission concession revenue

Transmission concession revenue (R$ Million)



The main variations in revenue are presented below:

- The **revenues posted for construction, strengthening and enhancement** of infrastructure totaled R$227 million in 2023, compared to R$407 million in 2022, 44.23% lower. This difference reflects expectation for the projects that are in the final phase of execution, resulting in lower amounts of investment in 2023 than in 2022. Also, the new projects are at the initial phase, with disbursements associated with the planning and decision phases, which have lower costs.

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Revenues from financial remuneration of transmission contract assets were 8.20% lower, at R$515 million in 2023, compared to R$561 million in 2022. This variation mainly reflects the IPCA inflation index - the indexor used for remuneration of the contract - which was positive of 4.62% in 2023, compared to positive of 5.79% in 2022.

- **Revenues from financial remuneration** of transmission contract assets were 8.20% lower, at R$515 million in 2023, compared to R$561 million in 2022. This variation mainly reflects the IPCA inflation index - the indexor used for remuneration of the contract - which was positive of 4.62% in 2023, compared to positive of 5.79% in 2022.

More details in Note 12.

Liquidation on the Power Trading Exchange (CCEE)

Revenue from liquidations on the Power Exchange (CCEE) in 2023 totaled R$69 million, which compares with R$186 million in 2022 – a reduction of 62.90%. The reduction mainly reflects a lower volume of available excess supply – which is sold on the CCEE – in this period.

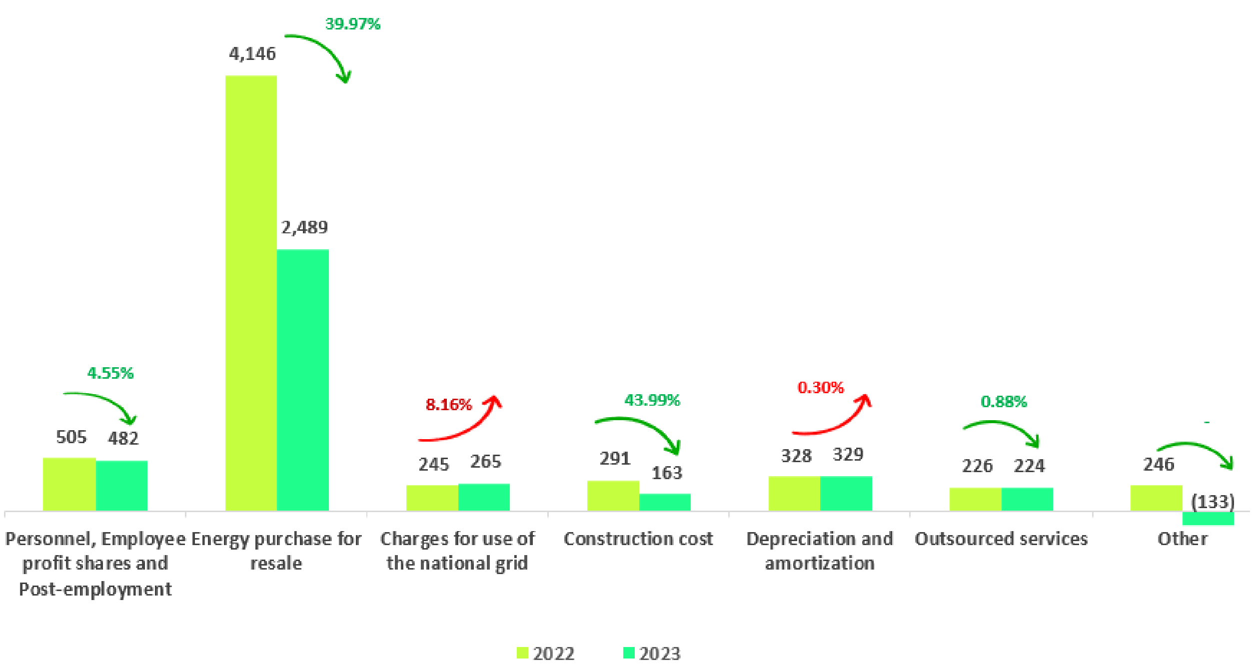
Taxes and regulatory charges reported as deductions from revenue

Taxes and charges applied to operating revenue in 2023 were R$1,609 million, compared to R$1,990 million in 2022, an reduction of 19.15%. This variation is mainly associated with the taxes calculated as a percentage of sales revenue. Hence, their variations are substantially proportional to the changes in revenue.

Costs and expenses

The costs and expenses in 2023 totaled R$3,819 million, compared to R$5,987 million in 2022. The main variations were as fallows:

Costs and expenses (R$ Million)



Energy purchased for resale

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The expense on energy bought for resale in 2023 was R$2,489 million, compared to R$4,146 million in 2022, representing an reduction of 39.97%. This variation is mainy due from the reduction of 41.33% in the costs of the electricity bought in the Free Market, wich was R$2,637 million in 2023, compared to R$4,495 million in the same period of 2022. This is mainly due from the transfer of the Trading activities of the Cemig Group from Cemig GT to the Cemig holding.

Construction cost

The cost of construction in 2023 was R$163 milhões, compared to R$291 million in 2022, or 43.99% lower. The difference reflects the estimate for the projects that are in final phase of execution, resulting in lower amounts invested in 2023 than in 2022. Further, the new projects are at the initial phase, with disbursements associated with the stages of planning and decision, which have lower costs.

Post-employment obligations

The impact of the post-employment obligations of the Company on operational profit in 2023 was an expense of R$115 million, compared to an expense of R$132 million in 2022, an reduction of 12.21%. This variation is mainly due to the voluntary adhesion of active employees to the new health plan, called the Premium Plan, offered by the Company.

Provisions

The provisions made in 2023 are in the following categories: (i) provisions for contingencies; (ii) provisions for client default; and (iii) impairments. The net total of these provisions in 2023 is a expense of provisions of R$111 million, which compares to net new provisions totaling R$580 million in 2022. The following are the factors in the most significant variations:

- The provisions for contingencies in 2023 totaled an expense of R$49 million, compared to a net expense of R$10 million in 2022. This variation is mainly associated with events recorded in the third quarter of 2022:
    - In 3Q22 there was a net reversal in tax provisions, related to social security contributions on payment of profit shares, in the amount of R$67 million, due to the assessment of the chances of loss in this legal action being adjusted from ‘probable’ to ‘possible’;
    - This effect was partially offset by recognition of a tax provision, of R$32 million, for the legal action disputing charging of the Social Security contribution on payments recognizing time of service (‘Anuênios’), due to the assessment of the chances of loss in this legal action being adjusted from ‘possible’ to ‘probable’.

- In 2022, was an reversal of the expected loss of R$53 million in Related parties, due to receipt of payment for assignment of credits against Renova.

- Adjustment to fair value of financial assets

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With conclusion of the Valuation Opinion, the Company made an adjustment of R$171 million, in June 2022, in Fair value of financial assets, for the difference from the amounts initially estimated by the Company. There are more details in Note 12.

Share of (loss) profit of associates and joint ventures, net

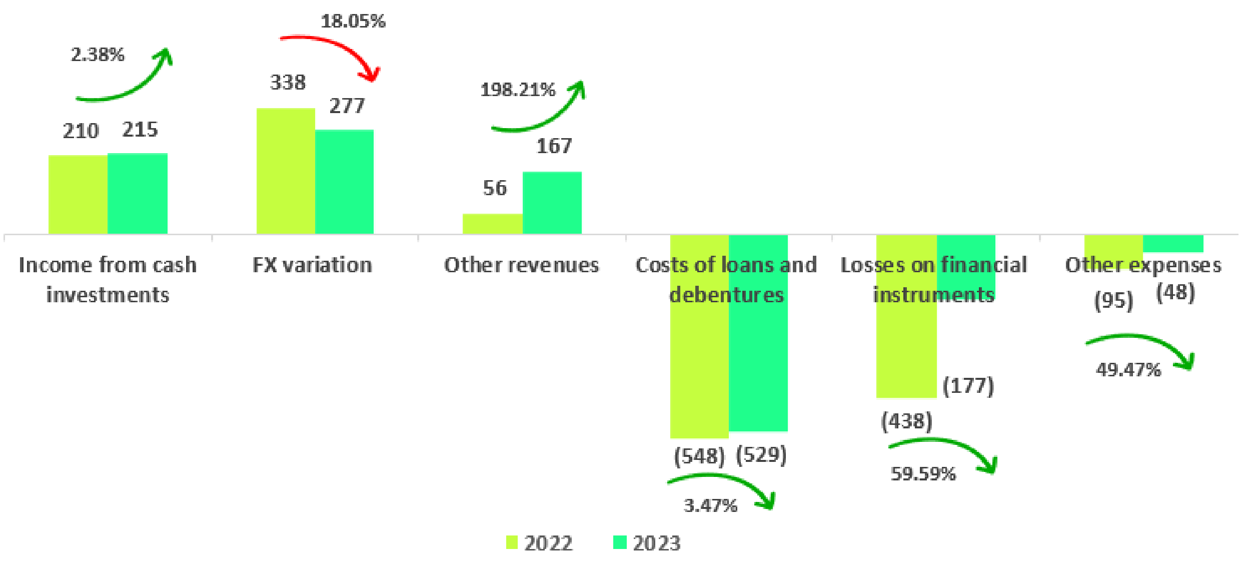
A net gain of R$141 million value of non-consolidated investees was posted by the equity method in 2023, which compares with a net gain of R$519 million in 2022, an reduction of 72.83%. This arises mainly from the following factors:

- On March, 2023 Cemig completed sale of its direct and indirect stockholding interests in the share capital of Mesa to Furnas Centrais Elétricas S.A. (Furnas)**;**
- In the second quarter of 2023 the interests held by the Company in Baguari Energia and Retiro Baixo were classified as non-current assets held for sale. The sales was completed on the last quarter of 2023. More details in note 14.
- Recognition, in 2022, of a receivable in the amount of R$161 million, following the payment made by AGPar to FIP Melbourne under an agreement arising from CCBC Arbitration Judgment 86/2016; and
- Reversal, in 2022, in the amount of R$162 million, of the provision for the Company's contractual obligations to the investee Madeira Energia and other stockholders.

Net Financial Result

The Company reports net financial expense of R$95 million in 2023, compared to net financial expense of R$477 million in 2022.

Financial result (R$ Million)



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Exchange variation

Deppreciation of the dollar against the Real in 2023 of 7.21%, compared to deppreciation, of 6.5%, in 2022 - generating a posting of expenses of R$277 million in 2023 vs. expenses of R$338 million, in 2022.

Financial instrument derivative

The fair value of the financial instrument contracted to hedge the risks connected with the Eurobonds resulted in a negative item of R$177 million in 2023, compared with a negative item of R$438 million in 2022, arising basically from a reduction in the yield curve related to expectation of increase in the US$/R$ exchange rate.

Premium on repurchase

Recognition of the premium on repurchase of debt securities in the amount of R$47 million in the fourth quarter of 2022 as a result of the partial buyback of its Eurobonds - Tender Offer.

For a breakdown of financial income/expenses see Note 27.

Income tax and social contribution tax

For 2023, the expense on income tax and social contribution tax was R$584 million (expense on R$118 million in 2022), on pre-tax gain of R$2,987 million (gain of R$2,203 million in 2022) - an effective rate of 19.56% (5.35% in 2022).

These effective rates are reconciled with the nominal rates in Note 10d.

Liquidity and capital resources

Our business is capital-intensive. Historically, we have a need for capital to finance the expansion and modernization of the existing generation and transmission facilities.

Our liquidity requirements are also affected by our dividend policy. We finance our liquidity and capital needs principally with cash generated by operations and with funds from financing.

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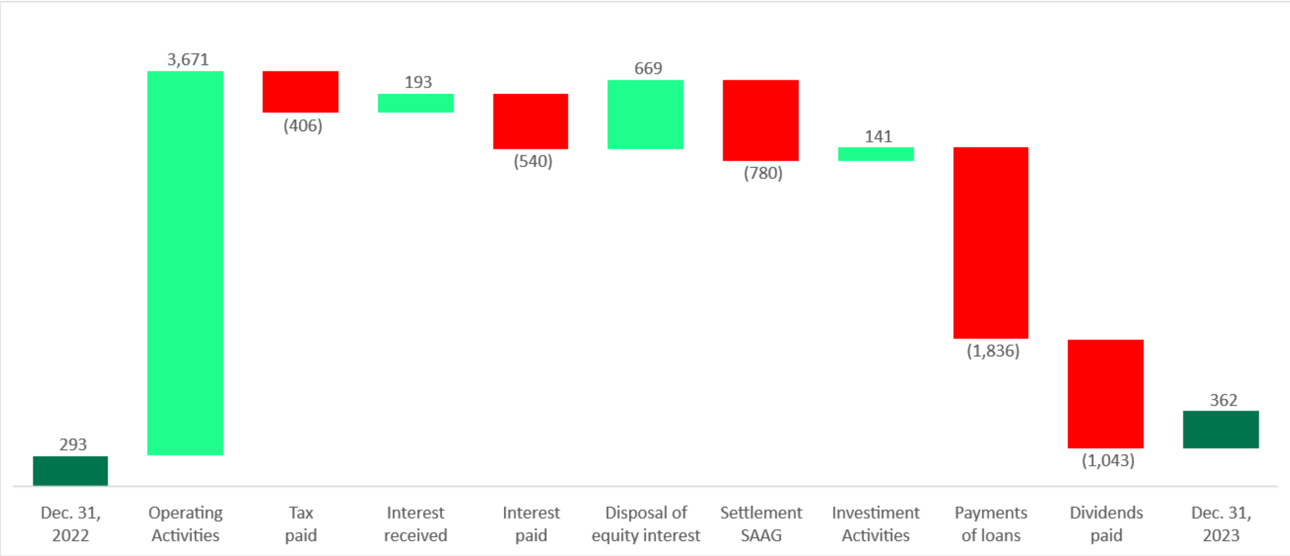
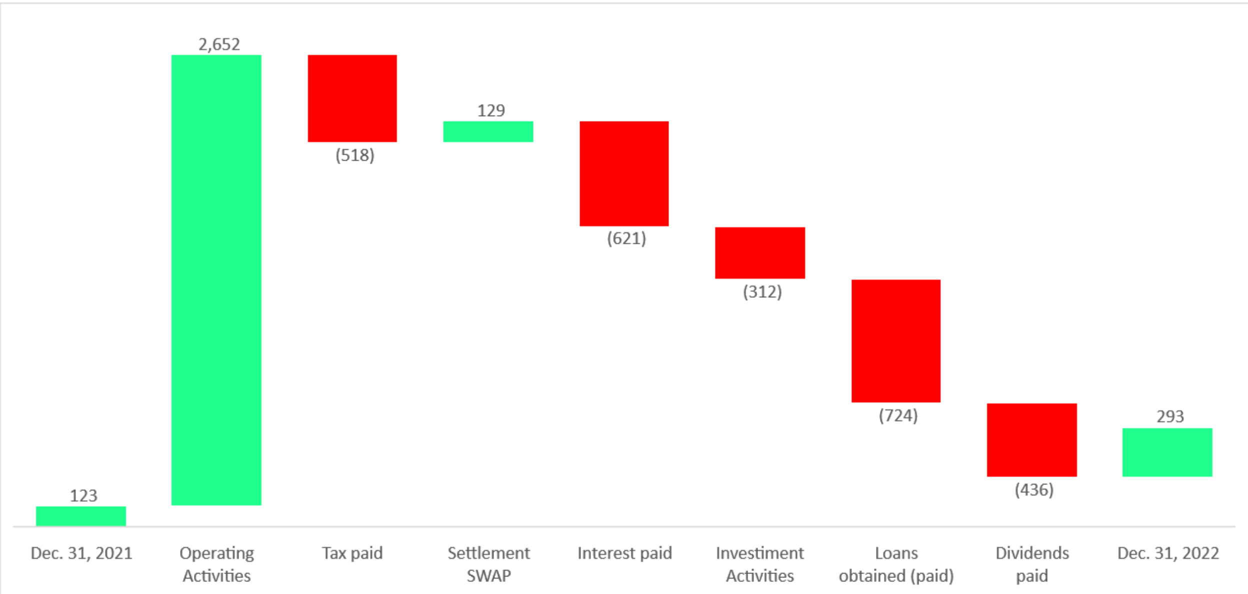
Cash and cash equivalents

Cash and cash equivalents (R$ Million) - 2023



Cash and cash equivalents (R$ Million) - 2022



The statements of cash flows is presented in the Financial Statements.

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FUNDING AND DEBT MANAGEMENT POLICY

The Company carried out important actions of, disposals and reduction of equity interests in, non-strategic assets – of which completion of the sales of the operations of Baguari and Retiro Baixo were highlights – resulted in higher cash inflow and a stronger focus on our strategy of growth in the core business, as well as our successful strategy of repurchase of Eurobonds, which made an important contribution to reduction of gross debt. The increase in the Company's Ebitda, even with the transfer of trading contracts to Cemig (the Parent Company), demonstrates the robustness of its operation and cash generation. This financial equilibrium made it possible to execute a significant volume of investments without negatively affecting the Company's leverage, which in turn contributed to sustainability of its operations and continuity of its program of investments

In December 2023, Cemig GT completed partial early redemption of its Eurobonds (issued with maturity at December 2024), without any premium payment, through exercise of a call option. This reduced both the concentration and the gross total of the Company's debt. As strategy, a hedge was contracted to mitigate the exchange rate variation during the execution of the call, undoing the corresponding original derivatives which covered the total amount of the Eurobonds up to their original maturity date: this resulted in a positive adjustment of R$283 million. US$375 million of the principal was repurchased, with a debtor balance of US$381 remaining.

The international risk rating agencies Standard & Poor's, Fitch Ratings and Moody's maintained their ratings for Cemig GT, reflecting the success in implementing measures that had resulted in an increase in the Company's credit quality – improvement of the liquidity profile, disposal of assets, debt refinancing, increased operational efficiency and increased Ebitda, combined with a prudent liability management strategy, as exemplified by the repurchase of Eurobonds. Note that the ratings of Cemig GT accompany the ratings of their controlling shareholder, Cemig.

This table shows Cemig's current ratings by the three main agencies:

Fitch	*Investment Grade*										*Speculative Grade*											
Brazilian *Global*	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD/D		
December - 2022																						
December - 2023																						

Moodys	*Investment Grade*										*Speculative Grade*											
Global	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C	
December - 2022																						
December - 2023																						
Brazilian	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD/D		
December - 2022																						
December - 2023																						

S&P	*Investment Grade*										*Speculative Grade*											
Brazilian *Global*	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC	C	D
December - 2022																						
December - 2023																						

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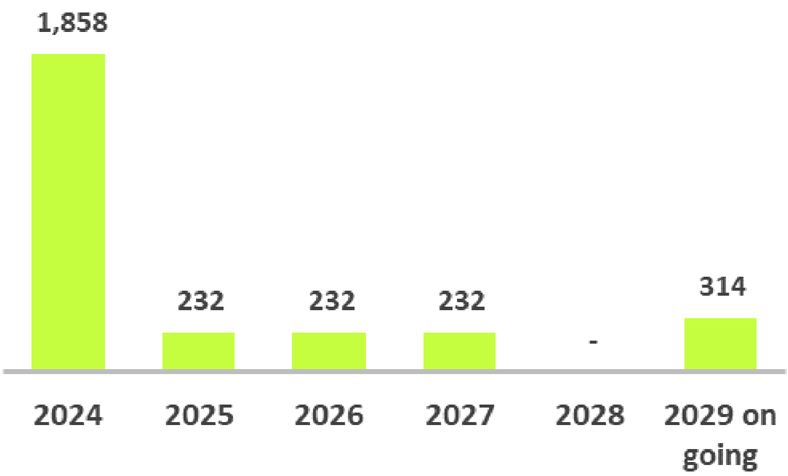
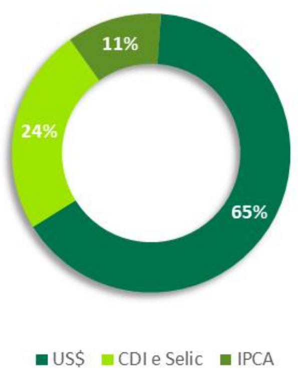
Both the Eurobonds and the debentures have financial restrictive covenants related to (i) indebtedness and (ii) distribution of dividends, all of which the Company continues to comply with.

The Company's debt on December 31, 2023, totaled R$2,868 million (R$4,959 on December 31, 2022), with average tenor of 2.1 years (2.6 years on December 31, 2022). There are more details in Note 20 to the financial statements.

Debt amortization timetable
Position at December 2023 - R$ million



Debt breakdown on December 31, 2023



For the debt adjusted by the IPCA inflation index, the Company has a natural hedge, in that revenues from the distribution activity and most of the transmission and trading contracts are also updated by this same index. For the Eurobonds, issued in US dollars, there is a hedge structure converting the final exposure to 132.35% of the Brazilian CDI rate. The Company's real cost of debt is 12.10% p.a. In nominal terms it is 17.86% p.a.

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PROPOSAL FOR ALLOCATION OF NET INCOME

The Board of Directors decided to propose to the Annual General Meeting to be held on April 2024 that the income for 2023, of R$2,403 milion:

- R$119 million to the legal reserve;
- R$1,347 million for payment of dividends, as follows:
  - R$641 million through interest on equity; and
  - R$706 million mandatory minimum dividends;
- R$32 million to be recorded as Incentives Tax Incentives Reserve, in reference to the tax incentive amounts obtained in relation to the investments made in the region of Sudene;
- R$905 million to be held in Shareholders' Equity in the Retained earnings reserve, to guarantee execution of the Company's Investment Program.

The dividends will be paid in two equal installments, by June 30 and December 30, 2024.

OPERATION INVESTMENTS

Investments in generation

Aliança Geração

Cemig GT holds 45% of the equity in Aliança Geração de Energia S.A ('Aliança Geração'), which has two capital expenditure investment projects in progress:

- The Acauã wind farm complex, comprising 3 wind farms: Central Eólica Acauã I S.A. ('Acauã I'), Central Eólica Acauã II S.A. ('Acauã II'), and Central Eólica Acauã III S.A. ('Acauã III') - in the municipalities of Tenente Laurentino Cruz, Lagoa Nova, Santana do Matos and São Vicente, in the State of Rio Grande do Norte. Building of the Acauã wind farm complex project began in March 2021, and full commercial operation is estimated to start in the first half of 2024. It will have 26 wind tower generators, with capacity of 4.2 MW - total generation capacity of 109.2 MW, and estimated average output of 57.77 MW.

The investments are being financed by the cash position of Aliança Geração itself, debentures and other financial instruments.

Implementation of the Boa Esperança and Jusante photovoltaic solar plants

The implementation of the Solar Photovoltaic Plants (UFVs) – *Boa Esperança* and *Jusante* – is approximately 90% completed, and expected to start operation at the end of first half 2024.

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

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generating plants, each with installed capacity of 10MW, totaling 70MW of installed capacity (approximately 87 MWp).

For estimated investment of R$850 million, the implementation of these plants is in accordance with the Cemig group's strategic planning, strengthening its generation from renewable sources, with profitability compatible with the Company's cost of capital for this type of project.

Investments in transmission

Lot 1 of Auction 02/2022

On April 13, 2023 the Board of Directors approved transfer of funds totaling R$221,519 by the Company into the investee Centroeste in the period between 2023 and 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. Activities related to land and environmental regularization, preparation of the executive project and validation of the basic project by the ONS are currently being carried out. The expected start date for construction is Janyary 2025.

RELATIONSHIP WITH EXTERNAL AUDITORS

The Company's policies in contracting of services of external auditors aim to avoid conflict of interest and loss of objectivity and are based on the principles that preserve the independence of the auditor. To avoid subjectivity in the definition of principles of independence in the services provided by the external auditors, procedures have been established for approval of the contracting of these services, expressly defining: (i) services that have been previously authorized; (ii) services that are subject to prior approval by the Audit Board/Audit Committee; and (iii) services that are prohibited.

Complying with the requirement of the CVM, a turnover system of external auditors is adopted, with a frequency of five years. Since the second quarter of 2022 the auditors responsible for the Company's external auditing has been KPMG Auditores Independentes Ltda. The services provided by the Company's external auditors have been as follows, in thousand of reais:

Service	2023	2022
Auditing of financial statements and other services (1)	2,099	1,774

(1) Tax Compliance Review; Real Estate and Property Control Report (RCP); and the Audit Report on the Regulatory Financial Statements (DCR).

It should be noted that any additional services to be provided by the external auditors, are subject to obligatory prior approval by the Executive Board and Board of Directors, taking account of any conflict of interest, loss of independence or objectivity of the auditors, in accordance with the terms specified in the Sarbanes-Oxley Law and CVM Resolution n. 162/2022.

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SUSTAINABILITY - ESG PERFORMANCE

Cemig's commitment to Ethical and Sustainable Development is at the heart of its activity. The Company has been in the Dow Jones Sustainability World Index (the 'DJSI World') since that index was created, and in the São Paulo B3 stock exchange's ISE Corporate Sustainability Index (Índice de Sustentabilidade Empresarial) for 18 years. Cemig has also been recognized for its leadership in corporate sustainability with its allocation in leadership category A- in Water Security and Climate Change by the Carbon Disclosure Project (CDP).

ESG Indicators

Cemig's environmental, social and governance indicators are published quarterly in the Company's Quarterly ESG Reports, and annually in its Annual and Sustainability Report. For more details on the performance of Cemig in 2022, see Cemig's reports page.

Cemig's commitment to sustainable development takes material form in its commitment to the ESG factors, which are integrated into the Company's daily operations, and put into practice in the following areas:

Environmental performance

Cemig is a signatory to and supports and participates in various Brazilian and international initiatives, aiming to underline and strengthen its commitment and contribution to sustainable development, and to orient the practices of its managers, audit committee, employees, interns, outsourced contractors and subcontractors, business partners, suppliers and service providers.

Among its various voluntary commitments, since 2007 Cemig has participated in the Carbon Disclosure Project (CDP), a non-profit which enables companies, cities and states to publish their environmental impact, so as to generate data and stimulate initiatives that promote the sustainable economy.

In 2023, Cemig GT invested approximately R$17.6 million in the environment. Of this total, R$10 million was appliedin expenses in carrying out environmental activities related, for example, to environmental education programs, forest recomposition, recovery of degraded areas, solid waste and effluent management, monitoring of water quality and fish within the scope of the environmental licensing of the projects. Compared to the previous year, the amounts remained at more than 17.5 million in 2023, considering the continuity of environmental activities and the increase in the amounts used for investments.

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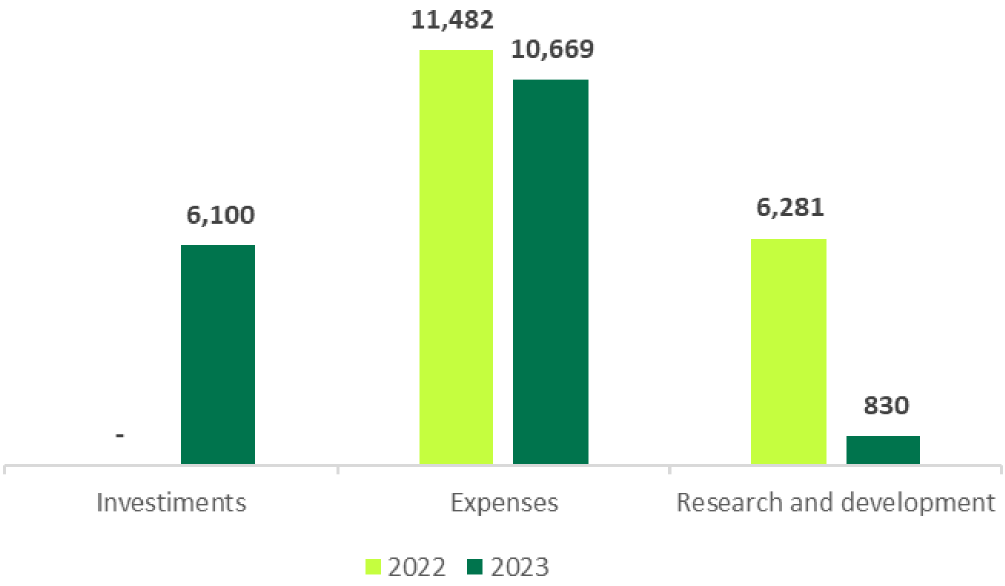

Green hydrogen

Cemig and the Federal University of Itajubá (Unifei) signed two important cooperation agreements in 2023. Cemig signed a memorandum of intent for scientific and technological collaboration between the two institutions; and the transfer of the Luiz Dias Local Hydroelectric Plant (CGH) was formalized. The plant, which was owned by Cemig, was transferred without charge to Unifei, to be used in offsetting of the power that will be used in the laboratory of the Green Hydrogen Center (CH2V), a project carried out by the institution which contributes to development of research on this energy vector. Produced from renewable resources, Green Hydrogen (H2V) is considered by many specialists as promising to become a key factor in the energy transition, with decarbonization and sustainability.

This is another step in fostering scientific and technological production in the Brazilian electricity sector. The agreement provides for collaboration covering: research, development and scientific and technological services; training and development of human resources; absorption and transfer of technologies; technical and scientific enhancement and prototyping and development of systems in hardware and software.

Green Hydrogen Center

Unifei – as part of the Energy Conservation Center of Excellence, also built in partnership with Cemig – has been developing CH2V with the objective of helping industrial companies both in Minas Gerais and throughout Brazil to achieve the energy transition, reducing the carbon footprint of their products and making them increasingly desirable at both Brazilian and international level.

The Green Hydrogen has great importance due to its versatility, in that it can be transformed into either fuel or electricity – and also reduces emissions of carbon dioxide in the atmosphere, since it is extracted from clean and renewable sources.

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Water resources

Water is the principal raw material for production of energy by Cemig - used to turn its turbines. 100% of the water used is returned to the related water course, and water management and conservation are of extreme importance to Cemig, management based on its water resources policy.

The body that decides to dispatch thermoelectric generation plants linked to Brazil's National Grid is the National System Operator (ONS), responsible for the coordination and control of operation of the energy generation and transmission facilities in the National Grid, under the inspection and regulation of the energy regulator, Aneel.

Since 2016, Cemig has had a Water Resources Policy, the principles of which aim for adoption of rational and sustainable practices in use of water resources, conservation of water, preservation of water tables, and a close relationship with stakeholders.

In critical periods of severe drought, (occurred between 2013 and 2019), water crisis (occurred in 2021) and heavy rains (occurred in the 2021/2022 rainy season), monitoring and forecasting of the levels of reservoirs and constant dialogue with public authorities, civil society and users have been of primordial importance in ensuring generation of power, as well as to guarantee the other uses of water resources.

Cemig published daily figures on the levels of several of its reservoirs on its website and on the PROX App, which is available for download to iOS and Android.

The chart below shows the information on water storage levels in Cemig's principal reservoirs in December 2023, compared with the same time in previous years.

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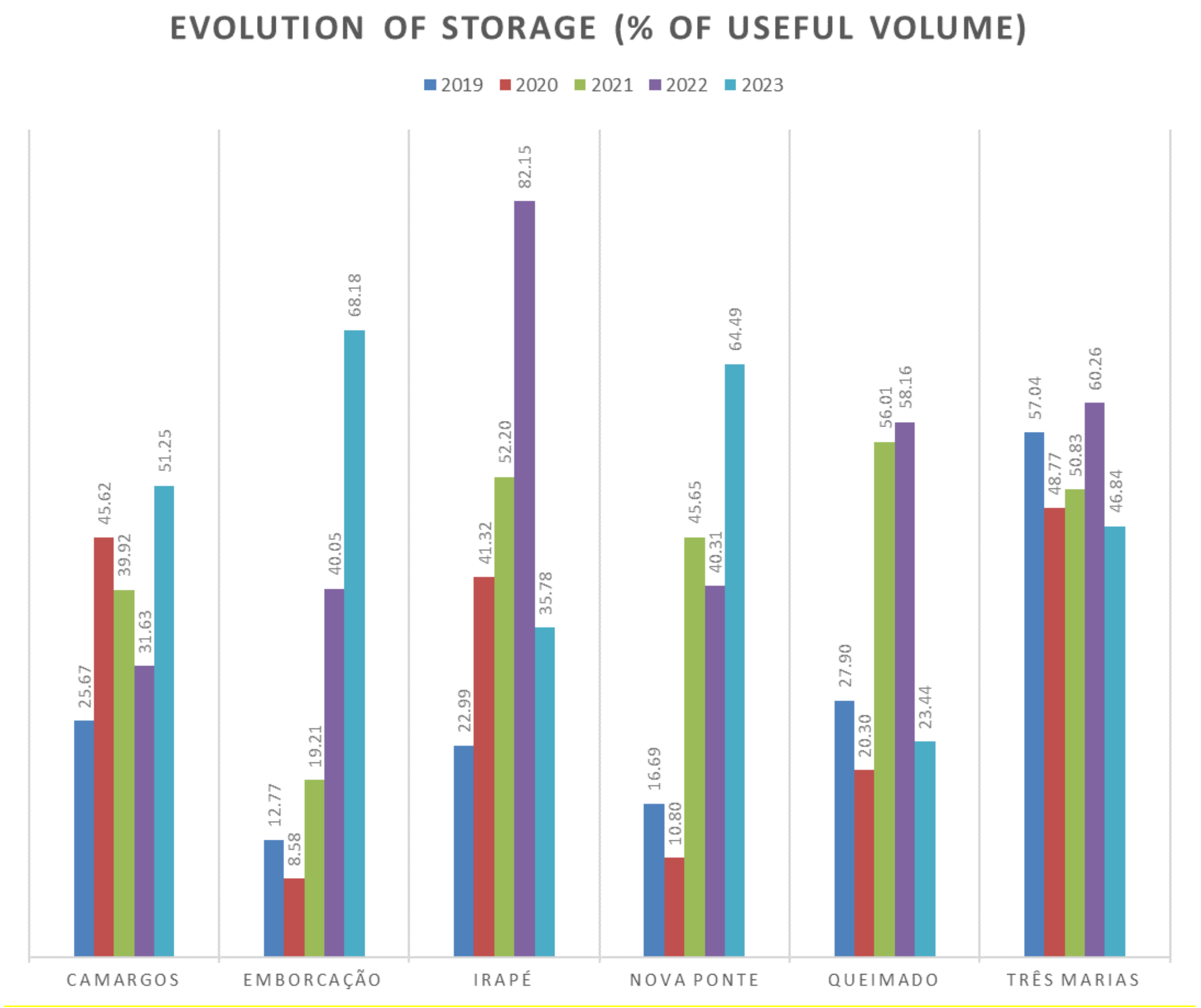

Management of waste

Cemig manages its wastes in compliance with Brazil's National Solid Wastes Policy (Política Nacional de Resíduos Sólidos - PNRS). Its units follow the process of identifying, separating, packing and transporting their wastes to temporary warehousing at the Igarapé Advanced Distribution Center (CDA-IG), after which Cemig's Material and Services Supplies management unit is responsible for final disposal.

In 2023, a total of 709.25 tons of waste and scrap was allocated for disposal, of which 21.88 tons were co-processed, and 2.09 tons were sent for treatment or disposed of in industrial landfills.

Since the quantity of wastes that Cemig GT will generate is not predictable, because this is a consequence of the performance of the Energy System, the Company does not stipulate targets for reduction of wastes. Although state-of-the-art operation and maintenance techniques are used, aiming for the lowest possible generation of waste, even so it is not possible to state the exact moment of de-activation of some equipment or components, since their management

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involves optimized use, and a decision on its useful life takes into account innumerable variables that do not depend on human management.

As contributions to environmental improvement, we highlight the Company's actions in consolidating methods of recycling and reuse of these materials, and environmentally appropriate techniques for final disposal.

Programs for fish populations

Cemig maintains the '*Peixe Vivo'* ('*Fish Alive*') Program, with investments of R$4 million in 2023. Its mission is to minimizing the impact on fish populations, seeking handling solutions and technologies that integrate the generation of energy by Cemig with conservation of native fish species, promoting involvement of the community.

Since its creation, in 2007, the program operates on two fronts:

(i) preservation of fish populations and support for research projects; and
(ii) formation of protection strategies to avoid and prevent fish deaths at Cemig's hydroelectric plants.

In 2023, two research projects were executed, with Company's own funds, and R&D funds. In the year 12 works were published - two theses, four dissertations, one monograph and 5 scientific articles - related to the projects or actions of the Peixe Vivo Program. The research projects coordinated by the Peixe Vivo team in 2023 involved a total of 29 people from teaching and research institutions, and seminars and exhibitions on the subject of fish conservation.

Climate change

To contribute to world efforts to limit global warming, in 2022 Cemig signed adherence to the global Ambition Net Zero movement of the United Nations Global Compact - underlining and strengthens its firm commitment to sustainability and best ESG practices.

The global importance of debate on the effects of climate change continues to receive special attention from Cemig, identifying the risks and opportunities of the businesses, and intensifying the quest for solutions for adaptation and mitigation, avoiding risks and impacts on the Company's business.

Cemig's leadership is engaged and involved in discussions on greenhouse gas emissions, focusing on effective action, as shown by the establishment of voluntary targets for reduction of: (i) emissions; (ii) electricity consumption; and (iii) energy losses.

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Social performance

People management

Cemig believes that its human capital is a fundamental element for fulfillment of its commitment to economic, social and environmental sustainability. With this focus, it adopts best practices in the labor market in its management of people.

Industrial Apprenticeship Program

Cemig was awarded 1st place in the Ser Humano (the name translates as both 'Human Being' and 'To Be Human') Awards, in the category People Management – ESG, by the Minas Gerais chapter (ABRH-MG) of the Brazilian Human Resources Association. This recognized the Company's important contribution to society with its Industrial Apprenticeship Program.

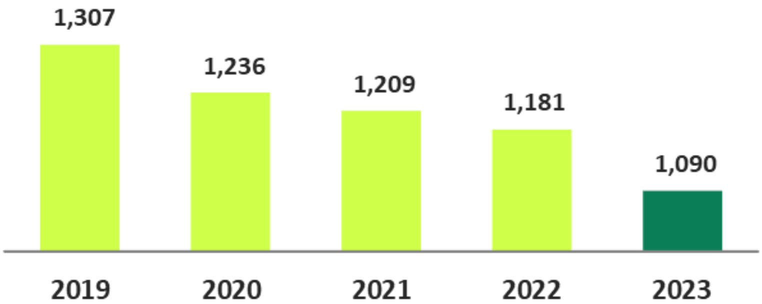
This program has been reshaped with Cemig's recent adoption of its Diversity and Inclusion Policy. In its 2023 cycle, the Aerial Distribution Line Electricians' Course allocated specific openings for direct family members of homeless people living in the streets, and 50% of the places on the course to people of the feminine gender.

Cemig has directed efforts to serving a number of vulnerable groups, including apprentices coming out of the army, direct family members of homeless people, adolescents from shelters, and refugees from Morocco, Venezuela and Colombia. A total of 66 people in vulnerable situations will have the opportunity to participate in the course this semester.

Through its Industrial Apprenticeship Program Cemig reaffirms its commitment to social responsibility, diversity and sustainability – demonstrating our active role in society, transforming lives with our energy.

Number of employees

In view of the reality imposed by the present conditions of regulation in the energy sector, the Company is working towards more efficiency and greater alignment with the sector benchmarks. The Company has shown a reduction of the number of employees in the last 5 years, as shown:



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Cemig hired 18 people in 2023. These hirings were to fill vacancies at the technical, operational, administrative and university levels, replenishing the Company's team principally in essentially technical areas.

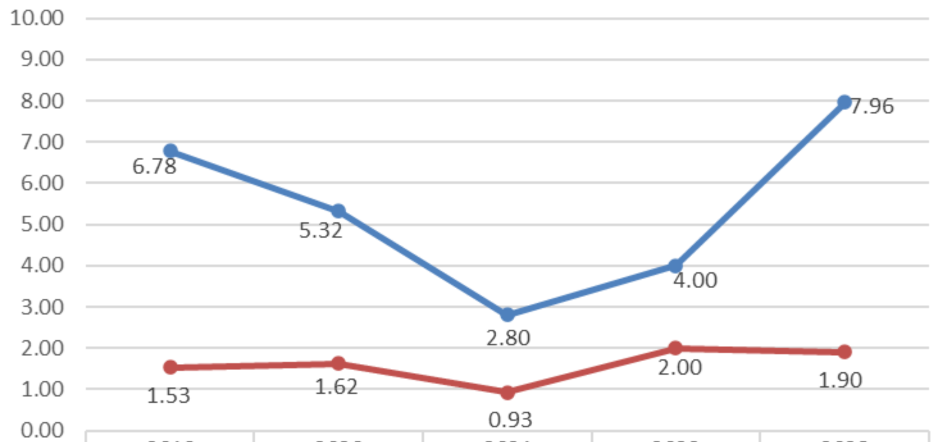
As well as hirings through public competitions, we made professional hirings from the market for management positions for cases where external recruitment was more appropriate - limited to a total of 40% of management positions.

Health, Hygiene and Safety in the workplace

Throughout 2023, Cemig's workforce continued to adopt preventive actions to preserve its teams' workplace health and safety.

Our accident rates, measured as the Basic accident frequency rate (TF) and the Rate of Accidents with Time off Work (TFA), in 2023, we present the best indices of the last 5 years.

FREQUENCY RATE HISTORY



	2019	2020	2021	2022	2023
TF	6.78	5.32	2.80	4.00	7.96
TFA	1.53	1.62	0.93	2.00	1.90

The TFA was lower in 2023, compared to 2022, but higher than in previous years. With regard to TF, there was a substantial increase in 2023. Despite this, it should be noted that the Company is taking every action to reduce this rate in the coming years.

Organization climate and culture

Three years into its project for cultural transformation, Cemig has strengthened the pillars of the culture that it aims to develop and maintain, consolidating important changes in 2023:

- The sense of urgency to serve the client is the focus of actions on the front line, supported by its project of digital transformation, with implementation of new channels for customer

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contact and solutions, and also considerable and timely investments in new substations and energy sources, transmission and distribution lines and improvements of structures.

- Risk management with ethics and compliance is now firmly established as part of the Company's routine – it is measured annually through validation of the learning and knowledge of employees about the rules of conduct, the treatment of allegations made on the whistle-blower channel, and constant review of internal rules and policies, such as the recent elaboration of a Policy to Combat Harassment, and other forms of abuse in the workplace.
- Adoption of the attitude of co-responsibility is stimulated by internal behavior practices and communication channels, and also by the transverse nature of some activities and processes.
- Considerations for decisions on career opportunities and recognition include assumption of high performance protagonist roles, and the quality of valuing people.

One highlight for the continuity of these cultural changes in 2023 is the implementation of the Cemig Diversity and Inclusion Program. This includes: A census; training and learning sessions; mentoring for leadership, literacy and conversation roundtables for teams; plus a great deal of communication and discussion of the strategy to enable these themes to be expanded throughout the organization.

All these investments – in our people, leaders and employees, and in processes, technologies and organizational structure, have helped to transform the Company's reality, expressed in the significant improvement in our results, and our way of being and doing things as a team.

In an environment with so many simultaneous changes, where the necessary time must be given for maturing and stabilization, every two years Cemig carries out its *Company Engagement and Atmosphere Survey*. The next one, monitoring the aspects that demonstrate our identification, connection and engagement, is scheduled for 2024.

Cemig in low-income communities

Cemig continuously provides information and explanations on the safe use of energy, and promotes awareness among the population on the care that needs to be taken in coexisting with electricity networks, avoiding accidents and saving lives.

Cemig invests in communication for the safe use of energy, conducting informative campaigns, providing technical instructions in its relationship channels, and providing teams for checking and guidance in relation to risk situations, giving information about safe use of electricity, among other subjects.

Throughout its concession area, Cemig carries out activities to prevent accidents, providing orientation to the population, directly through the media (radio, newspapers, digital media and TV) and posts on social networks; and indirectly, with various types of educational material published in electronic media and in the form of booklets, folders, posters, and occasional campaigns in communities.

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Every year, Cemig re-issues its Strategic Integrated Communication Plan for Safety of the Population – updating actions and strategies to ensure effectiveness with its stakeholders in relation to the safe use of electricity. The plan's objectives include: Raising awareness of the population; mobilization of the Company's various stakeholders to include agendas on safety in the use of electricity; and employee awareness programs for preventive attitudes inside and outside the Company. The plan also aims to: (i) disseminate mass communication campaigns, providing information of public utility to a wide audience, and (ii) launch targeted communication campaigns, providing information of the interest to specific publics.

In its education function, Cemig has distance-learning training on 'Safety with Electricity' directed to the general population, free of charge, from the age of 10. The course is also available for people with hearing and visual impairments. The training aims to enhance dissemination of information on safety in the use of electricity, to expand public knowledge on the subject.

Corporate citizenship and social investments

Cemig's philanthropic and corporate citizenship strategies are aligned with its mission, vision and values: aiming to foster economic and social development in places where the Company operates, through support to communities, providing lasting transformation and social impact, assisting in individuals' full development.

The following are some of the highlights of 2023:

The AI6% Program: This program encourages employees and retires of Cemig to use a program in which until 6% of their income tax liability is paid to Infancy and Adolescents' Funds (*Fundos da Infância e da Adolescência*, or FIAs).

The 2023 AI6% Campaign involved the participation of 1,427 employees, who voluntarily allocated R$1.3 million to benefit children and teenagers in vulnerable situations, served by 137 institutions. The Company also allocated part of its income tax payable to the same FIA's.

In total, R$2.8 million was donated to entities spread out over the 69 municipalities in the Company's area of influence.

Corporate Volunteer Program: Corporate volunteering is recognized in the business world as an important tool for improving organizational climate, developing skills, and contributing to improvement of society - and a company's image and reputation.

The You Program (Programa Você): encompasses several actions to encourage and support employee involvement in voluntary activities. The Program is structured to maximize the potential of volunteers' ongoing actions - a path that migrates gradually from assistentialism to participative citizenship and social transformation.

This program was created based on 3 pillars: (i) incentives to encourage voluntary work, disseminating the Company's culture and offering the first contact with the theme; (ii) transformative action, focusing on entrepreneurship, education and female empowerment; and (iii) actions that employees can take on the volunteering program, which any of them can join.

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Aiming to implement improvements in the process and meet the needs of all those involved in volunteering, both volunteers and beneficiaries, strategic planning of volunteering was carried out with the help of a company specialized in the subject.

V-Day – Volunteering Day: This event was held at the Daniel Alvarenga Municipal School in Vila Zilah Sposito, in Belo Horizonte. It provided residents of the surrounding area with a series of free benefits such as: eye care, blood pressure measurement, guidelines on oral health, a solidarity bazaar, an environmental education workshop with donation of seedlings, guidance in creating a CV, guidelines on safety in relation to the electricity network, replacement of old lamps with new LED lamps, and information on the benefits of the Social Electricity Tariff.

<u>Dam safety</u>

The process that aims to ensure safety of the dams operated and maintained by Cemig uses, in all its phases, a methodology founded on best Brazilian and international practices and specific laws.

The vulnerability of each dam is calculated automatically, and continuously, and monitored by the specialized inspector dam safety system. There are periodic reviews of dam safety by Cemig's professionals, which can also involve a multidisciplinary team of external consultants. These reviews go carefully into all matters relating to the safety of the dams, which are carefully investigated by highly-qualified specialists.

Cemig was the pioneer in Brazil in preparation of emergency action plans (Planos de Ação de Emergência - PAEs) to be applied in the event of dam ruptures, with a focus also on readiness for ordinary flood situations. The intention is to build a culture of preparedness for communities living along the rivers where Cemig's plants are located - since floods are increasingly frequent events.

Maintaining its policy of building closer relationship with the external public, and in particular populations affected by the PAEs of its dams, in 2023 Cemig continued the scheduled activities in its *Vamos* project, which concentrates on an agenda and methods for integration of the PAEs of its dams into the contingency plans ('Plancons') of the related municipalities.

After the establishment of 17 Integration Committees (CI's) for the PAEs of 18 Cemig dams in 2022, activities continued in 2023.

In the pre-planned timetable for 2023, the following were executed:

- **6 Evacuation Simulations with populations of self-rescue zones (ZA's):** at the Cemig Small Hydro Plants (PCHs) *Coronel Domiciano, Dona Rita* and *Piau*, and at the major hydroelectric plants (UHEs) *Rosal, Sá Carvalho* and *Queimado*.
- **7 ZA diagnostics** were performed: for the *Três Marias, Sá Carvalho,* and *Rosal* UHEs*;* and for the *Dona Rita, Coronel Domiciano, Peti* and *Piau* PCHs.
- **7 Work plans** were delivered: to the *Três Marias, Sá Carvalho,* and *Rosal* UHEs; and the *Dona Rita, Coronel Domiciano, Peti* and *Piau* PCHs.

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- **5 Registrations of ZA populations:** for the *Três Marias, Rosal* and *Sá Carvalho* UHEs; and for the *Peti* and *Coronel Domiciano* PCHs.
- **8 Communication Plans** in preparation, for the HPPs: *Rosal, Sá Carvalho, Queimado* and *Três Marias* and for the SHPs: *Coronel Domiciano, Dona Rita, Piau, Peti*; and
- **6 Evacuation Plans** in progress for the *Três Marias, Sá Carvalho* and *Rosal* HPPs and the *Coronel Domiciano, Dona Rita* and *Piau* SHPs;

Also in 2023, as part of our *Proximidade* (*Proximity*) Program, we participated in meetings with a very wide range of publics and institutions, municipal leaders and users of water, including emergency responders (Municipal Civil Defense, Fire Brigade), on the following subjects: Meteorology, operation of reservoirs, dam safety, reports to the local participating publics on PAEs, and dissemination of Cemig's methods of dealing with water resources and dam safety, listing all the methodologies applied, and Cemig's responsibilities in these themes.

Projects in culture, sport and health

Cemig provides resources in culture, sport, health, education and citizenship, serving the common interests of its millions of clients in the 774 municipalities where it provides electricity in Minas Gerais. In terms of allocation of social investment or sponsorship of projects, the priority for these initiatives is to encourage social projects, contributing to social transformation in multiple municipalities.

Cemig has a policy of sponsorship that aims to evidence the Company's commitment to the reality and demands of the environment and the locations where it works, contributing to development and strengthening of culture, sport, education and social activity, in line with public policies of the communities where it is involved.

Culture

Cemig is the biggest promoter of culture in Minas Gerais and one of the biggest in Brazil. In 2023 Cemig GT invested R$69.8 million in 146 projects. As well as incentivating producers and artists, Cemig's support created direct benefits for the population, which gains access to cultural goods in a secure and democratic way.

This investment in culture contributes to construction of the heritage of Minas Gerais, and positions Cemig as a major sponsor of development of the creative economy, and maintenance of traditional groups and historic facilities. The projects supported also aim to create a presence occupying the urban space, transforming communities, and fostering innovative art.

Health

In 2023 Cemig invested R$44.4 million in various regions of the state, serving 370 hospital units, involving the replacement of autoclaves, dryers and surgical foci, as well as the installation of photovoltaic plants.

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Sport

For the community, sports programs create social recovery and citizenship benefits, especially for children and teenagers, not only by encouraging sports but also by generating opportunities for local young people to become athletes. For the Company, these projects enhance its image as a company committed to the development of healthy habits, and the welfare and development of the communities.

Cemig has published public notices for the selection of social projects that will become part of the set of initiatives encouraged by the Company in Minas Gerais. The public calls are looking for actions that work on sporting practices.

For Cemig, diversity is a value and must also be present in sport. In addition, almost 12% of the funds earmarked for sport went to projects that work exclusively with people with disabilities in various sports and regions of the state.

The Company remains committed to making a difference in people's lives and contributing to building a fairer and more inclusive society.

Fund for the elderly

With people over the age of 60 enjoying longer lifetimes, and consequently becoming a larger proportion of the population, Cemig seeks, through allocation of incentive-bearing funds, to help with projects for protection of and service to the elderly in Minas Gerais state, with widening and improvement of the activities. Cemig also centers efforts on supporting proposals for structuring of Municipal and State Funds for the Elderly in the state, improving the activities destined for them.

One Requests for Concepts from the public was launched in 2023 to select projects to support the elderly, aligned with the organizational guidelines.

Technological management and innovation

Information security is one of Cemig’s permanent concerns, as it increasingly invests in (i) its IT structure, seeking robustness in the governance and management of IT services, (ii) management of information security to meet the requirements of the Sarbanes Oxley Law (to which it is subject due to its shares being traded on the New York Stock Exchange), and (iii) its IT security controls system, which is based on COBIT 5 and verified annually by internal and external audits.

Assurance of the Company’s information security mechanisms is provided by a management system based on Brazilian Standard (ABNT) NBR ISO/IEC 27001: 2013. This standard sets a model for establishing, implementing, operating, monitoring, critically analyzing, maintaining and improving an information Security Management System (ISMS) aligned with best market practices. Cemig’s information security management system includes processes for management and control of policies, risks, communication, classification of information, and information security. The Company’s information security is further strengthened by recurring actions to improve processes, communication, awareness and training.

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The energy industry is undergoing transformational changes, led by the intersection of different factors, such as: (i) growing decentralization of energy generation systems; (ii) advances in energy storage technologies; (iii) proliferation of digital technologies, which enable energy to be produced, transmitted and consumed more intelligently and efficiently; (iv) growth in various sources of renewable energy, such as wind and solar; and (v) the trend to decarbonization the economy using energy from renewable sources, as part of global efforts to mitigate climate change.

With this set of changes in mind, Cemig's ambition in the innovation area is to explore new technologies and new businesses in the energy sector. The strategic pillars for this are:

- Develop new avenues for growth based on transformations in the sector, regulation and technology;
- Get closer to innovation environments in order to create and exploit an innovative culture in the company;
- Create specialized cells for developing new businesses and implementing innovations.

One of the highlights of this strategy is the Cemig Innovation Challenge, launched in August 2021 and closing in January 2023.

The challenge was open to the general public, who were invited to submit proposals for the formatting of new R&D projects, in accordance with Aneel rules. The projects were evaluated under the Innovation guidelines approved in the 2021-2025 strategic planning.

In this context, Cemig sought proposals from individuals and legal entities based in Brazil on the following topics:

- Intelligent products and services: developing solutions to improve the customer experience, make revenue management more efficient and offer new services;
- Electric systems of the future: developing solutions and business models to encourage the electrification of economic activities and electromobility;
- Alternatives in sustainable generation: development of alternative solutions for electricity production from renewable sources to support the growth of the concessionaire's generated park.

Data protection

Cemig assumes responsibility for protection of personal data of the more than 9 million customers who use its services, and respects the privacy of its employees, service providers, suppliers and partners. It also believes that the personal data of its stakeholders must be used responsibly and in accordance with Brazilian legislation, of which the main elements are: (i) Aneel Normative Resolution 414/2010, which regulates supply of electricity, and (ii) the General Data Protection Law (LGPD).

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To guarantee robustness for the existing management system, and to comply fully with the LGPD, Cemig has a specific structure dedicated to meeting all the legal requirements related to the subject.

Artificial Intelligence – EnergyGPT

In partnership with the Center of Excellence in Artificial Intelligence (CEIA) of the Federal University of Goiás (UFG), in 2023 Cemig announced the start of development of EnergyGPT, a pioneer project in the Aneel Research and Development program – marking the Company's entry into the global movement of innovation in the electricity sector.

EnergyGPT will be a generative AI solution designed specifically to meet the complex demands of the Brazilian electricity sector. One of its main goals is to facilitate access to structured information in this market for both companies and citizens.

The proposal is develop an advanced AI platform adapted to the peculiarities of the Brazilian electricity sector. The AI system will seek to optimize processes and provide strategic support in critical areas, including the legal area, and revenue protection.

During its development, EnergyGPT will be tested in various strategic areas, where it is expected that AI will provide valuable insights, increase operational efficiency and help in critical decision making.

The launch of EnergyGPT represents a significant milestone in the application of cutting-edge technologies, aiming to improve efficiency and promote innovation in the electricity sector.

Research, Development and Innovation Program

Cemig's Research, Development and Innovation (RD&I) Program issues public invitations to establish partnerships for development of technologies of interest to Cemig and the sector, for the benefit of the general public. Institutions are invited to submit proposals for research, development and innovation projects that aim to:

i. develop or enhance solutions for challenges facing Cemig or companies in the electricity sector, and consumers of generation, transmission, and distribution services, and/or
ii. industrial and/or commercial operation of the solutions developed.

These invitations seek to identify and develop projects that are: (i) innovative and practical – able to solve real problems of the electricity sector; (ii) strategic – addressing the subjects of major importance to the Company; and (iii) concrete – in that they generate solutions in which implementation is both feasible and also economically and financially viable.

In 2023, Cemig GT invested in R$5.9 RD&I projects in several themes, the following being highlights:

- Development of photovoltaic modules using Perovskite. The aim of this initiative is to formulate and assemble photovoltaic modules by exploiting the potential of the mineral

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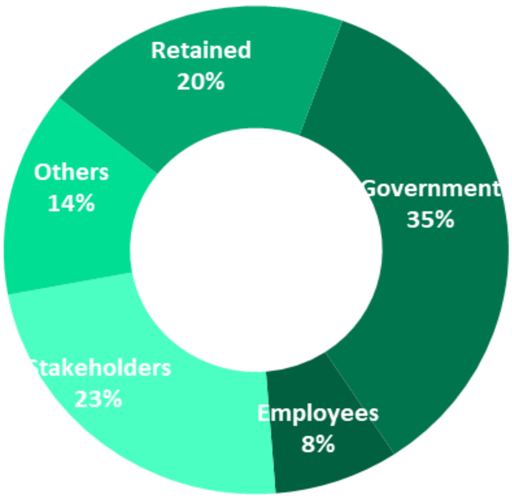
Perovskite, which has some advantages compared to crystalline silicon, the main material currently used in photovoltaic cells; and

- *A Platform for the Collection and Processing of Satellite Data.* Development of a proprietary methodology for using data and images collected from nanosatellites to detect situations, helping the System Operator in making decisions.

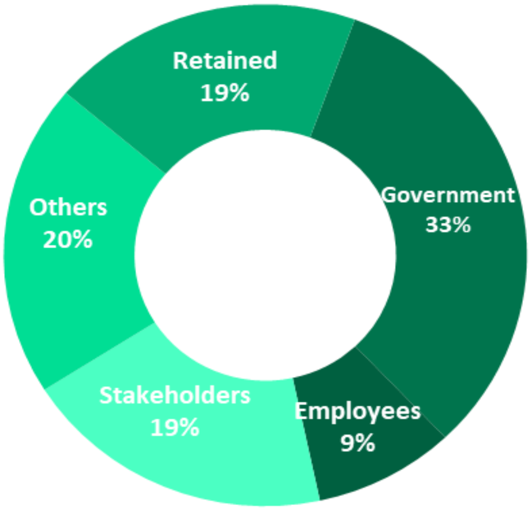
Value added

The Value-Added Statement (*Demonstração do Valor Adicionado*, or DVA) is an indicator of wealth creation and of the Company's importance for society in general: the added value created in 2023 was R$5,569 million, compared to R$5,388 million in 2022.

Value added distribution 2023



Value added distribution 2022



Performance in 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 elected 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 and other stakeholders. Since 2001 Cemig has followed the Level I Corporate Governance Practices of the São Paulo stock exchange (B3).

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Board of Directors

Each year, the members of the Board of Directors are subjected to independent individual and collective performance evaluations, and self-assessments, aiming to improve their functions. These are the minimum requirements:

- submission of a report on acts of management, as to lawfulness and efficacy of management action;
- contribution to the profit for the period; and
- achievement of the objectives specified in the Multi-year Business Plan and compliance with the Long-term Strategy and the Annual Budget.

It is the responsibility of the Audit Committee, independently, to verify compliance in the processes of evaluation of the members of the Board of Directors.

Membership, election and period of office

The Board of Directors has eleven sitting members, ten 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.

Of the eleven members of the Board of Directors, ten have the characteristics of an Independent Member, under the criteria adopted by the Dow Jones Sustainability Index (DJSI), and nine have these characteristics according to the criteria of the Code of Best Corporate Governance Practices of the Brazilian Corporate Governance Institute (IBGC), as attested in the Board's Statement of Independence.

The current term of office of the Board of Directors began at the Annual General Meeting (AGM) held on April 29, 2022, through the multiple voting mechanism. The term of office of the current members expires at the AGM 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.

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

Meetings

The Board of Directors held 22 meetings in 2023, dealing with matters including strategic planning, projects, acquisition of new assets, and investments.

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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: http://ri.cemig.com.br.

Meetings

The Audit Committe held 29 meetings in 2023.

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 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 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: http://ri.cemig.com.br.

Meetings

The Executive Board held 64 meetings in 2023.

Audit Board

Membership, election and period of office

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

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Nominations to the Audit Board must obey the following:

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

The members of the Audit Board and their curriculim are on Cemig's website: http://ri.cemig.com.br.

Meetings

The Audit Board held 14 meetings in 2023.

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 2023, after consideration by the Audit Committee, Cemig's updated Corporate Top Risks for 2023-24.

These risks, associated with execution of strategy and scenarios of the Company's exposure, are under the responsibility of the members of the Executive Board, and are monitored and reported periodically to Senior Management. The Matrix includes risks from the Distribution, Generation, Transmission, Commercialization, Innovation, Information Technology, People and Corporate Services, ESG (Environmental, Social and Governance), Financial, Shareholdings and Divestment, Institutional Regulatory and Control and Integrity pillars.

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.

In relation to responses to significant risks and any in which the tolerance limits may have been exceeded, the Company's Internal Controls area operates an annual process of review and tests of the design of the internal controls as a whole, as laid out in the Internal Controls Matrix, to keep them compliant and updated. The Internal Controls environment has been developed and matured in recent years, as a result of efforts and investments to bring forward the evaluation calendar, automate processes, and hire and train market professionals. This has resulted in several improvements. One highlight is the removal of the Material Weakness reported in the Financial Statements for 2023 (base year 2022), which had been present from 2016 to 2021. These results now reflect a high degree of effectiveness of the internal control environment, demonstrating confidence in the Company's risk management and its addressing of the risks

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related to the pillars of strategy, with a special focus on the Financial, Controls and Ethics components.

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

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

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

NBR ISO 31000:2018 – Risk management: compliance

Cemig has achieved a significant milestone in obtaining the Declaration of Compliance under NBR ISO 31000:2018 – Risk Management, highlighting its commitment to sound risk management practices. This international standard, focused on risk management, serves as an essential tool for improving decision-making, planning and risk management at all levels of the Company.

NBR ISO 31000:2018 recommends integration of the risk management process with decision-making, global management of the business, and the current organizational context. This means that Cemig will be able to apply the Standard's guidelines not only in projects and operations, but also in corporate strategies, producing a comprehensive approach to identifying, assessing and mitigating risks.

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.

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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.

In 2023, Cemig became a signatory to the **100% Transparency Movement of the UN Global Compact**. This is a movement toward achieving Sustainable Development Goal 16 (SDG16) – combating all forms of corruption, setting goals and actions to engage companies to commit to the topic.

In joining the 100% Transparency movement, Cemig undertakes to advance toward the following goals:

- 100% transparency in interaction with the Public Administration;
- 100% ethical remuneration of senior management;
- 100% ethics training of the high-risk value chain;
- 100% transparency of the Compliance and Governance structure; and
- 100% transparency in operation of whistle blower channels.

The movement sets a deadline of 2030 for full achievement of the goals. Cemig has been advancing in compliance with the requirements, and now intends to deliver results increasingly fast. Cemig's adherence to this initiative is a public expression of its decision to strengthen ethical standards and transparency throughout the value chain.

The Compliance and Anti-fraud Policy

In February 2024, Cemig's Board of Directors approved an updating of the Company's Compliance Policy, inserting provisions dealing with combat of bribery.

Cemig prides itself on its prevention and combat of bribery, fraud, conflicts of interest and any act that may deviate from the required principles of ethical conduct or any provisions of law or internal or external rules.

The Policy establishes guidelines and responsibilities to be adopted in all daily practice of the Company's business, activities and relationships. The objectives are:

i. to create and maintain a culture that encourages ethical conduct, commitment to best compliance practices, and obedience to internal and external compliance and anti-bribery rules;

ii. to prevent, detect and respond to any failings in compliance with laws and rules, or any deviations of conduct; and

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iii. to concentrate on mitigation of risks related to compliance or bribery prioritized by the Company;

iv. to contribute to employees' motivation and productivity, preservation and valuing of the Cemig brand, and minimization of non-compliances, penalties and fines for non-compliance with standards;

v. to ensure compliance with, and continuous improvement of, Cemig's Compliance and Anti-Bribery Program.

FINAL REMARKS - APPRECIATION

Cemig's management is grateful to its majority shareholder, the State of Minas Gerais, for the trust and support constantly shown throughout the year and the same mode of our shareholders. Cemig also thanks the communities served by the Company, interested parts and, its highly qualified group of employees, for their dedication.

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CEMIG Geração e Transmissão S.A.

SOCIAL STATEMENT

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

1 - Basis of calculations	2023 - Parent company			2022 - Parent company		
	Amount (R$ '000)			Amount (R$ '000)		
Net revenue (NR)	5,859,190			6,952,512		
Operational profit (OP)	3,005,993			2,550,291		
Gross payroll (GP)	314,364			313,946		
2) Internal social indicators	**Amount (R$ '000)**	**% of GP**	**% of NR**	**Amount (R$ '000)**	**% of GP**	**% of NR**
Food	22,096	7.03	0.38	20,951	6.67	0.30
Mandatory charges/costs on payroll	79,824	25.39	1.36	74,048	23.59	1.07
Private pension plan	21,862	6.95	0.37	21,714	6.92	0.31
Health	15,719	5.00	0.27	15,611	4.97	0.22
Safety and medicine in the workplace	818	0.26	0.01	3,221	1.03	0.05
Education	64	0.02	0.00	251	0.08	0.00
Training and professional development	1,495	0.48	0.03	14,126	4.50	0.20
Provision of or assistance for day-care centers	694	0.22	0.01	689	0.22	0.01
Profit sharing	37,368	11.89	0.64	33,169	10.57	0.48
Others	2,390	0.76	0.04	3,502	1.12	0.05
Internal social indicators - Total	**182,330**	**58.00**	**3.11**	**187,282**	59.65	**2.69**
3) External social indicators	**Amount (R$ '000)**	**% of OP**	**% of NR**	**Amount (R$ '000)**	**% of OP**	**% of NR**
Education	0	0.00	0.00	0	0.00	0.00
Culture	8,251	0.27	0.14	1,200	0.05	0.02
Health and water infrastructure	1,546	0.05	0.03	0	0.00	0.00
Sport	7,094	0.24	0.12	0	0.00	0.00
Other donations/subsidies / ASIN project	2,677	0.09	0.05	381	0.01	0.01
Total contributions to society	**19,568**	**0.65**	**0.33**	**1,581**	**0.06**	**0.02**
Taxes (excluding obligatory charges on payroll)	1,657,820	55.15	28.29	1,350,656	52.96	19.43
Internal social indicators - Total	**1,677,388**	**55.80**	**28.63**	**1,352,237**	**53.02**	**19.45**
4) Environmental indicators	**Amount (R$ '000)**	**% of OP**	**% of NR**	**Amount (R$ '000)**	**% of OP**	**% of NR**
Related to the company's operations	16,769	0.56	0.29	11,482	0.45	0.17
Total investment in the environment	**16,769**	**0.56**	**0.29**	**11,482**	**0.45**	**0.17**
As to annual targets to minimize toxic waste and consumption during operations, and increase efficacy of use of natural resources, the company:	(x) has no targets ( ) meets 0-50% of targets	( ) meets 51-75% of targets ( ) meets 76-100% of targets		(X) has no targets ( ) meets 0-50% of targets	( ) meets 51-75% of targets ( ) meets 76-100% of targets	
5) Workforce indicators						
Number of employees at end of business year	1,090			1,181		
Hirings during the business year	-			60		
Number of outsourced employees	26			10		
Number of interns hired	33			30		
Employees' levels of education	-			-		
- University and university extension	461			504		
- 2 Secondary	626			673		
- 1 Primary	3			4		
Number of employees over 45 years old	450			464		
Number of women employed	159			181		
% of supervisory positions held by women	17.46%			18.18%		
Number of African-Brazilian employees	52			52		
% of supervisory positions held by African-Brazilians	3.17%			1.52%		
Number of employees with disabilities	31			33		

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6) Corporate citizenship	2023		
Ratio between highest and lowest compensation in the Company	14		
Total number of work accidents, considering own employees:	5		
Who selects the company's social and environmental projects?	( ) senior management	(x) senior management and line managers	( ) all the employees
Who decides the company's work-environment health and safety standards?	( ) senior management and line managers	(x) all employees	( ) All + Accident Prevention Ctee.
In relation to labor union freedom, the right to collective bargaining, and/or internal employee representation, the company:	( ) does not get involved	( ) follows the ILO guidelines	(x) encourages and follows the ILO
The company pension plan covers:	( ) senior management and line managers	( ) senior management and line managers	(x) all employees
The profit-sharing program covers:	( ) senior management and line managers	( ) senior management and line managers	(x) all employees
In selecting suppliers, the company's standards of ethics and social and environmental responsibility:	( ) are not considered	( ) are suggested	(x) are required
In relation to employee participation in volunteer work programs, the company:	( ) don't get involved	( ) supports	(x) organizes and encourages
Total number of customer complaints and criticisms:	Company N.A.	Via Procon N.A.	In the courts 1
Total added value distributable (R$ '000)	In 2022: R$5,388,248		
Distribution of added value (DVA)	35.22% government 23.30% stockholders 7.99% employees	13.64% others 19.85% retained	

7) Other information	2023
Investments in environmental issues	R$17,598,556
Monitoring of reservoir water quality	43 reservoirs and 221 collection stations
Non-reusable wastes and materials	685,28 tons
Revenue from sales of waste	R$3,306,326.29

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CEMIG GERAÇÃO E TRANSMISSÃO IN NUMBERS

Item	2023 Parent company	2022 Parent company
Service		
Number of customers	2,922	3,242
Number of employees	1,090	1,181
Energy sold per employee - MWh	19,560	21,738
Market		
Own generation - GWh	5,300	6,050
Average sale price (excluding ICMS tax), R$/MWh - Industrial	253.70	252.99
Expenses		
Number of plants in operation	23	21
Installed capacity (MW)	2,822	2,303
Financial		
Net operational revenue, R$ mn	5,859	6,953
Operational margin, %	51.30%	36.68%
Ebitda, R$ mn	3,412	3,008
Profit, R$ mn	2,403	2,085
Stockholders' equity - R$ mn	10,047	8,893
Book value per share	3.47	3.07
Return on equity, %	23.92%	23,45%
Debt / Stockholder's equity, %	81.91%	119,70%
Current liquidity ratio	0.77	1.21
General liquidity ratio	1.27	0.89

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COMPOSITION OF BOARD OF DIRECTORS, AUDIT COMMITTEE AND EXECUTIVE BOARD

THE EXECUTIVE BOARD	
NAME	POSITION
Reynaldo Passanezi Filho	President
Dimas Costa	Vice president of Trading
Leonardo George de Magalhães	Vice president of Finance and Investor Relations
Thadeu Carneiro da Silva	Vice president of Generation and Transmission
Marco da Camino Ancona Lopez Soligo	Vice president of Cemigpar
Marney Tadeu Antunes	Vice president without portfolio
Cristiana Maria Fortini Pinto e Silva	Vice president of Regulation and Legal

BOARD OF DIRECTORS
NAMES
Márcio Luiz Simões Utsch (majority)
Jaime Leôncio Singer (majority)
Marcus Leonardo Silberman (majority)
José Reinaldo Magalhães (majority)
Afonso Henriques Moreira Santos (majority)
Ricardo Menin Gaertner (majority)
Aloísio Macário Ferreira de Souza (majority)
Roger Daniel Versieux (majority)
José João Abdalla Filho (preferencial)

FISCAL BOARD	
SITTING MEMBERS	SUBSTITUTE MEMBERS
Gustavo de Oliveira Barbosa (President) (majority)	Rodrigo Rodrigues Tavares (majority)
Pedro Bruno Barros de Souza (majority)	Luiz Fernando Medeiros Moreira (majority)
Lucas de Vasconcelos Gonzalez (majority)	Fernando Passalio de Avelar (majority)
Michele da Silva Gonsales Torres (preferencial acts)	Ronaldo Dias (preferencial acts)
João Vicente Silva Machado (minority)	Ricardo José Martins Gimenez (minority)

THE AUDIT COMMITTEE
NAMES
Pedro Carlos de Mello (Coordinator and Financial Specialist)
Roberto Tommasetti
Roberto Cesar Guindalini
Vacant

INVESTOR RELATIONS

Investor Relations Office
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e-mail: ri@cemig.com.br

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CEMIG
Geração e Transmissão S.A.

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2023 AND 2022

ASSETS
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
CURRENT					
Cash and cash equivalents	6	361,954	292,980	297,060	194,482
Marketable securities	7	575,564	1,352,359	454,710	788,368
Receivables from customers and traders	8	654,596	982,643	540,434	812,592
Concession holders - transmission service	8	135,302	112,706	132,204	110,007
Recoverable taxes	9	44,609	51,896	41,100	28,375
Income tax and social contribution tax recoverable	10a	427,108	774,649	427,019	772,564
Dividends receivables	14	-	140,250	13,805	259,106
Concession financial assets	12	320,444	309,347	227,411	-
Contract assets	13	841,371	720,032	813,593	691,153
Derivative financial instruments	29	368,051	-	368,051	-
Other		115,810	260,733	120,573	255,951
		3,844,809	**4,997,595**	**3,435,960**	**3,912,598**
Assets classified as held for sale	30	57,866	-	45,663	-
TOTAL CURRENT		**3,902,675**	**4,997,595**	**3,481,623**	**3,912,598**
NON-CURRENT					
Long-term assets					
Marketable securities	7	-	5,105	-	2,976
Receivables from customers and traders	8	2,257	63	2,241	47
Deferred income tax and social contribution tax	10c	9,895	-	-	-
Recoverable taxes	9	49,249	47,280	43,578	28,545
Income tax and social contribution tax recoverable	10a	103,044	-	102,572	-
Escrow deposits	11	179,089	174,461	172,644	168,183
Derivative financial instruments	29	-	702,734	-	702,734
Other		63,619	61,895	57,511	69,556
Concession financial assets	12	3,494,644	3,332,528	2,810,563	691,460
Contract assets	13	3,806,678	3,924,195	3,732,625	3,842,796
Investments	14	2,883,337	3,355,051	4,883,417	7,845,778
Property, plant and equipment	15	3,035,656	2,356,699	2,205,940	1,556,915
Intangible	16	859,086	974,169	712,097	660,093
Right of use	17a	75,384	57,219	71,171	55,493
TOTAL NON-CURRENT		**14,561,938**	**14,991,399**	**14,794,359**	**15,624,576**
TOTAL ASSETS		**18,464,613**	**19,988,994**	**18,275,982**	**19,537,174**

The Explanatory Notes are an integral part of the Financial Statements.

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STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2023 AND 2022

LIABILITIES
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
CURRENT					
Loans and debentures	20	1,858,013	33,707	1,858,013	33,707
Suppliers	18	474,756	503,110	441,735	448,621
Income tax and social contribution tax	10b	19,513	109,881	-	-
Taxes payable	19	170,796	176,252	154,448	131,435
Regulatory charges	21	113,258	116,248	105,008	104,357
Post-employment obligations	22	71,026	84,377	71,026	84,377
Interest on equity, and dividends, payable	24	1,565,563	1,406,958	1,565,563	1,406,958
Payroll and related charges		58,466	68,283	57,489	67,301
Derivative financial instruments	29	-	90,526	-	90,526
Financial instruments - Option SAAG	29	-	672,416	-	672,416
Lease liabilities	17b	15,765	9,893	15,003	9,592
Other		204,176	179,448	200,371	177,552
TOTAL CURRENT		**4,551,332**	**3,451,099**	**4,468,656**	**3,226,842**
NON-CURRENT					
Loans and debentures	20	1,010,080	4,925,359	1,010,080	4,925,359
Deferred income tax and social contribution tax	10c	869,579	646,368	833,645	557,634
Taxes payable	19	351,528	361,301	340,213	348,573
Regulatory charges	21	4,564	5,299	-	-
Post-employment obligations	22	1,050,844	1,112,069	1,050,844	1,112,069
Provisions	23	423,574	397,040	422,257	396,537
Lease liabilities	17b	67,450	52,474	63,783	50,909
Other		89,016	145,175	39,858	26,441
TOTAL NON-CURRENT		**3,866,635**	**7,645,085**	**3,760,680**	**7,417,522**
TOTAL LIABILITIES		**8,417,967**	**11,096,184**	**8,229,336**	**10,644,364**
SHAREHOLDERS' EQUITY	**24**				
Share capital		5,473,724	5,473,724	5,473,724	5,473,724
Profit reserves		4,733,233	3,628,085	4,733,233	3,628,085
Valuation adjustments		(160,311)	(208,999)	(160,311)	(208,999)
TOTAL SHAREHOLDERS' EQUITY		**10,046,646**	**8,892,810**	**10,046,646**	**8,892,810**
TOTAL LIABILITIES AND EQUITY		**18,464,613**	**19,988,994**	**18,275,982**	**19,537,174**

The Explanatory Notes are an integral part of the Financial Statements.

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STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In thousands of Brazilian Reais - except earnings per share)

	Note	Consolidated		Parent Company	
		2023	2022	2023	2022
NET REVENUE	**25**	**6,760,742**	**8,148,452**	**5,859,190**	**6,952,512**
COSTS	**26**				
Cost of energy		(2,754,139)	(4,391,532)	(2,701,041)	(4,310,839)
Transmission infrastructure construction cost		(163,467)	(290,750)	(154,078)	(290,750)
Operating costs		(848,388)	(835,956)	(671,919)	(648,331)
		(3,765,994)	**(5,518,238)**	**(3,527,038)**	**(5,249,920)**
GROSS PROFIT		**2,994,748**	**2,630,214**	**2,332,152**	**1,702,592**
EXPENSES	**26**				
Expected credit losses		(4,666)	(531)	(5,650)	(1,302)
General and administrative expenses		(146,571)	(124,583)	(146,571)	(124,857)
Other expenses, net		97,855	(343,805)	102,377	(342,314)
		(53,382)	**(468,919)**	**(49,844)**	**(468,473)**
Share of profit (loss), net, of affiliates and jointly controlled entities	14	141,354	519,345	723,685	1,316,172
Income before financial revenue (expenses) and taxes		**3,082,720**	**2,680,640**	**3,005,993**	**2,550,291**
Finance income	27	658,371	604,032	579,361	521,218
Finance expenses	27	(754,208)	(1,081,323)	(747,175)	(1,062,233)
Income before income tax and social contribution tax		**2,986,883**	**2,203,349**	**2,838,179**	**2,009,276**
Current income tax and social contribution tax	10d	(393,533)	(199,284)	(228,760)	(8,521)
Deferred income tax and social contribution tax	10d	(190,684)	81,391	(206,753)	84,701
		(584,217)	**(117,893)**	**(435,513)**	**76,180**
NET INCOME FOR THE YEAR		**2,402,666**	**2,085,456**	**2,402,666**	**2,085,456**
Basic and diluted earnings per share - R$	**24**	**0.83**	**0.72**	**-**	**-**

The Explanatory Notes are an integral part of the Financial Statements.

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STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In thousands of Brazilian Reais)

	Consolidated		Parent Company	
	2023	2022	2023	2022
NET INCOME FOR THE YEAR	**2,402,666**	**2,085,456**	**2,402,666**	**2,085,456**
Items not to be reclassified to profit or loss in subsequent years				
Re-measurement of defined-benefit plan obligations (Note 22)	73,764	143,375	73,764	143,375
Income tax and social contribution tax on remeasurement of defined benefit plans (Note 10c)	(25,080)	(48,747)	(25,080)	(48,747)
	48,684	**94,628**	**48,684**	**94,628**
COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**2,451,350**	**2,180,084**	**2,451,350**	**2,180,084**

The Explanatory Notes are an integral part of the Financial Statements.

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STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In thousands of Brazilian Reais - except where otherwise stated)

	Share capital	Advance for future capital increase	Profit reserve				Ajustes de avaliação patrimonial		Lucros acumulados	Total equity
			Legal reserve	Tax incentive reserves	Retained earnings	Unrealized earnings reserve	PP&E deemed cost	Other comprehensive income		
Balances on December 31, 2021	**4,123,724**	**1,350,000**	**308,328**	**44,727**	**1,888,682**	**222,935**	**387,832**	**(570,774)**	**-**	**7,755,454**
Net income for the year	-	-	-	-	-	-	-	-	2,085,456	2,085,456
Other comprehensive income										
Adjustment of actuarial liabilities - restatement of obligations of the defined benefit plans, net of taxes	-	-	-	-	-	-	-	94,628	-	94,628
Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**94,628**	**2,085,456**	**2,180,084**
Capital increase	1,350,000	(1,350,000)	-	-	-	-	-	-	-	-
Appropriation of Net income for the year										
Tax incentive reserves	-	-	-	10,398	-	-	-	-	(10,398)	-
Realization of PP&E deemed cost	-	-	-	-	-	-	(120,685)	-	120,685	-
Legal reserve	-	-	103,753	-	-	-	-	-	(103,753)	-
Interim dividends (R$0.15 p/share)	-	-	-	-	-	-	-	-	(600,000)	(600,000)
Dividends under the by-laws (R$0.21 per share)	-	-	-	-	-	-	-	-	(442,728)	(442,728)
Additional dividends proposed (R$0.08 per share)	-	-	-	-	222,935	-	-	-	(222,935)	-
Unrealized earnings reserve	-	-	-	-	-	(222,935)	-	-	222,935	-
Retained earnings reserve	-	-	-	-	1,049,262	-	-	-	(1,049,262)	-
Balances on December 31, 2022	**5,473,724**	**-**	**412,081**	**55,125**	**3,160,879**	**-**	**267,147**	**(476,146)**	**-**	**8,892,810**
Net income for the year	-	-	-	-	-	-	-	-	2,402,666	2,402,666
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Adjustment of actuarial liabilities - restatement of obligations of the defined benefit plans, net of taxes	-	-	-	-	-	-	-	48,684	-	48,684
Comprehensive income for the year	-	-	-	-	-	-	-	48,684	2,402,666	2,451,350
Appropriation of Net income for the year										
Tax incentive reserves	-	-	-	31,796	-	-	-	-	(31,796)	-
Realization of PP&E deemed cost	-	-	-	-	-	-	4	-	(4)	-
Legal reserve	-	-	118,544	-	-	-	-	-	(118,544)	-
Interest on Equity (R$0,22 per share)	-	-	-	-	-	-	-	-	(641,205)	(641,205)
Dividends under the by-laws (R$0,23 per share)	-	-	-	-	-	-	-	-	(656,309)	(656,309)
Additional dividends proposed (R$0,02 per share)	-	-	-	-	49,693	-	-	-	(49,693)	-
Retained earnings reserve	-	-	-	-	905,115	-	-	-	(905,115)	-
Balances on December 31, 2023	**5,473,724**	**-**	**530,625**	**86,921**	**4,115,687**	**-**	**267,151**	**(427,462)**	**-**	**10,046,646**

The Explanatory Notes are an integral part of the Financial Statements.

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STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		2023	2022	2023	2022
CASH FLOW FROM OPERATIONS					
Net income for the year		2,402,666	2,085,456	2,402,666	2,085,456
ADJUSTMENTS:					
Depreciation and amortization	26	328,741	328,387	254,750	253,805
Write-down of net residual value of PP&E, intangible assets, concession financial and contract assets		4,635	12,006	3,635	60
Fair value adjustment of financial assets		-	171,770	-	171,770
Adjustment to expectation of cash flow from the concession financial and contract assets	12 and 13	(1,082,860)	(1,191,372)	(800,100)	(702,459)
Share of profit (loss), net, of affiliates and jointly controlled entities	14b	(141,354)	(519,345)	(723,685)	(1,316,172)
Impairment on investments	14b	30,086	7,412	30,086	7,412
Discount and premium on repurchase of debt securities	20	-	46,763	-	46,763
Interest and monetary variation		315,601	346,170	390,415	417,877
Exchange variation on loans and debentures	20	(276,687)	(338,265)	(276,687)	(338,265)
Gains arising from the sale of investment	14 and 26c	(318,795)	(6,644)	(318,795)	(6,644)
Amortization of transaction cost of loans	20	5,845	2,514	5,845	2,514
Deferred income tax and social contribution tax	10c	584,217	117,893	435,513	(76,180)
Provision for contingencies and expected losses	26c	53,656	10,400	53,322	10,924
Variation in fair value of derivative financial instruments	29 and 27	177,326	437,887	177,326	437,887
Variation in fair value of financial instruments - Put option	29	57,801	36,124	57,801	36,124
Post-employment obligations	22	119,289	140,391	119,289	140,391
Other		(11,952)	154,874	(11,259)	157,689
		2,248,215	**1,842,421**	**1,800,122**	**1,328,952**
(Increase) decrease in assets					
Receivables from customers and traders, and power transport concession holders		298,591	(297,971)	282,617	(277,490)
Recoverable taxes		24,371	7,066	(15,945)	(1,385)
Income tax and social contribution tax recoverable		209,524	182,428	237,309	207,876
Escrow deposits		6,551	625	6,563	(2,250)
Dividends received		362,537	257,810	922,708	664,675
Concession financial assets and Contract assets	12 and 13	905,825	618,885	693,658	282,582
Other		(31,009)	(145,990)	(26,756)	(146,180)
		1,776,390	**622,853**	**2,100,154**	**727,828**
Increase (decrease) in liabilities					
Suppliers		(28,354)	119,324	(15,847)	114,242
Taxes		(120,333)	25,015	(89,921)	(2,577)
Payroll and related charges		(9,817)	9,658	(9,812)	9,646
Regulatory charges		(3,725)	7,846	(4,802)	4,305
Post-employment obligations	22	(120,101)	(107,784)	(120,101)	(107,784)
Provision for contingencies	23	(22,456)	(50,872)	(22,339)	(50,857)
Other		(72,342)	42,848	(4,842)	31,068
		(377,128)	**46,035**	**(267,664)**	**(1,957)**
Cash from operations activities		**3,647,477**	**2,511,309**	**3,632,612**	**2,054,823**
Interest received		193,453	141,120	122,812	96,555
Income tax and social contribution tax paid		(406,485)	(517,580)	(245,215)	(304,609)
Interest paid on loans and debentures	20	(539,582)	(621,439)	(539,582)	(621,439)
Cash inflows from settlement of derivatives instruments – debt protection	29	24,388	129,122	24,388	129,122
Interest paid on lease contracts	17	(928)	(597)	(619)	(533)
NET CASH GENERATED OPERATING ACTIVITIES		**2,918,323**	**1,641,935**	**2,994,396**	**1,353,919**

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	Note	Consolidated		Parent Company	
		2023	2022	2023	2022
CASH FLOW IN INVESTMENT ACTIVITIES					
Funding of investments	14b	(541)	(25,213)	(39,367)	(45,213)
Arising from the sale of equity interest, net of costs of sales	30	669,220	6,644	669,220	6,644
Capital reduction in investee	14	10,811	-	199,356	-
In property, plant and equipment	15	(905,099)	(121,657)	(787,333)	(22,192)
In intangible assets	16	(17,525)	(10,147)	(17,118)	(10,044)
Investments in marketable securities		(5,887,553)	(5,774,728)	(4,968,163)	(4,543,580)
Redemptions in marketable securities		6,683,508	5,612,608	5,314,591	4,527,664
Cash from merger	14	-	-	138,723	-
Settlement of the put option - SAAG	29	(780,348)	-	(780,348)	-
FIP Melbourne	14	257,273	-	257,273	-
NET CASH GENERATED (USED) IN INVESTMENT ACTIVITIES		**29,746**	**(312,493)**	**(13,166)**	**(86,721)**
CASH FLOW IN FINANCING ACTIVITIES					
Loans obtained		-	993,868	-	993,868
Interest on equity, and dividends	24	(1,042,728)	(435,717)	(1,042,728)	(435,717)
Payments of loans and debentures	20	(1,823,400)	(1,706,590)	(1,823,400)	(1,706,590)
Lease payments	17	(12,967)	(11,094)	(12,524)	(10,341)
NET CASH (USED) IN FINANCIAL ACTIVITIES		**(2,879,095)**	**(1,159,533)**	**(2,878,652)**	**(1,158,780)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**68,974**	**169,909**	**102,578**	**108,418**
Cash and cash equivalents at start of year	**6**	292,980	123,071	194,482	86,064
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**361,954**	**292,980**	**297,060**	**194,482**

The Explanatory Notes are an integral part of the Financial Statements.

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STATEMENTS OF ADDED VALUE
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		2023	2022	2023	2022
REVENUES					
Sales of energy and services	25	7,123,774	8,656,045	6,360,175	7,746,983
Construction revenue	25	226,880	407,193	216,553	407,193
Interest revenue arising from the financing component in the transmission contract asset	25	515,130	561,044	505,431	538,988
Income related to the construction of own assets		896,139	74,411	896,139	74,411
Expected credit losses (reversals) of accounts receivable	26	(4,666)	(531)	(5,650)	(1,302)
Gains arising from the sale of investment	26	318,795	6,644	318,795	6,644
		9,076,052	**9,704,806**	**8,291,443**	**8,772,917**
INPUTS ACQUIRED FROM THIRD PARTIES					
Energy purchase for resale	25	(2,743,068)	(4,566,647)	(2,737,565)	(4,554,795)
Charges for use of national grid	25	(289,161)	(267,440)	(238,118)	(193,219)
Outsourced services		(441,476)	(304,256)	(359,631)	(238,663)
Materials		(860,898)	(301,901)	(855,345)	(291,102)
Paid concession		(4,340)	(4,072)	(4,330)	(4,062)
Other costs		(159,638)	(204,938)	(151,043)	(198,364)
		(4,498,581)	**(5,649,254)**	**(4,346,032)**	**(5,480,205)**
GROSS VALUE ADDED		**4,577,471**	**4,055,552**	**3,945,411**	**3,292,712**
Depreciation and amortization		(328,741)	(328,387)	(254,750)	(253,805)
NET VALUE ADDED		**4,248,730**	**3,727,165**	**3,690,661**	**3,038,907**
ADDED VALUE RECEIVED BY TRANSFER					
Share of profit (loss), net, of affiliates and jointly controlled entities	14	141,354	519,345	723,685	1,316,172
Finance income	27	674,424	627,853	594,099	543,648
Generation indemnity revenue	25	92,595	47,028	92,595	47,028
Interest revenue arising from the financing component in the transmission contract asset	25	411,722	466,857	139,599	-
		1,320,095	**1,661,083**	**1,549,978**	**1,906,848**
ADDED VALUE TO BE DISTRIBUTED		**5,568,825**	**5,388,248**	**5,240,639**	**4,945,755**
DISTRIBUTION OF ADDED VALUE					
Employees		**445,073**	**469,892**	**430,200**	**443,975**
Direct remuneration		269,791	256,164	255,857	231,141
Post-employment and other Benefits		158,434	176,358	157,702	175,646
FGTS fund		16,848	16,834	16,641	16,652
Programmed voluntary retirement plan		-	20,536	-	20,536
Taxes		**1,961,333**	**1,744,259**	**1,657,820**	**1,350,656**
Federal		1,480,664	1,104,871	1,241,718	783,519
State		475,786	634,136	412,245	562,437
Municipal		4,883	5,252	3,857	4,700
Remuneration of external capital		**759,753**	**1,088,641**	**749,953**	**1,065,668**
Interest		754,208	1,081,323	747,175	1,062,233
Rentals		5,545	7,318	2,778	3,435
Remuneration of own capital		**2,402,666**	**2,085,456**	**2,402,666**	**2,085,456**
Interest on equity	24	641,205	-	641,205	-
Interim dividends	24	-	600,000	-	600,000
Mandatory dividends	24	656,309	442,728	656,309	442,728
Retained earnings	24	1,105,152	1,042,728	1,105,152	1,042,728
		5,568,825	**5,388,248**	**5,240,639**	**4,945,755**

The Explanatory Notes are an integral part of the Financial Statements.

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1. OPERATING CONTEXT

a) The Company

Cemig Geração e Transmissão S.A. ('Cemig GT', 'the Company' or 'Cemig Geração e Transmissão') is a listed corporation registered in the Brazilian Registry of Corporate Taxpayers (CNPJ) under number 06.981.176/0001-58 and a wholly-owned subsidiary of Companhia Energética de Minas Gerais ('Cemig'). It was incorporated on September 8, 2004, and began operating on January 1, 2005, pursuant to the process of separation of activities ('unbundling') of Cemig. Its shares are not traded on any exchange. It is domiciled in Brazil, with head office in Belo Horizonte, Minas Gerais.

The objects of the Company are: (i) to study, plan, design, build and commercially operate systems of generation, transmission and sale of energy and related services for which concessions are granted, under any form of law, to it or to subsidiaries; (ii) to operate in the various fields of energy, from any source, for the purpose of economic and commercial operation; (iii) to provide consultancy services within its field of operation to companies in Brazil and abroad; and (iv) to carry out activities directly or indirectly related to its objects.

On December 31, 2023, the Company has net negative working capital (current assets less current liabilities) of R$649 million (positive working capital of R$1,546 million on December 31, 2022), arising principally from the transfer of the debt in foreign currency to current liabilities, since it becomes due in December 2024. Management monitors the Company's cash flow, and for this purpose assesses measures to adjust the present situation of its financial assets and liabilities to levels that are appropriate to meet its needs. Additionally, the Company has a history of positive operating cash flow and profitability.

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

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Based on the facts and circumstances at this date, management has assessed the Company's capacity to continue as a going consern, and believes firmly that its operations will generate sufficient future cash flows to enable continuity of its business in the future. In addition, Management is not aware of any material uncertainties that could generate significant doubts about its ability to continue as a going concern. Therefore, this financial statements has been prepared on a going concern basis.

Shareholding interests

The Company has shareholding interests in the following subsidiaries and jointly-controlled entities:

Investments	% share	Description
JOINTLY CONTROLLED		
Hidrelétrica Cachoeirão S.A. ('Cachoeirão')	49,00	Production and sale of energy as an independent power producer, through the Cachoeirão hydroelectric power plant located at Pocrane, in the State of Minas Gerais.
Hidrelétrica Pipoca S.A. ('Pipoca')	49,00	Independent production of energy, through construction and commercial operation of the Pipoca Small Hydro Plant (SHP, or Pequena Central Hidrelétrica - PCH), on the Manhuaçu River, in the municipalities of Caratinga and Ipanema, in the State of Minas Gerais.
Paracambi Energética S.A. ("Paracambi")	49,00	Independent power production through building and commercial operation of the hydroelectric potential referred to as the Paracambi Small Hydro Plant (or PCH) on the Ribeirão das Lages river in the county of Paracambi, in the State of Rio de Janeiro.
Aliança Norte Energia Participações S.A. ('Aliança Norte')	49,00	This is a special-purpose company (SPC) created by Cemig GT (49% ownership) and Vale S.A. (51%), for acquisition of an interest of 9% in Norte Energia S.A. ('Nesa'), the company holding the concession for the Belo Monte Hydroelectric Plant, on the Xingu River, in the State of Pará. Control is shared by shareholders' agreement.
Amazônia Energia Participações S.A ('Amazônia Energia')	74,50	This is a special-purpose company created by Cemig GT (74.5% ownership) and Light (25.50%), for acquisition of an interest of 9.77% in Norte Energia S.A. ('Nesa'), the company holding the concession for the Belo Monte Hydroelectric Plant, on the Xingu River, in the Brazilian State of Pará.
Aliança Geração de Energia S.A. ('Aliança')	45,00	Unlisted corporation created by the Company and the Vale S.A. to become a platform for consolidation of generation assets held by the two parties in generation consortia, and investments in future generation projects. Vale S.A. and the Company hold 55.00% and 45.00% of the total capital, respectively.
Usina Hidrelétrica Itaocara S.A. ('UHE Itaocara')	49,00	The UHE Itaocara consortium is a jointly controlled corporation - formed by the Company and Itaocara Energia (of the Light group). It is responsible for construction of the Itaocara I Hydroelectric Plant.
Guanhães Energia S.A. ('Guanhães Energia')	49,00	Production and sale of energy through building and commercial operation of the following Small Hydro Plants: Dores de Guanhães, Senhor a do Porto and Jacaré, in the county of Dores de Guanhães; and Fortuna II, in the county of Virginópolis, in Minas Gerais.
SUBSIDIARIES		
Cemig Geração Camargos S.A	100,00	A corporation wholly owned by the Company. Objects are production and sale of energy as public service concession holder, by commercial operation of the Camargos Hydroelectric Plant, and sale and trading of energy in the Free Market.
Cemig Geração Itutinga S.A	100,00	A corporation wholly owned by the Company. Objects are production and sale of energy as public service concession holder, by commercial operation of the Itutinga Hydroelectric Plant, and sale and trading of energy in the Free Market.
Cemig Geração Leste S.A	100,00	Corporation wholly owned by the Company. Its objects are production and sale of energy as public concession holder, by operation of the Dona Rita, Sinceridade, Neblina, Ervália, Tronqueiras and Peti Small Hydroelectric Plants, and trading in energy in the Free Market.
Cemig Geração Oeste S.A	100,00	Corporation wholly owned by the Company. Objects are production and sale of energy as public service concession holder, by commercial operation of the Gafanhoto, Cajuru and Martins Small Hydroelectric Plants, and sale and trading of energy in the Free Market.
Cemig Geração Sul S.A	100,00	Corporation wholly owned by the Company. Its objects are production and sale of energy as public concession holder, by commercial operation of the Coronel Domiciano, Marmelos, Joasal, Paciência and Piau Small Hydroelectric Plants, and trading in energy in the Free Market.

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Investments	% share	Description
Central Eólica Praias de Parajuru S.A. ('Central Eólica Praias de Parajuru')	100,00	Production and sale of energy through a wind farm in the county of Beberibe in the State of Ceará, Northern Brazil. It has 19 wind turbines, with towers 85m high. All its energy is sold through Proinfa.
Central Eólica Volta do Rio S.A. ('Central Eólica Volta do Rio')	100,00	Production and sale of energy from a wind farm in Acaraú, in the State of Ceará, Northern Brazil. It has 28 wind generation towers, up to 65 meters high. All of its power output is sold through Proinfa.
Sá Carvalho S.A. ('Sá Carvalho')	100,00	Production and sale of energy, as a public energy service concession holder, through the Sá Carvalho hydroelectric power plant, located on the Piracicaba River, in the city of Antônio Dias, in the state of Minas Gerais.
Horizontes Energia S.A. ('Horizontes')	100,00	Independent power producer operating the Machado Mineiro and Salto do Paraopeba Hydroelectric Plants in Minas Gerais; and the Salto Voltão and Salto do Passo Velho Hydroelectric Plants, in the state of Santa Catarina, in addition to the commercialization of energy in the Electric Energy Trading Chamber ("CCEE").
Rosal Energia S.A. ('Rosal')	100,00	Production and sale of energy, as a public energy service concession holder, through the Rosal hydroelectric power plant located on the border between the States of Rio de Janeiro and Espírito Santo.
Cemig PCH S.A. ('PCH')	100,00	Production and sale of energy as an independent power producer, through the Pai Joaquim hydroelectric power plant, located on the Araguari River, in the cities of Sacramento and Santa Juliana, in the state of Minas Gerais
Empresa de Serviços e Comercialização de Energia Elétrica S.A.	100,00	Sale of energy as an independent power producer, in future projects.
Cemig Geração Poço Fundo S.A. ('Poço Fundo')	100,00	Corporation engaged in the production and sale of energy, as an independent producer, through construction and operation of the hydroelectric power plant Poço Fundo, located in Machado river, in the State of Minas Gerais.
Cemig Trading S.A. ('Cemig Trading')	100,00	Trading and intermediation in supply of energy.
Cemig Baguari Energia S.A. ('Cemig Baguari')	100,00	Production and sale of energy as an independent and participation in other companies or consortia the objectives of which are production and commercial operation of energy, in future projects.
Companhia de Transmissão Centroeste de Minas ("Centroeste")	100,00	Construction, operation and maintenance of electricity transmission facilities which are part of the National grid.
UFV Três Marias ("UFV Três Marias")	100,00	Photovoltaic solar power generation for the distributed generation market.

In 2023, the Company concluded the process of disposal of its equity interest in the companies Mesa, Baguari Energia and Retiro Baixo. These disposals are in line with Cemig's Divestment Program. Additionally, Cemig GT incorporated the wholly owned subsidiaries Cemig Geração Salto Grande and Cemig Geração Três Marias. For more details please see Note 14.

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2. CONCESSION AND AUTHORIZATIONS

The Company, including its consortium interests and subsidiaries, holds the following concessions or authorizations:

	Type	Location/State	Company holding concession or authorization	Concession or authorization contract	Expiration date
POWER GENERATION					
Hydroelectric plants					
Theodomiro Carneiro Santiago (1) (2) (6) (10)	UHE	Araguari/MG	Cemig GT	07/1997	May 2027
Nova Ponte (1) (2) (6) (10)	UHE	Araguari/MG	Cemig GT	07/1997	Aug. 2027
Santa Luzia (1) (9)	CGH	Centralina/MG	Cemig GT	07/1997	Feb. 2026
Irapé (1) (6)	UHE	Between Berilo and Grão Mogol/MG	Cemig GT	14/2000	Sep. 2037
Queimado (Consortium) (1) (6)	UHE	Between Cabeceira Grande/MG, Unaí/MG and Cristalina/GO	Cemig GT	06/1997	Jun. 2034
Rio de Pedras (1) (6) (9)	PCH	Itabirito/MG	Cemig GT	02/2013	Dec. 2025
Poço Fundo (1) (6) (7)	PCH	Between Poço Fundo and Campestre/MG	Cemig Geração Poço Fundo	01/2021	May 2052
São Bernardo (1) (6) (9)	PCH	Piranguçu/MG	Cemig GT	02/2013	Jun. 2027
Rosal (1) (6)	UHE	Between Guaçuí/ES and Bom Jesus do Itabapoama/RJ	Rosal Energia	01/1997	Dec. 2035
Machado Mineiro (1) (11)	PGH	Between Ninheira and Águas Vermelhas/MG	Cemig GT	Resolução 331/2002	May 2027
Salto Voltão (1) (9)	PCH	Xanxerê/MG	Horizontes Energia	Resolução 331/2002	Jun. 2033
Salto Paraopeba (1) (9)	PCH	Jeceaba/MG			Oct. 2030
Salto do Passo Velho (1) (9)	PCH	Bom Jesus/SC			Mar. 2031
Pai Joaquim (1) (6)	PCH	Between Sacramento e Santa Juliana/MG	Cemig PCH	Resolução autorizativa 377/2005	Apr. 2032
Sá Carvalho (1) (6) (8)	UHE	Antônio Dias/MG	Sá Carvalho	01/2004	Aug. 2026
Três Marias (3) (6)			Cemig GT	08/2016	Jan. 2053
Salto Grande (3) (6)	UHE	Braúnas/MG	Cemig GT	09/2016	Jan. 2053
Itutinga (3) (6)	UHE	Itutinga/MG	Cemig Geração Itutinga	10/2016	Jan. 2053
Camargos (3) (6)	UHE	Itutinga/MG	Cemig Geração Camargos	11/2016	Jan. 2053
Coronel Domiciano (3) (6)	PCH	Muriaé/MG	Cemig Geração Sul	12/2016 e 13/2016	Apr. 2047
Joasal (3) (6)	PCH	Juiz de Fora/MG	Cemig Geração Sul	12/2016 e 13/2016	Jan. 2053
Marmelos (3) (6)	CGH	Juiz de Fora/MG			
Paciência (3) (6)	CGH	Matias Barbosa/MG			
Piau (3) (6)	PCH	Piau/MG			
Dona Rita (3) (6)	PCH	Santa Rita do Itabira/MG	Cemig Geração Leste	14/2016 e 15/2016	Jul. 2050
Ervália (3) (6)	PCH	Ervália/MG			Apr. 2047
Neblina (3) (6)	PCH	Ipanema/MG			Apr. 2047
Peti (3) (6)	PCH	São Gonçalo do Rio Abaixo/MG			Jan. 2053
Sinceridade (3) (6)	PCH	Manhuaçu/MG			Mar. 2047
Tronqueiras (3) (6)	PCH	Coroaci/MG			Dec. 2046
Cajurú (3) (6)	PCH	Between Carmo do Cajuru and Divinópolis/MG	Cemig Geração Oeste	16/2016	Jan. 2053
Gafanhoto (3) (6)	PCH	Divinópolis/MG			
Martins (3) (6)	PCH	Uberabinha/MG			
Wind power plants					
Central Geradora Eólica Praias de Parajuru (4)		Beberibe/CE	Parajuru	Resolução 526/2002	Sep. 2032
Central Geradora Eólica Volta do Rio (4)		Acaraú/CE	Volta do Rio	Resolução 660/2001	Jan. 2031
Photovoltaic power plants					
UFV Três Marias GD	UFV	Três Marias/MG	UFV Três Marias	-	-
Usina Solar Fotovoltaica Mineirão	UFV	Belo Horizonte/MG	Cemig GT	-	-
POWER TRANSMISSION					
Rede Básica (5)			Cemig GT	006/1997	Jan. 2043
Subestação – SE Itajubá (5)			Cemig GT	79/2000	Oct. 2030
Linha de transmissão Furnas – Pimenta (5)			Centroeste	004/2005	Mar.2035

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(1) Generation concession contracts that are not within the scope of ICPC 01/ IFRIC 12, whose infrastructure assets are recorded as PP&E since the concession grantor does not have control over whom the service is provided to as the output is being sold mainly in the Free Market ('ACL').
(2) On July 17, 2020, the Company filed a statement of its interest in extending these plants concession, under the independent producer regime, outside the regime of quotas, 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, of the conditions for extension, which will be submitted to decision by the Company's governance bodies at the due time.
(3) Refers to generation concession contracts of which the revenue relating to the concession grant fee is being recognized as a concession financial asset
(4) These refers to concessions, given by the process of authorization, for generation of wind power as an independent power producer, to be sold under Alternative power source program ("Proinfa"). Assets tied to the right of commercial operation are recorded in PP&E. The rights of authorization of commercial operation that are considered as Investments in the financial statements of the parent company are classified in the statements of financial position under Intangible, within the scope of ICPC 09.
(5) These refer to transmission concession contracts, which, in accordance with CPC 47/ IFRS 15, are recognized as contract asset for being subject to satisfaction of performance obligations.
(6) On October 7, 2022, amendments were signed to the concession contracts of these plants, to state the new dates during which the concessions or authorizations will be in effect.
(7) On September 29 and October 1, 2022, Aneel authorized start of commercial operation of the generating units UG-01 and UG-02, respectively - both are part of the Poço Fundo small hydroelectric plant (SHP). These dates were approximately 3 months earlier than the deadlines for first supply stated in the conditions of the A-4 Auction held by Aneel in June 2018, which sold the additional supply arising from the expansion of generation capacity at the Poço Fundo SHP (by 9.16 MW to 30,00 MW) and of its assured physical offtake (by 5.79 MWaverage to 16.59 MWaverage).
(8) In February 2023, to guarantee its right to apply for a new grant of concession, the Company registered its interest in extension of the concession for the Sá Carvalho hydroelectric plant, through transfer of the stockholding control of its wholly-owned subsidiary Sá Carvalho and, in July 2023, under the regime of Physical Quota Guarantees.
(9) On August 10, 2023, the Company held a public auction to sell, in a single lot, 15 PCHs and CGHs, of which 12 were assets of Cemig GT and 3 of the wholly-owned subsidiary Horizontes. On January 10, 2024, Aneel transferred the ownership of the authorization grants for the exploration of the Salto Voltão, Salto do Passo Velho and Salto do Paraopeba SHPs, from Horizontes to Mang, through Order 62. On February 6, 2024, Aneel authorized the transfer of the concessions of the Rio de Pedras and São Bernardo SHPs from Cemig GT to Mang Participações, through REA 15,094. On 29 February 2024, the disposal was completed, after all conditions precedent of the VCA had been fulfilled. Further details can be found in note 30.
(10) In July 2023, the Company reaffirmed its interest in the extension, under the regime of Physical Quota Guarantees, of its concessions for the Theodomiro Carneiro Santiago and Nova Ponte hydroelectric plants, and in November 2023, filed its expression of interest in the extension of these concessions, and transfer of their stockholding control.
(11) On February 20, 2024, Aneel transferred the authorization for operation of the of Machado Mineiro Small Hydro Plant (PCH) from Horizontes Energia to Cemig GT, by Dispatch 504/2024.

Generation concessions

In the generation business, the Company sells energy:

(1) Through auctions, to distributors to meet the demands of their captive markets; and
(2) To free customers in the free market (*Ambiente de Contratação Livre*, or ACL).

In the free market, energy is traded by the generation concession holders, small hydro plants (PCHs, or SHPs), self-producers, traders, and importers of energy.

There is also revenue from the spot market, which remunerates agents for de-contracted energy, which is settled at the Spot Price (PLD).

Statement of interest in extension of concession

To guarantee its right to request a new grant of concessions for plants whose current concessions terminate in 2026 and 2027, Cemig GT filed Statements of Interest in relation to extension of the concession of the Sá Carvalho hydroelectric plant: (a) through transfer of stockholding control of its wholly-owned subsidiary Sá Carvalho, as per Decree 9,271/2018, in February 2023; and (b) in July 2023, under the regime of Physical Guarantee Quotas as per Law 12,783/2013.

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In correspondence sent to the Mining and Energy Ministry and to Aneel in July 2023, the Company also reaffirmed its interest in extension, under the Physical Quota Guarantees regime, of its concessions to operate the *Theodomiro Carneiro Santiago* and *Nova Ponte* hydroelectric plants (Concession Contract 07/1997). Additionally, in November 2023, the Company filed its expression of interest in the extension of these concessions with transfer of the stockholding control of the plants, in accordance with Decree 9,271/2018.

The Company reiterates that the sole objective of these statements of interest is to ensure its right to a potential extension of Concession Contracts 01/1997 and 07/1997, for up to 30 years, at the option of the concession-granting power, in accordance with the legislation, which still contains some matters of condition yet to be decided by the Mining and Energy Ministry .

This expression of interest is non-binding, and aims to ensure its right to any extension of the said concession contracts. Any decision on the subject will only take place after publication by the Brazilian Mining and Energy Ministry and by the Brazilian electricity regulator, Aneel, of all the conditions for extension of the concessions, which will be submitted to decision by Cemig's governance bodies.

This statement of interest will not suspend analysis of any legal alternatives which may be in progress for the extension of the concessions in question.

Transmission concessions

Under the transmission concession contracts, the Company is authorized to charge a Tariff for Use of the Transmission System (*Tarifa de Uso do Sistema de Transmissão*, or TUST). Tariffs are adjusted annually on the same date the Permitted Annual Revenue (*Receitas Anuais Permitidas*, or RAP) of transmission concessions, contract is adjusted. This tariff is in effect from July 1 of each year, upon its publication, until June 30 of the subsequent year.

The payment for use of transmission service also applies to generation provided by the Itaipu Binacional. However, due to the legal characteristics of that plant, the corresponding charges are assumed by the holders of distribution concessions that hold quotas of its output.

Auction 02/2022

The Company 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 Company into the investee Centroeste in the period between 2023 and 2026, depending on the needs and cash generation of Centroeste. The objective is construction of the 230 kV Governador Valadares 6 – Verona transmission line, which will be operated by Centroeste. The expected start date for construction is January 2025.

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Onerous concessions

When obtaining the concessions for construction of certain generation projects, the Company and its subsidiaries is required to make payments to the regulator, over the period of the contract or for up to 5 years upon signature of the concession contract, for plants with installed capacity between 1 and 50 MW, as compensation for the right to operate them, according to Aneel Normative Resolution n. 467/2011. The information on the concessions and the amounts to be paid are as follows:

Project	Nominal value in 2023	Present value in 2023	Period of the concession + extension[1]	Updating indexer
Irapé	44,595	22,013	Mar. 2006 to Sep. 2037	IGPM
Queimado (Consortium)	11,763	5,574	Jan. 2004 to Jun. 2034	IGPM

(1) The period presented includes the extension of the grants of concessions of these plants, pursuant to Ratifying Resolution (ReH) 2932 of September 14, 2021. During the period of extension of the concession, the generation company will be able to deal freely in the energy provided by the facility for which the concession is granted, under Law 13,203/2015, the other clauses in both contracts being unchanged.

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

The concessions fees are paid monthly to the grantor for an amount that changes over time. These payments are recorded as an intangible asset, representing a right to operate the concession and to charge users through the concession period, they are recorded as from the date of signature of the contracts at the present value of the future payment obligations.

The amounts paid to the grantor in 2023, the nominal value and the present value of the amounts to be paid in the next 12 months, are as follows:

Project	Stake, %	Amounts paid in 2023	Nominal value of amounts to be paid in 12 months	Present value of amounts to be paid in 12 months
Irapé	100.00	3,375	3,249	3,050
Queimado (Consortium)	82.50	960	930	873

The rate used by the Company and its subsidiaries to discount the above liabilities to its present value, was 12.50%, and represents the average cost of funding in normal conditions on the date the concession contract was entered into.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The individual and consolidated financial statements of the Company have been prepared in accordance with accounting practices adopted in Brazil, which comprise: the rules issued by the Brazilian Securities Commission (CVM), and the pronouncements made by the Accounting Pronouncements Committee (CPC), and in accordance with the international financial reporting standards (IFRS) issued by IASB. The Company also uses the guidelines contained in the Brazilian Electricity Sector Accounting Manual (MCSE) and the standards defined by Aneel, when these do

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not conflict with the pronouncements of the CPC or with International Financial Reporting Standards (IFRS).

Presentation of the Added Value Statements (Demonstrações do Valor Adicionado - DVA) is required by the Brazilian corporate law, publicly-held companies. IFRS does not require presentation of this statement and is presented as supplementary information, without prejudice to the financial statements as a whole.

The accounting practices adopted in Brazil applied to the individual financial statements, do not differ from those of IFRS applicable to the separate financial statements. Thus, these individual financial statements, which are presented jointly with the consolidated financial statements, are also in accordance with International Financial Reporting standards (IFRS).

All relevant information in the financial statements is being disclosed, which is used by management in its administration of the Company.

The Company's Board of Directors authorized the issuance of this Financial Statements on March 21, 2024.

3.2 Basis of measurement

The consolidated and individual financial statements were prepared on a historical cost basis, except in the case of certain financial instruments and assets as held for sale which are measured at fair value and fair value less costs to sell, in accordance with the standards applicable, as detailed in Note 29 and 30, respectively.

3.3 Functional currency and presentation currency

These individual and consolidated financial statements are presented in Reais - R$, which is the functional currency of the Company and its subsidiaries. The information is expressed in thousands of Reais, except where otherwise indicated.

Transactions in foreign currency were converted to Reais at the exchange rate as of the transaction date. Balances of monetary assets and liabilities denominated in foreign currency are translated to Reais at the exchange rates at the reporting date. Foreign exchange gains and losses resulting from updating assets and liabilities are recognized as finance income and cost in the statements of income.

3.4 Use of estimates and judgments

Preparation of the individual and consolidated financial statements requires management to make judgments, and use estimates and assumptions that affect the application of Accounting policy and the reported amounts of assets, liabilities, revenues and expenses. Future reported results may differ from these estimates.

Estimates and assumptions, supported by objective and subjective factors based on the management's judgment, are annually reviewed, using as a reference to both historical experience and any significant change in scenarios that could affect the Company's financial

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position or results of operations. Revisions in relation to accounting estimates are recognized in the period in which the estimates are reviewed, and in any future periods affected.

The principal estimates and judgments are presented in the following notes:

- Note 8 - Customers, traders and power transport concession holders (expected credit losses);
- Note 10 - Income tax and social contribution tax (recognition of deferred tax, availability of future taxable profit and uncertain tax treatments);
- Note 13 - Concession contract assets (construction margin and remeasurement of contract assets);
- Note 14 – Investments (impairment);
- Note 15 - Property, plant and equipment ('PP&E') (useful life prediction);
- Note 16 - Intangible assets (useful life prediction);
- Note 17 - Leasing transactions (measurement of right of use and lease liabilities);
- Note 22 - Employee post-employment obligations (main assumptions in the measurement);
- Note 23 – Provisions (reliable estimate of the value of obligations);
- Note 25 – Revenue (unbilled supply and construction margin);
- Note 29 - Financial instruments and risk management (fair value measurement); e
- Note 30 - Assets classified as held for sale (fair value measurement).

3.5 Impairment

At the end of each reporting period management evaluates whether there have been any events or alterations in the economic, operational or technological circumstances of their assets or Cash Generating Units (Unidades Geradoras de Caixa - UGCs) that could indicate any partial or total impairment. If any such evidence is found, the Company estimates the recoverable value of the asset or UGC and, and when the net book value exceeds the recoverable value, a provision is made for impairment, adjusting the net book value to the recoverable value. In this case, the recoverable value of a given asset or cash generating unit is defined as being the greater of the value in use or the net value for sale.

In assessing impairment of financial assets measured at amortized cost, the Company uses historical trends of the probability of default, timing of recovery and the amounts of loss incurred, adjusted to reflect management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

3.6 New accounting standards, interpretation or revisions of accounting standards, applied for the first time in 2023

The alterations shown below came into effect on January 1, 2023, and have not produced any material effects on the Company's individual and consolidated financial statements.

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Rule	Main alterations
IFRS 17/ CPC 50 – Insurance contracts	The IFRS 17/CPC 50 establishes the principles for recognition, measurement, presentation and disclosure of insurance contracts, and replaces IFRS 4/CPC 11 – Insurance contracts. This rule has the overall objective of supplying an accounting model for insurance contracts, issued by any entity, that is more useful and consistent for insurance issuers. The Company does not have any contracts that meet the definition of an insurance contract under IFRS 17/CPC 50.
IAS 08/ CPC 23 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates	The Company adopted the amendments to IAS 08/CPC 23 for the first time in the current year. The changes replace the definition of "change in accounting estimates" with a definition of "accounting estimates". According to the new definition, accounting estimates are "monetary amounts in financial statements subject to uncertainty in measurement." The definition of change in accounting estimates was excluded.
IAS 1/CPC 26 – Presentation of Financial Statements, and IFRS Practice Statement 2 – Making materiality judgments	The Company adopted the amendments to IAS 1/CPC 26 for the first time in the current year. Although the changes did not themselves result in any change in the accounting policies, they affected the information on accounting policies disclosed in financial statements. The changes require disclosure of "material", instead of "significant", accounting policies. The changes also provide guidance on the application of materiality to the disclosure of accounting policies, helping entities to provide useful information on entity-specific accounting policies that users need, to understand other information in the financial statements. The Company revised the presentation of its accounting policies and maintained the presentation, in the financial statements, only of those that were judged to be material.
IAS 12/ CPC 32 – Deferred income tax related to assets and liabilities arising from the same transaction	The Company adopted the amendments to IAS 12/CPC 32 for the first time in the current year. The changes restrict the range of application of exemption from initial recognition, so that it is not applied to transactions which give rise to temporary differences that are both taxable and deductible, resulting in recognition of a deferred tax asset and a deferred tax liability for temporary differences resulting from the initial recognition of leasing agreements and provisions for dismantling. There was no impact on carried forward profit and losses in January 2023, nor any impact on the Company's result: the effect of this adoption relates only to the presentation of recognized deferred tax assets and liabilities.

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3.7 Standards issued but not yet effective

Rule	Main alterations	Date of coming into effect
IAS 1/ CPC 26 – Presentation of financial statements – Non-current liabilities with covenants and revision of classification of liabilities as current or non-current	Clarifies that the classification of liabilities as current or non-current is based on the rights existing on the reporting date, and specifies that the classification is not affected by expectations as to whether an entity will exercise its right to postpone the settlement of the liability. They explain that the rights exist if the restrictive clauses are complied with on the reporting date, and introduce the definition of 'settlement' to clarify that settlement refers to the transfer to a counterparty of cash, equity instruments, other assets or services.	Jan. 1, 2024
IAS 1/ CPC 26 – Presentation of financial statements, IAS 7/ CPC 03 – Statement of cash flows and IFRS 7/ CPC 40 – Financial instruments: Disclosure – Supplier finance arrangements ("Debtor risk")	The changes introduce new disclosures related to supplier financing agreements ('debtor risk') that help users of the financial statements assess the effects of these agreements on an entity's liabilities and cash flows and on the entity's exposure to liquidity risk. To meet the purposes of disclosure, the entity must disclose, in full, for its supplier financing agreements: the terms and conditions of the agreements; the accounting amount; the corresponding lines in its balance sheet; the liabilities that are part of the agreements, and their accounting amounts, and corresponding lines for which suppliers have already received payment from those providing the financing; the ranges of payment due dates for financial liabilities that are part of a supplier financing agreement and accounts payable which are not part of a supplier financing agreement; and information on liquidity risk.	Jan. 1, 2024
IFRS 10/ CPC 36 (R3) – Consolidated financial statements and IAS 28/ CPC 18 (R2) – Investments in associates and joint ventures – Sale or contribution of assets between an investor and its associate or joint venture	This deals with situations involving the sale or contribution of assets between an investor and an affiliated company or joint venture. Specifically, the gains and losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an affiliate or joint venture that is accounted by the equity method are recognized in the parent company's income statement only in proportion to the holdings of the non-related investor in that affiliate or joint venture. Likewise, the gains and losses resulting from remeasurement of investments retained in some former controlled company (which has become an affiliate or joint venture accounted by the equity method) at fair value are recognized in the income statement of the former parent in proportion to the holdings of the non-related investor shares in the new associate or joint venture.	Not yet defined
IFRS 16/ CPC 06 - Leases – Lease liability in a sale and leaseback	This adds requirements for subsequent measurement for sale and leaseback transactions, which meet the requirements of IFRS 15/ CPC 47, for the purposes of accounting as a sale. The changes require the seller-lessee to determine 'lease payments' or 'revised lease payments' so that the seller-lessee does not recognize a gain or loss related to the right of use retained by the seller-lessee after the start date. The changes do not affect the gain or loss recognized by the seller-lessee related to the total or partial termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use which it retains solely due to the remeasurement of the lease liability (for example, after a modification or change of the lease within the lease term) that applies the general requirements in IFRS 16/ CPC 06. In particular this may have been the case in a retro-lease that includes variable lease payments that do not depend on an index or rate.	Jan. 1, 2024

In relation to the rules under discussion at the IASB or which come into effect in future business years, the Company is monitoring the discussions and so far has identified no significant impacts.

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3.8 Reclassification of items in the Statements of Cash Flows (SoCF)

The Company and its subsidiaries have made adjustments to the classification of items in the SoCF in order to improve the quality of the disclosure of accounting information.

Movements in the Securities line are presented on a net basis, in the flow of investment activities. Starting in the fourth quarter of 2023, the Company and its subsidiaries have segregated this movement, presenting the interest received as part of the cash flow from operating activities and the investments and redemptions separately in the cash flow from investing activities. In addition, the Company and its subsidiaries began to adjust profit with the total amount of income tax recognized in profit or loss.

In order to maintain comparability, the information for the period ended December 31,2022 is being presented using the same criteria.

3.9 Material accounting policies

The Accounting policy described in detail in the explanatory notes to the financial statements have been applied consistently to all the business years presented in these financial statements, except as described in explanatory note 3.7, in accordance with the rules and regulations described in note 2.1.

Additionally, the Company adopted the change that occurred in CPC 26 / IAS 1 as of January 1, 2023. The changes establish the disclosure of “material” accounting policies, instead of “significant”. There was no impact on the accounting policies adopted by the Company, having only affected disclosure.

4. PRINCIPLES OF CONSOLIDATION

The reporting dates of financial information of the subsidiaries, used for the consolidation and jointly controlled entities used for equity method, are prepared in the same reporting date of the Company. Accounting practices are applied in line with those used by the parent company.

The direct equity investments of the Company are as follows:

Subsidiaries	Valuation method	Dec. 31, 2023	Dec. 31, 2022
		Direct stake, %	Direct stake, %
Cemig Baguari Energia S.A. (“Cemig Baguari”)	Consolidation	100	100
Cemig Geração Três Marias S.A. (“Cemig Geração Três Marias”) (1)	Consolidation	-	100
Cemig Geração Salto Grande S.A. (“Cemig Geração Salto Grande”) (1)	Consolidation	-	100
Cemig Geração Itutinga S.A. (“Cemig Geração Itutinga”)	Consolidation	100	100
Cemig Geração Camargos S.A. (“Cemig Geração Camargos”)	Consolidation	100	100
Cemig Geração Sul S.A. (“Cemig Geração Sul”)	Consolidation	100	100
Cemig Geração Leste S.A. (“Cemig Geração Leste”)	Consolidation	100	100
Cemig Geração Oeste S.A. (“Cemig Geração Oeste”)	Consolidation	100	100
Sá Carvalho S.A. (“Sá Carvalho”)	Consolidation	100	100
Horizontes Energia S.A. (“Horizontes”)	Consolidation	100	100
Rosal Energia S.A. (“Rosal Energia”)	Consolidation	100	100
Cemig PCH S.A. (“Cemig PCH”)	Consolidation	100	100
Empresa de Serviços de Comercialização de Energia Elétrica S.A. (“ESCEE”)	Consolidation	100	100
Cemig Geração Poço Fundo S.A. (“Poço Fundo”)	Consolidation	100	100
Cemig Trading S.A. (“Cemig Trading”)	Consolidation	100	100
Central Eólica Praias de Parajuru S.A. (“Parajuru”)	Consolidation	100	100
Central Eólica Volta do Rio S.A. (“Volta do Rio”)	Consolidation	100	100
Companhia de Transmissão Centroeste de Minas S.A. (“Centroeste”)	Consolidation	100	100
UFV Três Marias S.A. (“UFV Três Marias”)	Consolidation	100	100

(1) These subsidiaries were merged into Cemig GT on May 31, 2023, at book value. More details in note 13: Investments.

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Refer to the Note 1 for all direct and indirect consolidated subsidiaries.

Accounting policy

Subsidiaries

The Company is deemed to control an investee when it has: (i) the power to direct the investee's significant activities; (ii) the right to variable returns arising from its involvement with the investee; and (iii) the ability to use its power to affect the value of these returns. When facts or circumstances indicate that there are changes in one or more of these three elements of control, the Company evaluates whether or not it exercises control over the investee.

The financial statements of subsidiaries are included in the consolidated financial statements as from the date on which the control starts, until the date on which the control ceases to exist. The accounting policies of subsidiaries are aligned with the policies adopted by the Company.

The financial information of the subsidiaries is accounted by the equity method in the individual financial statements, and the balances of assets, liabilities and profit are consolidated line by line in the consolidated financial statements. Intercompany transactions are eliminated in the process of consolidation.

When the Company loses control over a subsidiary, the assets and liabilities of that investee are reduced by their book value on the date on which the control is lost. Any retained investment is recognized at fair value on the date of loss of control, and resulting gains and losses are recognized in the income statement.

Jointly-controlled entities

Jointly-controlled subsidiaries are deemed to be those investees in which the Company shares control with another company under a contractual agreement, regardless of the percentage interest held in the voting stock of the investee. In these cases the Company does not individually exercise the power to make financial and operational decisions in the investee.

The accounting policies of the jointly-controlled subsidiaries are aligned with the policies adopted by the Company.

The financial information of jointly-controlled subsidiaries is recognized by the equity method in the individual and consolidated financial statements.

Further details are disclosed in the Accounting practices section of Explanatory note ('Note') 13.

Joint operations

The interest held by the Company in a consortium is accounted according to the Company's share of the assets, liabilities and profit of the operations related to the business.

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Transactions eliminated in consolidation

Intra-group balances and transactions, and any revenue or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealized gains arising from transactions with investee companies recorded by the equity method are eliminated against the investment in proportion to the Company's equity interests in the investee.

Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point at which there is no evidence of impairment.

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5. OPERATING SEGMENTS

The operating segments of the Company and its subsidiaries reflect their management and their organizational structure, used to monitoring its results.

The segment information is disclosed separately into the following 4 reportable segments:

- Generation: comprise production of electricity from hydroelectric, solar and wind facilities;
- Transmission: comprise construction, operation and maintenance of transmission lines and substations;
- Trading: comprise commercialization of energy and provision of related services; and
- Investees: comprise management of the equity interests in which the company does not have stockholding control, in line with the Company's business strategies.

Inter-segment transactions occur between the Generation and Trading segments and consists of obtaining of revenue from the sale of energy generated, and costs for purchase of energy to be traded - these are measured at sale prices estimated in accordance with criteria based on the Company's model for management of these businesses, using market prices as a reference.

INFORMATION BY SEGMENT AS OF AND FOR 2023 YEAR								
ACCOUNT/DESCRIPTION	ENERGY			INVESTEE	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING					
NET REVENUE	**2,874,757**	**1,069,246**	**4,084,249**	**-**	**8,028,252**	**(1,208,200)**	**(59,310)**	**6,760,742**
COST OF ENERGY	**(346,849)**	**(328)**	**(3,634,978)**	**-**	**(3,982,155)**	**1,208,200**	**19,816**	**(2,754,139)**
COSTS AND EXPENSES (3)								
Personnel	(147,945)	(136,384)	(26,678)	(18,689)	(329,696)	-	-	(329,696)
Employees' and managers' profit sharing	(16,110)	(16,144)	(3,152)	(2,216)	(37,622)	-	-	(37,622)
Post-employment obligations	(58,875)	(36,383)	(8,338)	(11,199)	(114,795)	-	-	(114,795)
Materials, outsourced services and other expenses (revenues)	(216,429)	(86,808)	(17,895)	301,853	(19,279)	-	39,820	20,541
Depreciation and amortization	(327,265)	(1,460)	(16)	-	(328,741)	-	-	(328,741)
Operating provisions (reversals)	(29,248)	(13,576)	(6,729)	(61,904)	(111,457)	-	-	(111,457)
Construction costs	-	(163,467)	-	-	(163,467)	-	-	(163,467)
Total cost of operation	**(795,872)**	**(454,222)**	**(62,808)**	**207,845**	**(1,105,057)**	**-**	**39,820**	**(1,065,237)**
COSTS AND EXPENSES	**(1,142,721)**	**(454,550)**	**(3,697,786)**	**207,845**	**(5,087,212)**	**1,208,200**	**59,636**	**(3,819,376)**
Equity in earnings of unconsolidated investees, net	326	-	-	141,354	141,680	-	(326)	141,354
OPERATING RESULT BEFORE FINANCE AND TAX RESULT	**1,732,362**	**614,696**	**386,463**	**349,199**	**3,082,720**	**-**	**-**	**3,082,720**
Finance income and expenses, net	(11,275)	(48,111)	81,536	(117,987)	(95,837)	-	-	(95,837)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	**1,721,087**	**566,585**	**467,999**	**231,212**	**2,986,883**	**-**	**-**	**2,986,883**
Income tax and social contribution tax	(325,331)	(109,686)	(115,634)	(33,566)	(584,217)	-	-	(584,217)
NET INCOME FOR THE PERIOD	**1,395,756**	**456,899**	**352,365**	**197,646**	**2,402,666**	**-**	**-**	**2,402,666**

(1) The only inter-segment transactions between generation and 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 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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INFORMATION BY SEGMENT AS OF AND FOR YEAR 2022								
ACCOUNT/DESCRIPTION	ENERGY			INVESTEE	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING					
NET REVENUE	**2,660,858**	**1,180,371**	**5,799,446**	**-**	**9,640,675**	**(1,423,190)**	**(69,033)**	**8,148,452**
COST OF ENERGY	**(330,551)**	**(310)**	**(5,497,783)**	**-**	**(5,828,644)**	**1,423,190**	**13,922**	**(4,391,532)**
COSTS AND EXPENSES (3)								
Personnel	(161,715)	(134,351)	(11,563)	(32,343)	(339,972)	-	-	(339,972)
Employees' and managers' profit sharing	(14,628)	(10,838)	(5,692)	(2,564)	(33,722)	-	-	(33,722)
Post-employment obligations	(67,166)	(41,786)	(9,575)	(12,868)	(131,395)	-	-	(131,395)
Materials, outsourced services and others expenses (revenues)	(394,512)	(94,470)	(13,688)	(23,260)	(525,930)	-	55,111	(470,819)
Depreciation and amortization	(328,371)	(3)	(13)		(328,387)	-	-	(328,387)
Operating provisions (reversals) (4)	(18,353)	(3,012)	(34,122)	54,907	(580)	-	-	(580)
Construction costs	-	(290,750)	-	-	(290,750)	-	-	(290,750)
Total cost of operation	**(984,745)**	**(575,210)**	**(74,653)**	**(16,128)**	**(1,650,736)**		**55,111**	**(1,595,625)**
COSTS AND EXPENSES	**(1,315,296)**	**(575,520)**	**(5,572,436)**	**(16,128)**	**(7,479,380)**	**1,423,190**	**69,033**	**(5,987,157)**
Equity in earnings of unconsolidated investees, net (5)	251	-	15	519,079	519,345	-	-	519,345
OPERATING INCOME BEFORE FINANCE INCOME (EXPENSES)	**1,345,813**	**604,851**	**227,025**	**502,951**	**2,680,640**	**-**	**-**	**2,680,640**
Finance income	(149,581)	(97,434)	33,562	(263,838)	(477,291)	-	-	(477,291)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	**1,196,232**	**507,417**	**260,587**	**239,113**	**2,203,349**	**-**	**-**	**2,203,349**
Income tax and social contribution tax	(306,705)	(169,278)	(63,135)	421,225	(117,893)	-	-	(117,893)
NET INCOME (LOSS) FOR THE YEAR	**889,527**	**338,139**	**197,452**	**660,338**	**2,085,456**	**-**	**-**	**2,085,456**

(1) The only inter-segment transactions between generation and 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 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.
(4) The result for the Company's equity interests includes an impairment of R$7,412 of its investment in the jointly-controlled subsidiary Itaocara. For more details please see Note 14.
(5) The result for the Company's equity interests also includes a reversal of R$161,648 related to contractual obligations that the Company had assumed to its investee Madeira Energia and other stockholders. For more details please see Note 14.

The information for assets by segment is not presented, because this is not part of the information made available to the main manager of the operations.

Accounting policy

The operating results of all operating segments for which individual financial information is available are reviewed regularly by the group's main manager, to make decisions about resources to be allocated to the segment, and to assess its performance.

The segment results that are reported to the CEO includes items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

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6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in bank current accounts, and highly liquid short-term deposits, subject to an insignificant risk of change in value, and are held for the short-term cash management of the Company and its subsidiaries, as follows:

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Bank accounts	2,303	5,773	437	3,749
Cash equivalents:				
Bank certificates of deposit (CDBs)	97,793	57,079	89,819	55,662
Automatic applications - Overnight	261,858	227,884	206,804	132,827
Others	-	2,244	-	2,244
	359,651	**287,207**	**296,623**	**190,733**
	361,954	**292,980**	**297,060**	**194,482**

The Bank Certificates of Deposit (Certificados de Depósito Bancário or CDBs), accrued interest at between 80% to 108.5% of the CDI Rate on September 30, 2023 (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) (97.5% to 105% 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.

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 that varies between 11,42% a.a. p.a. to 12,65% p.a. on December 31, 2023 (13.62% p.a. to 13.64% p.a. on December 31, 2022). Their purpose is to settle the short-term obligations of the Company, or to be used in the acquisition of other assets with better return to replenish the portfolio.

Note 29 gives: (i) the exposure of the Company and its subsidiaries to interest rate risk; (ii) a sensitivity analysis for financial assets and liabilities; and (iii) material accounting practices. Financial investments in a reserved investment fund are show in note 28.

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7. MARKETABLE SECURITIES

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Current				
Bank certificates of deposit (CDBs)	54,880	148,466	43,342	86,537
Financial Notes (LFs) – Banks	354,305	884,202	279,814	515,375
Treasury Financial Notes (LFTs)	159,759	311,663	126,171	181,659
Debentures	6,620	8,028	5,383	4,797
	575,564	**1,352,359**	**454,710**	**788,368**
Non-current				
Debentures	-	5,105	-	2,976
	-	**5,105**	**-**	**2,976**
	575,564	**1,357,464**	**454,710**	**791,344**

The Bank Certificates of Deposit (Certificados de Depósito Bancário or CDBs), accrued interest which 103% to 104.3% on December 31, 2023 (range of 103% to 104.4% on December 31, 2022) (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).

The 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 at rates between 108.6% and 111.98% of the CDI rate on December 31, 2023 (103.3% and 110.26% on December 31, 2022).

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 at rates between 11.83% to 11.85% p.a. on December 31, 2023 (13.65% to 13.88% p.a. on December 31, 2022).

The accounting policy and the classification of these bonds and securities are shown in explanatory note 29. Cash investments in securities of related parties are shown in Note 28.

The Company and its subsidiaries consistently classify the income related to these securities as part of the cash flow of the operational activity, because they believe that this is the most appropriate method of reporting this income, in accordance with its activities.

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8. CUSTOMERS, TRADERS AND POWER TRANSPORT CONCESSION HOLDERS

	Balances not yet due		Past due			Consolidated	
	Billed	Unbilled	Until 90 days	91 to 360 days	More than 360 days	Dec. 31, 2023	Dec. 31, 2022
Industrial	3,023	246,517	7,036	4,582	23,971	285,129	550,253
Commercial, services and others	2,176	70,954	6,876	202	8,894	89,102	100,358
Wholesale supply to other concession holders	26,344	203,791	46,845	-	47	277,027	269,601
Concession holders - transmission service	3,735	109,259	10,257	3,355	8,686	135,292	112,706
CCEE (Power Trading Chamber)	27,059	1,128	6,369	6,129	-	40,685	92,908
Expected credit losses	-	-	(486)	(1,375)	(33,219)	(35,080)	(30,414)
	62,337	631,649	76,897	12,893	8,379	792,155	1,095,412
Current assets						789,898	1,095,349
Customers and traders						654,596	982,643
Concession holders - transmission service						135,302	112,706
Non-current assets						2,257	63
Customers and traders						2,257	63

	Balances not yet due		Past due			Parent Company	
	Billed	Unbilled	Until 90 days	91 to 360 days	More than 360 days	Dec. 31, 2023	Dec. 31, 2022
Industrial	1,688	224,378	6,510	2,103	23,966	258,645	496,188
Commercial, services and others	2,176	70,954	6,876	202	8,894	89,102	100,358
Wholesale supply to other concession holders	26,343	139,566	24,988	-	46	190,943	153,084
Concession holders - transmission service	3,742	106,879	9,542	3,355	8,686	132,204	110,007
CCEE (Power Trading Chamber)	26,567	-	6,369	6,129	-	39,065	90,768
Expected credit losses	-	-	(486)	(1,375)	(33,219)	(35,080)	(27,759)
	60,516	541,777	53,799	10,414	8,373	674,879	922,646
Current assets						672,638	922,599
Customers and traders						540,434	812,592
Concession holders - transmission service						132,204	110,007
Non-current assets						2,241	47
Customers and traders						2,241	47

The exposure of the Company and its subsidiaries to credit risk related to Customers and traders is provided 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	Parent Company
Balance on December 31, 2021	**28,002**	**24,576**
Additions, net (note 26c)	531	1,302
Disposals	1,881	1,881
Balance on December 31, 2022	**30,414**	**27,759**
Additions, net (note 26c)	4,666	5,650
Balance arising from merger	-	1,671
Balance on December 31, 2023	**35,080**	**35,080**

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Accounting policy

Accounts receivable from customers, traders and concession holders are initially recognized at the sales value and subsequently measured at amortized cost. Includes any direct taxes for which the company and its subsidiaries has the tax responsibility, less taxes withheld at source, which are considered to be tax credits.

The Permitted Annual Revenue (RAP) remunerates the investment in transmission lines, services of enhancement and improvements, and operation and maintenance. Revenues from the transmission concession contracts are recognized as and when the corresponding performance obligations are satisfied, with a counterpart in contractual assets.

Only after satisfying the performance obligation to operate and maintain the infrastructure, the contract asset becomes classified as a financial asset (customers – traders – power transport), since nothing more than the passage of time is necessary for consideration to be received.

The revenues are recognized at the transaction price and the assets are subsequently measured at amortized cost, using the effective interest method, adjusted by impairment losses, when applicable, and recognizing the deferred taxes. As required by CPC 48/IFRS 9 - Financial Instruments, the financial asset carrying amount is analyzed and, when applicable, a loss allowance for expected credit losses is recognized.

Estimates and judgments

The adjust for expected credit losses is recorded based on estimates by management. For the Company and its subsidiaries, the balance receivable is analyzed in its total, taking into account the debt history, ongoing negotiations and real guarantees, with an individual analysis of debtors and ongoing initiatives to receive credits.

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9. RECOVERABLE TAXES

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Current				
ICMS tax recoverable	12,880	10,037	12,069	9,271
Cofins (a) (b)	10,606	18,936	8,426	195
PIS/Pasep (a) (b)	2,323	4,032	1,809	23
Social security contributions	18,647	18,764	18,647	18,764
Others	153	127	149	122
	44,609	**51,896**	**41,100**	**28,375**
Non-current				
ICMS tax recoverable (b)	33,863	29,754	32,605	28,545
Cofins (a)	12,643	14,402	9,016	-
PIS/Pasep (a)	2,743	3,124	1,957	-
	49,249	**47,280**	**43,578**	**28,545**
	93,858	**99,176**	**84,678**	**56,920**

a) PIS/Pasep and Cofins taxes credits over ICMS

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

In 2023, tax credits of PIS/Pasep and Cofins taxes previously charged on amounts of ICMS tax were offset against federal taxes payable, in a total of R$19,053 (R$10,607 in 2022). Offsetting of tax credits is a transaction that does not involve cash, and thus is not reflected in the Statements of cash flow.

b) Other recoverable taxes

The ICMS (VAT) credits reported in non-current assets arise mainly from acquisitions of property, plant and equipment, and intangible assets, and can be offset against taxes payable in the next 48 months. The transfer to non-current is made in accordance with management's best estimate of the amounts which will likely be realized in 12 months after this financial statements reporting date.

Credits of PIS/Pasep and Cofins generated by the acquisition of machinery and equipment can be offset immediately.

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10. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Income tax and social contribution tax recoverable

The income tax and social contribution balances refer to credits from previous years' tax returns, withholdings made in the current year and prepayments that will be offset against federal taxes payable to be determined at the end of the fiscal year or in subsequent periods.

Current income tax and social contribution tax assets are offset against current income tax and social contribution tax liabilities when the requirements of CPC 32/IAS 12 are met.

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Current				
Income tax	296,504	546,961	296,383	544,657
Social contribution tax	130,604	227,688	130,636	227,907
	427,108	**774,649**	**427,019**	**772,564**
Non-current				
Income tax	49,369	-	49,010	-
Social contribution tax	53,675	-	53,562	-
	103,044	**-**	**102,572**	**-**

b) Income tax and social contribution tax payable

The balances of income tax and social contribution tax recorded in current liabilities refer mainly to the taxes owed by the Company and its subsidiaries which report by the Real Profit method, and have opted to make monthly payments based on estimated revenue or balance sheet reduction, and also by the subsidiaries that have opted for the Presumed Profit method, in which payments are made quarterly.

	Consolidated	
	Dec. 31, 2023	Dec. 31, 2022
Current		
Income tax	12,633	79,909
Social contribution tax	6,880	29,972
	19,513	**109,881**

c) Deferred income tax and social contribution tax

The Company and its subsidiaries have deferred taxed assets and liabilities from unused tax loss carryforwards, negative base for the social contribution tax, and deductible temporary differences, at the statutory rates applicable to each legal entity in Brazil of 25% (for Income tax) and 9% (for the social contribution tax). The composition and movement of deferred tax assets and liabilities is as follows:

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	Consolidated				
	Balance at Dec. 31, 2022	Income statement	Comprehensive income	Other	Balance at Dec. 31, 2023
ASSETS					
Tax loss carryforwards	209,041	(118,343)	-	-	90,698
Post-employment obligations	387,576	12,120	(25,080)	-	374,616
Expected credit losses	10,006	1,921	-	-	11,927
Provision for contingencies	111,081	7,378	-	-	118,459
Provision for SAAG put option	228,621	(228,621)	-	-	-
Provisions for losses on investments	56,398	532	-	-	56,930
Other provisions	48,620	957	-	-	49,577
Paid concession	11,579	264	-	-	11,843
Right of use (1)	21,205	5,732	-	-	26,937
Other	22,548	(7,280)	-	2,448	17,716
	1,106,675	**(325,340)**	**(25,080)**	**2,448**	**758,703**
LIABILITIES					
Fair value as deemed cost upon initial adoption of international standards	(155,882)	1,010	-	-	(154,872)
Adjustment of contract assets	(940,026)	16,018	-	-	(924,008)
Fair value of equity holdings	(121,036)	8,605	-	-	(112,431)
Adjustment of financial assets	(8,426)	(39,046)	-	-	(47,472)
Derivative financial instruments	(209,600)	83,794	-	-	(125,806)
Reimbursement of costs – GSF	(274,036)	45,158	-	-	(228,878)
Lease liabilities (1)	(19,497)	(4,380)	-	-	(23,877)
Other	(24,540)	23,497	-	-	(1,043)
	(1,753,043)	**134,656**	**-**	**-**	**(1,618,387)**
NET TOTAL	**(646,368)**	**(190,684)**	**(25,080)**	**2,448**	**(859,684)**
Total assets presented on Stataments of Financial Position	**-**	**-**	**-**	**-**	**9,895**
Total liabilities presented on Stataments of Financial Position	**646,368**	**-**	**-**	**-**	**(869,579)**

(1) The separate presentation of these deferred tax assets and liabilities results from the change in CPC 32/ IAS 12. There was no impact on the Company's results, the effect of the change being related only to disclosure. For comparability purposes, the change was reflected in the 2022 financial year based on the same criteria. For further details, see note 3.7.

	Parent Company				
	Balance at Dec. 31, 2022	Income statement	Comprehensive income	Deferred taxes arising from the merger	Balance at Dec. 31, 2023
ASSETS					
Tax loss carryforwards	209.041	(118.343)	-	-	90.698
Post-employment obligations	387.576	12.120	(25.080)	-	374.616
Expected credit losses	9.438	2.489	-	-	11.927
Provision for contingencies	111.077	7.128	-	-	118.205
Provision for SAAG put option	228.621	(228.621)	-	-	-
Provisions for losses on investments	56.398	532	-	-	56.930
Other provisions	48.620	951	-	-	49.571
Paid concession	11.579	264	-	-	11.843
Right of use (1)	20.571	6.216	-	-	26.787
Other	15.684	46.173	-	(44.178)	17.679
	1.098.605	**(271.091)**	**(25.080)**	**(44.178)**	**758.256**
LIABILITIES					
Fair value as deemed cost upon initial adoption of international standards	(139.706)	(3)	-	-	(139.709)
Adjustment of contract assets	(936.629)	15.432	-	-	(921.197)
Fair value of equity holdings	(121.036)	8.605	-	-	(112.431)
Adjustment of financial assets	(8.426)	(39.046)	-	-	(47.472)
Derivative financial instruments	(208.151)	83.014	-	-	(125.137)
Reimbursement of costs – GSF	(213.008)	(7.984)	-	-	(220.992)
Lease liabilities (1)	(18.868)	(4.832)	-	-	(23.700)
Other	(10.415)	9.152	-	-	(1.263)
	(1.656.239)	**64.338**	**-**	**-**	**(1.591.901)**
NET TOTAL	**(557.634)**	**(206.753)**	**(25.080)**	**(44.178)**	**(833.645)**
Total assets presented on Stataments of Financial Position	**-**	**-**	**-**	**-**	**-**
Total liabilities presented on Stataments of Financial Position	**557.634**	**-**	**-**	**-**	**833.645**

(1) The separate presentation of these deferred tax assets and liabilities stems from the change in IAS 12. There was no impact on the Company's results, the effect of the change being related only to disclosure. For comparability purposes, the change was reflected in the 2022 financial year based on the same criteria. For further details, see note 3.7.

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The Company and its subsidiaries estimated that the balance of deferred tax asset as of December 31, 2023 will be realized, as follows:

	Consolidated	Parent Company
2024	192,414	192,308
2025	89,769	89,702
2026	89,769	89,702
2027	89,769	89,702
2028 to 2030	172,653	172,558
2031 to 2033	124,329	124,284
	758,703	**758,256**

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

This table reconciles the statutory income tax (rate 25%) and social contribution tax (rate 9%) with the current income tax expense in the statement of income:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Profit before income tax and social contribution tax	**2,986,883**	**2,203,349**	**2,838,179**	**2,009,276**
Income tax and social contribution tax - nominal expense (34%)	(1,015,540)	(749,139)	(964,981)	(683,154)
Tax effects applicable to:				
Interest on equity	218,010	47,350	218,010	-
Tax incentives	46,417	14,903	44,770	10,903
Share of profit (loss) of affiliate and joint controlled entities, net	52,437	127,260	254,194	401,963
Non-deductible penalties	(1,683)	(4,260)	(1,617)	(4,260)
Difference between presumed profit and real profit methods	90,711	96,550	-	-
Disposal of goodwill – Renova	-	108,416	-	108,416
Estimated losses on doubtful accounts receivable from related parties – Renova	-	233,931	-	233,931
Others	25,431	7,096	14,111	8,381
Income tax and social contribution tax - effective revenue (expense)	**(584,217)**	**(117,893)**	**(435,513)**	**76,180**
Current income tax and social contribution tax	(393,533)	(199,284)	(228,760)	(8,521)
Deferred income tax and social contribution tax	(190,684)	81,391	(206,753)	84,701
	(584,217)	**(117,893)**	**(435,513)**	**76,180**
Effective rate	**19.56%**	**5.35%**	**15.34%**	**(3.79%)**

Accounting policy

The income tax and social contribution tax expenses represents the total amount of current and deferred taxes, which are presented separately in the statements of income. The Company is subject to the regular tax regime '*Lucro Real*'. However, its subsidiaries that can benefit from the favorable tax regime, according to tax law, analyze the payable tax projection for the next year, in order to determine the tax regime that reduces its taxes payment.

Deferred and current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Periodically, in accordance with ICPC 22/IFRIC 23, the Company and its subsidiaries evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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Current

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Advances, or tax credits, are presented as current or non-current assets, in accordance with the expected date of their realization at the balance sheet date, when the tax amounts are duly calculated and offset against advances made.

Deferred

Deferred tax is recognized for temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base at the reporting date.

Government subsidies

The Company has enterprises in the Sudene incentive area, for which it was recognized the right to a 75% reduction in income tax, including the additional. Tax incentives of this nature, in the form of exemption or reduction of income tax, meet the concept of government grants and are recognized by recording the total tax in the result as if it were due, against the equivalent grant revenue, shown as a deduction from income tax expense.

In view of the legal restriction on the distribution of net income corresponding to the incentive, the Company maintains the amount referring to the portion of net income for the year resulting from the incentive in the tax incentive reserve (profit reserve). More details in note 25.

Estimates and judgments

Deferred

Deferred tax liabilities are recognized for all the inter-temporal tax differences. Deferred tax assets are recognized for all the temporary differences deductible, to the extent that it is probable that future taxable profit will be available for the temporary differences to be offset, except:

- When the deferred tax (asset or liability) arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, except when the transaction gives rise to temporary differences that are both taxable and deductible, in which the entity must recognize a deferred tax asset or liability and must recognize the resulting deferred tax expense or revenue in the income statement;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

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- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

These taxes are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax and social contribution tax assets are reviewed at the reporting date and are reduced to the extent that their realization is no longer probable or recognized to the extent that it becomes probable that future taxable profits will allow them to be recovered.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The estimated taxable profits forecast, on which the realization of deferred tax asset are based, are determined by the annual budget and the long-term budget, both reviewed periodically, and by the historical profit. However, the taxable profit may be either higher or lower than the evaluation used by the management when the amount of the deferred tax recognized was determined.

Uncertainties on the treatment of taxes on income

There are certain matters regarding treatment of taxes on profit about which the Company has uncertainties. The uncertainties about the treatment of taxes on profit represent the risks that the tax authority may not accept a given tax treatment applied by the Company. The Company estimates the probability of the tax authority accepting the uncertain tax treatment based on technical assessments of its legal advisors.

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11. ESCROW DEPOSITS

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Labor claims	**20,909**	**24,115**	**20,292**	**23,453**
Tax issues				
Income tax on interest on equity	19,677	18,762	18,361	17,446
Pasep and Cofins taxes (1)	3,685	3,475	-	-
Income tax and social security contribution on indemnity for employees' 'Anuênio' benefit (2)	75,406	71,988	75,406	71,988
Urban property tax (IPTU)	16,902	15,265	16,900	15,263
Social contribution tax (3)	26,665	19,706	26,665	19,706
Others	2,495	7,373	1,817	6,695
	144,830	**136,569**	**139,149**	**131,098**
Others				
Court embargo	1,817	1,790	1,785	1,757
Regulatory	6,265	4,903	6,265	4,903
Others	5,268	7,084	5,153	6,972
	13,350	**13,777**	**13,203**	**13,632**
	179,089	**174,461**	**172,644**	**168,183**

(1) This refers to escrow deposits in the action challenging the unconstitutionality of inclusion of ICMS tax within the amount to which PIS/Pasep and Cofins taxes are applied.
(2) More details in Note 23 - Provisions (*Indemnity of employees' future benefit - the 'Anuênio'*).
(3) Escrow deposit in the legal action challenging an infringement claim relating to application of Social Contribution tax to amounts of cultural and artistic donations and sponsorship, expenses on punitive fines, and taxes with liability suspended.

12. CONCESSION FINANCIAL ASSETS

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Generation - Indemnity receivable (12.1)	784,055	691,460	784,055	691,460
Generation - Concession grant fee (12.2)	3,031,033	2,950,415	2,253,919	-
	3,815,088	**3,641,875**	**3,037,974**	**691,460**
Current	**320,444**	**309,347**	**227,411**	**-**
Non-current	**3,494,644**	**3,332,528**	**2,810,563**	**691,460**

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

	Consolidated	Parent Company
Balance on December 31, 2021	**3,608,403**	**816,202**
Inflation adjustment	513,885	47,028
Amounts received	(308,643)	-
Fair Value Adjustments (1)	(171,770)	(171,770)
Balance on December 31, 2022	**3,641,875**	**691,460**
Assets arising from the merger	-	2,252,341
Inflation adjustment	504,317	232,194
Amounts received	(331,104)	(138,021)
Balance on December 31, 2023	**3,815,088**	**3,037,974**

(1) In June 2022, with the conclusion of the Valuation Report, the Company adjusted the fair value of the financial asset corresponding to the difference in the amounts originally estimated by the Company. Mode details in this note.

12.1 Generation - Indemnity receivable

Various concession contracts for various plants operated under Concession Contract 007/1997 began to expire as from August 2013. Upon expiration of the concession contract, the Company has a right to receive an amount corresponding to the residual value of the assets not yet

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amortized, as specified in the concession contract. These balances were recognized in financial assets, at fair value through profit or loss.

On July 28, 2022 Aneel revoked Normative Resolution (ReN) 942, by publication of ReN 1027, 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.

With the conclusion of the appraisal report, the Company made an adjustment to the fair value of the financial asset in the amount of R$171,770 in June 2022, corresponding to the difference between the amounts originally estimated by the Company.

The movement in the balance is as follows:

Generation plant	Concession expiration date	Installed capacity (MW) (1)	Net balance of assets on December 31, 2022	Financial Update	Net balance of assets on December 31, 2023
Lot D					
UHE Três Marias	July 2015	396.00	179,083	23,981	203,064
UHE Salto Grande	July 2015	102.00	91,874	12,303	104,177
UHE Itutinga	July 2015	52.00	10,825	1,450	12,275
UHE Camargos	July 2015	46.00	21,042	2,818	23,860
PCH Piau	July 2015	18.01	4,695	629	5,324
PCH Gafanhoto	July 2015	14.00	5,630	754	6,384
PCH Peti	July 2015	9.40	6,498	870	7,368
PCH Dona Rita	Sep. 2013	2.41	1,683	226	1,909
PCH Tronqueiras	July 2015	8.50	9,063	1,089	10,152
PCH Joasal	July 2015	8.40	6,727	900	7,627
PCH Martins	July 2015	7.70	4,776	639	5,415
PCH Cajuru	July 2015	7.20	20,238	2,711	22,949
PCH Paciência	July 2015	4.08	4,449	595	5,044
PCH Marmelos	July 2015	4.00	2,585	346	2,931
Others					
UHE Volta Grande	Feb. 2017	380.00	387	52	439
UHE Miranda	Dec. 2016	408.00	97,493	13,055	110,548
UHE Jaguara	Aug. 2013	424.00	147,788	19,916	167,704
UHE São Simão	Jan. 2015	1,710.00	76,624	10,261	86,885
		3,601.70	**691,460**	**92,595**	**784,055**

(1) Information not auddited by independent auditors.

The remaining balance of R$784,055 represents management's best estimate for the plants reimbursement, based on the evaluation criteria set by Aneel and the financial update.

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 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.

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12.2 Generation - Concession grant fee

The concession grant fee paid for a 30 year concession contracts N° 08 to 16/2016, related to 18 hydroelectric plants of Auction 12/2015, won by the Company, 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 the Company 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:

	Plants	Dec. 31, 2022	Monetary updating	Amounts received	Dec. 31, 2023
Cemig Geração e Transmissão S.A.	Três Marias (1)	1,671,515	221,716	(177,902)	1,715,329
Cemig Geração e Transmissão S.A.	Salto Grande (1)	524,778	69,920	(56,105)	538,593
Cemig Geração Itutinga S.A.	Itutinga	197,983	29,632	(23,853)	203,762
Cemig Geração Camargos S.A.	Camargos	148,407	22,066	(17,757)	152,716
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência and Piau	194,694	30,932	(24,982)	200,644
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	133,014	23,303	(18,972)	137,345
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto and Martins	80,024	14,153	(11,533)	82,644
		2,950,415	**411,722**	**(331,104)**	**3,031,033**

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

	Plants	Dec. 31, 2021	Monetary updating	Amounts received	Dec. 31, 2022
Cemig Geração Três Marias S.A.	Três Marias	1,583,720	253,627	(165,832)	1,671,515
Cemig Geração Salto Grande S.A.	Salto Grande	497,154	79,921	(52,297)	524,778
Cemig Geração Itutinga S.A.	Itutinga	187,004	33,214	(22,235)	197,983
Cemig Geração Camargos S.A.	Camargos	140,201	24,759	(16,553)	148,407
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência e Piau	183,635	34,349	(23,290)	194,694
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade e Tronqueiras	125,187	25,512	(17,685)	133,014
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto e Martins	75,300	15,475	(10,751)	80,024
		2,792,201	**466,857**	**(308,643)**	**2,950,415**

Accounting policy

Transmission segment

The contract assets is reclassified as a financial assets (accounts receivable) only after the performance obligation to operate and maintain the infrastructure is satisfied, since from that point nothing more than the passage of time is necessary for the consideration to be received.

Financial portion of the transmission concession contracts renewed in accordance with Law 12,783/2013

Corresponding to the financial portion of remuneration for the assets related to the Existing Basic System Network (RBSE), that represents the amount payable from the date of the extension of the concessions until it was incorporated into the tariff (January 1, 2013 until June 30, 2017), to be collected over a period of eight years.

The amounts to be received are subject to the applicable regulatory rules in the tariff process, including the mechanisms that monitor and measure efficiency. In this new context, the

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unconditional right to consideration depends on the satisfaction of the performance obligation to operate and maintain, and is, thus, characterized as a contract asset. It is classified to financial assets only after an authorizing dispatch by Aneel.

Note 13 gives more information on the materials accounting policies relating to the assets linked to the transmission activity.

Generation segment

The concession fee right paid for the concession contracts granted by the Brazilian Regulator (Aneel) in November 2015, has been classified as a financial asset, at amortized cost, as it represents an unconditional right to receive cash, adjusted by the IPCA index, and remuneratory interest, during the period of the concession.

For the extension of the concession of the hydroelectric plants participating in the MRE, relating to the compensation for non-hydrological risks specified in Law 14,052/2020, an intangible asset was recognized, considering the nature of the right, which enables, by provision of law, the plants to be used for a period longer than the one specified in their original contracts, during the contract extension, the Company is entitled to sell the energy generated without constraint. The asset was measured at fair value in the initial recognition. The asset is amortized by the straight-line method for the new remaining period of the concession. More details in note n. 16.

Note 3.5 describes the accounting practice of the Company in relation to impairment.

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13. CONCESSION CONTRACT ASSETS

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
National Grid ('BNES' - Basic Network of the Existing System) - Law 12,783/13	1,722,829	1,927,040	1,722,829	1,927,040
Transmission - Assets remunerated by tariff	2,925,220	2,717,187	2,823,389	2,606,909
	4,648,049	**4,644,227**	**4,546,218**	**4,533,949**
Current	**841,371**	**720,032**	**813,593**	**691,153**
Non-current	**3,806,678**	**3,924,195**	**3,732,625**	**3,842,796**

The changes in contract assets are as follows:

	Consolidated	Parent Company
Balance on December 31, 2021	**4,276,982**	**4,161,100**
Additions	407,193	407,193
Inflation adjustment	561,044	538,988
Amounts received	(600,992)	(573,332)
Balance on December 31, 2022	**4,644,227**	**4,533,949**
Additions	226,880	216,553
Inflation adjustment	515,130	505,431
Amounts received	(738,188)	(709,715)
Balance on December 31, 2023	**4,648,049**	**4,546,218**

The consideration to be paid to the Company arises from the concession contracts as follows:

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Current				
Concession contract - 006/97 (a)				
National Grid ('BNES' - Basic Network of the Existing System)	466,239	408,395	466,239	408,395
National Grid - new facilities (RBNI)	302,134	236,073	302,134	236,073
Concession contract - 079/00 (b)	45,220	46,685	45,220	46,685
Concession contract - 004/05 (c)	27,778	28,879	-	-
	841,371	**720,032**	**813,593**	**691,153**
Non-current				
Concession contract - 006/97 (a)				
National Grid ('BNES' - Basic Network of the Existing System)	1,256,590	1,518,645	1,256,590	1,518,645
National Grid - new facilities (RBNI)	2,358,462	2,181,638	2,358,462	2,181,638
Concession contract - 079/00 (b)	117,573	142,513	117,573	142,513
Concession contract - 004/05 (c)	74,053	81,399	-	-
	3,806,678	**3,924,195**	**3,732,625**	**3,842,796**
	4,648,049	**4,644,227**	**4,546,218**	**4,533,949**

a) Concession contract 006/1997

The contract regulates the public service of commercial operation of transmission facilities that are classified as parts of the National Grid, pursuant to Law 9,074/1995 and to the regulation applicable. This contract was extended until December 31, 2042, under the terms of Law 12,783/2013, the amounts of which were determined in Administrative Rule 120/2016. These assets are called the Basic Network of the Existing System (RBSE) and are segregated from the Company's other assets, and their cash flow is made up of the portion relating to the cost of capital (financial component) and the portion relating to the remuneration base (economic component).

The changes implemented in these facilities are treated as Basic Network New Facilities (BNE). Its cash flow refers to the return on investments in reinforcements and improvements to the

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transmission infrastructure, and is discounted to present value and, where applicable, includes the portion of investments made and not amortised by the end of the concession term.

Aneel Dispatch 402 of February 14, 2023 postponed to 2024 the Periodic Tariff Review (Revisão Tarifária Periódica – RTP) of the Permitted Annual Revenue (Receita Anual Permitida – RAP) of the transmission concessions that had been extended under Law 12,783/2013. Thus, for 2023 there was the ordinary process of annual readjustment of transmission revenue, established by Ratifying Resolution (Resolução Homologatória) No. 3,216 of 4 July 2023. The financial impact of the new RAPs had no material impact on the calculation of contract assets, since there were no significant changes to the assumptions used.

On December 5, 2023, Aneel approved Order No. 4,675, recognizing administrative appeals filed against ReN No. 3,216/2023, which led to changes in the RAP result for the 2023-2024 cycle, the effects of which will be reflected in the 2024-2025 cycle. The effects of the claims that were accepted, in full or in part, represent an increase of 1.16% in the RAPs approved in ReH No. 3,216/2023 (from R$1,084,670 to R$1,097,264) and a reduction in the Adjustment Portion (PA) of 35.5% (from R$39,303 to R$25,350). The effects of the changes are being analyzed and no material impacts are expected, considering that there were no significant changes in the assumptions used.

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

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

On April 22, 2021, Aneel published Resolution nº 2,852, which altered Resolution nº 2,712/2020, defining, among other provisions, the financial component referred to. Thus, the cost capital associated with the financial components was incorporated into the calculation of the periodic review processes of 2018 deciding the RAP of the transmission concessions that were extended under Law 12,783/2013. This caused 2 effects: (i) A new value for the component to be considered in the RAP of the tariff cycles for 2020-2021 to 2025-2026; and (ii) a residual value for the difference between the amount paid to the transmission companies in the 2017-2018 and 2019-2020 tariff cycles and the amount payable after the injunctions were overturned.

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

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

In the proposed profile the minimum payment is made in the 2021-2022 cycle, with zero amortization of the debt portion of the balance; in the 2022-2023 cycle there is amortization at a rate of 3.0%, so as to amortize part of the debt and keep the level of payments stable; and there

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are then constant payments over the cycles of 2023-2024 to 2027-2028, with amortization rates of 16.11% per year.

Aneel Order 402, of February 14, 2023, postponed to 2024 the RTP of the RAP of the transmission concessions extended under Law No. 12,783/2013. ReN No. 3,216/2023 established the annual revenues, which were subsequently modified by Order No. 4,675 of December 5, 2023. These regulations had no impact on this financial component.

b) Concession contract nº 079/2000

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

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

The index for updating the contract is the General Market Price Index - IGP-M.

The next Periodic Tariff Review (RTP) of the enhancements that have been approved will take place in June 2024 with effect from July 1st, 2024.
ReN 3,216/2023 established the annual revenues in an ordinary process of adjustment of transmission revenues. Dispatch 4,675/2023 recognized some administrative appeals filed against ReN 3,216/2023, which caused changes in the RAP of the 2023-2024 cycle, the effects of which will be reflected in the 2024-2025 RAP cycle. The financial consequences of the new RAP did not cause impacts on the calculation of Contractual assets, since there were no significant changes in the assumptions adopted.

c) Concession contract nº. 004/2005

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

The indexer used for adjustment of the contract is the IGP-M (Índice Geral de Preços do Mercado - General Market Prices Index).
ReN 3,216/2023 established the annual revenues in an ordinary process of adjustment of transmission revenues. Dispatch 4,675/2023 recognized some administrative appeals filed against ReN 3,216/2023, which caused changes in the RAP of the 2023-2024 cycle, the effects of which will be reflected in the 2024-2025 RAP cycle. The financial consequences of the new RAP did not cause impacts on the calculation of Contractual assets, since there were no significant changes in the assumptions adopted.

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Accounting Policy

During the concession period, the Company receives the Permitted Annual Revenue (RAP), which remunerates the investment made in the transmission lines, services of improvements, and operation and maintenance. The Company's revenue is recognized as the corresponding performance obligations are met, namely: (i) availability and construction, and (ii) operation and maintenance. The amounts are recognized in the income statements, with a counterpart in Contractual assets. Subsequently, when the credit notice is issued by the ONS, the RAP is invoiced, and balances are transferred from Contractual assets to Receivables from consumers.

When construction of transmission infrastructure is concluded, the assets related to the transmission infrastructure remains classified as contract assets, considering the existence of performance obligations during the concession period, represented by the network construction, operation and maintenance, as there is no unconditional right to receive the consideration for the construction service unless the company operates and maintains the infrastructure.

The costs related to the infrastructure construction are recognized as incurred in the statement of income.

Notes 12 and 8 give more information on the material accounting practices relating to the transmission activity. The Company's accounting policy in relation to impairment can be found in note 3.5.

Estimates and judgments

Construction and improvement revenues are recognized according to the stage of completion of the works, based on the costs actually incurred, plus the construction margin. The margin allocated to the performance obligation for construction of infrastructure is defined on the basis of management's best estimates and expectations for the profitability of the projects implemented by the Company.

When the tariff set is changed at the time of the periodic tariff reviews, the contract asset is remeasured, discounting the future revenue (RAPs) using the contract original discount rate, implicit in the contract. The amount remeasured is confronted to the carrying amount and the difference is recognized in the statements of income.

Of the amounts of Permitted Annual Transmission Revenue (RAP), invoiced by the transmission concession, the portion relating to the fair value of the operation and maintenance of the assets is recorded in the income statement and the portion relating to the construction revenue, originally recognized at the time of the formation of the assets, is used to write down the contract asset. Additions for expansion and improvements generate additional cash flow, and hence this new cash flow is capitalized into the asset balance of the contract.

The discount rate relating to the financial component of the Contractual assets of the concession is the Company's best estimate for financial remuneration of investments in transmission infrastructure – representing an approximate percentage to represent the price that would be

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charged for payment at sight for infrastructure built or enhanced by the concession holder in a sale transaction. The implicit rate for pricing the financial component of the Contractual assets of the concession is established at the commencement of the investments and takes into account the credit risk of the counterparties.

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14. INVESTMENTS

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Affiliated companies				
Madeira Energia S.A. ("MESA") (1)	-	9,500	-	9,500
Fundo de Investimento em Participações Melbourne Multiestratégia ("FIP Melbourne") (1)	-	7,760	-	7,760
Jointly controlled entities	-	-	-	-
Hidrelétrica Cachoeirão S.A. ("Hidrelétrica Cachoeirão")	46,816	47,096	46,816	47,096
Guanhães Energia S.A. ("Guanhães Energia")	221,725	182,579	221,725	182,579
Hidrelétrica Pipoca S.A. ("Hidrelétrica Pipoca")	47,529	46,744	47,529	46,744
Paracambi Energética S.A. ("Paracambi")	40,475	60,438	40,475	60,438
Baguari Energia S.A. ("Baguari Energia") (2)	-	160,324	-	160,324
Aliança Norte Participações S.A. ("Aliança Norte")	536,268	575,745	536,268	575,745
Amazônia Energia Participações S.A. ("Amazônia Energia")	818,929	885,529	818,929	885,529
Aliança Geração de Energia S.A. ("Aliança Geração")	1,171,595	1,193,841	1,171,595	1,193,841
Retiro Baixo Energética S.A. ("Retiro Baixo") (2)	-	185,495	-	185,495
Subsidiaries				
Cemig Baguari Energia S.A.	-	-	46	67
Cemig Geração Três Marias S.A. (3)	-	-	-	1,727,594
Cemig Geração Salto Grande S.A. (3)	-	-	-	562,308
Cemig Geração Itutinga S.A.	-	-	227,624	231,057
Cemig Geração Camargos S.A.	-	-	168,245	182,960
Cemig Geração Sul S.A.	-	-	254,651	251,765
Cemig Geração Leste S.A.	-	-	158,321	167,959
Cemig Geração Oeste S.A.	-	-	144,685	125,521
Rosal Energia S.A.	-	-	112,383	123,305
Sá Carvalho S.A.	-	-	92,482	138,259
Horizontes Energia S.A.	-	-	32,104	60,535
Cemig PCH S.A.	-	-	50,792	98,917
Cemig Geração Poço Fundo S.A.	-	-	167,968	171,954
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	-	-	29,118	11,004
Cemig Trading S.A.	-	-	8,676	5,639
Central Eólica Praias de Parajuru S.A.	-	-	131,862	203,107
Central Eólica Volta do Rio S.A.	-	-	261,473	308,603
Companhia de Transmissão Centroeste de Minas	-	-	113,186	120,173
UFV Três Marias (4)	-	-	46,464	-
Total	**2,883,337**	**3,355,051**	**4,883,417**	**7,845,778**

(1) On March 20, 2023 Cemig completed sale of its direct and indirect stockholding interests in the share capital of Mesa to Furnas Centrais Elétricas S.A. (Furnas). There are more details in this note.
(2) The Company concluded the sales to Furnas of its equity interests in the capital of the companies Baguari Energia and Retiro Baixo, on October 6 and November 22, 2023, respectively. More details in this Note.
(3) These subsidiaries were merged into Cemig GT on May 31, 2023, at book value. More details in this note.
(4) In the first half of 2023 the Company injected R$39,216 into this investee as an Advance Against Future Capital Increase ('AFAC'), R$32,397 in cash for construction of the 78 MW Três Marias Floating Photovoltaic Distributed Generation complex; and R$6,819 in fixed assets for construction and operation of the Três Marias Photovoltaic Plant, with installed capacity of 1.5 MW. In the fourth quarter of 2023, the Company provided R$6,429 for the implementation of the Arapuá and Sol Central distributed generation photovoltaic plants, and the Rio Manso floating voltaic plant.

For the business year ended December 31, 2023, the Company analyzed whether there were indications of possible impairment of its investments, as required by CPC 01/IAS 36.

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

Changes in the right to exploitation of the regulated activity

In the process of allocating the purchase price for of the acquisition of the subsidiaries and affiliates, a valuation was made for the intangible assets relating to the right to operate the infrastructure. This asset is presented together with the acquisition cost of the investments and these assets will be amortized over the remaining period of the concessions on a straight-line basis.

The rights of authorization to generate wind energy granted to Parajuru and Volta do Rio, valued at R$40,009 (R$44,625 on December 31, 2022) and R$53,652 (R$60,430 on December 31, 2022), respectively, are included in the financial statements of Company in accordance with Technical Interpretation ICPC 09, the investments and are classified in the consolidated balance sheet under Intangibles. These concession assets are amortized by the straight-line method, during the period of the concession. More details in Note 16.

Consolidated	Balance on Dec. 31, 2021	Amortization	Balance on Dec. 31, 2022	Amortization	Other (1)	Balance on Dec. 31, 2023
Retiro Baixo (1)	27,796	(1,389)	26,407	(463)	(25,944)	-
Aliança Geração	301,605	(25,309)	276,296	(25,310)	-	250,986
Aliança Norte	46,660	(1,972)	44,688	(1,971)	-	42,717
	376,061	**(28,670)**	**347,391**	**(27,744)**	**(25,944)**	**293,703**

(1) The Company concluded the sale of its equity stake in this company's equity to Furnas on November 22, 2023. There is more information below in this note.

Parent Company	Balance on Dec. 31, 2021	Amortization	Balance on Dec. 31, 2022	Amortization	Other (1)	Balance on Dec. 31, 2023
Retiro Baixo (1)	27,796	(1,389)	26,407	(463)	(25,944)	-
Parajuru	49,241	(4,616)	44,625	(4,616)	-	40,009
Volta do Rio	67,205	(6,775)	60,430	(6,778)	-	53,652
Aliança Geração	301,605	(25,309)	276,296	(25,310)	-	250,986
Aliança Norte	46,660	(1,972)	44,688	(1,971)	-	42,717
	492,507	**(40,061)**	**452,446**	**(39,138)**	**(25,944)**	**387,364**

(1) The Company concluded the sale of its equity stake in this company's equity to Furnas on November 22, 2023. There is more information below in this note.

Changes in investments in affiliates, subsidiaries and jointly-controlled entities:

Consolidated	Balance on Dec. 31, 2022	Gain (loss) by equity method	Addition	Dividends	Settled	Balance on Dec. 31, 2023
Hidrelétrica Cachoeirão	47,096	11,322	-	(11,602)	-	46,816
Guanhães Energia	182,579	39,146	-	-	-	221,725
Hidrelétrica Pipoca	46,744	15,975	-	(15,190)	-	47,529
MESA (*Santo Antônio* Plant) (1)	9,500	(9,500)	-	-	-	-
FIP Melbourne (*Santo Antônio* Plant) (1)	7,760	22,326	-	-	(30,086)	-
Baguari Energia (2)	160,324	11,133	-	(11,579)	(159,878)	-
Paracambi (3)	60,438	16,761	-	(25,913)	(10,811)	40,475
Amazônia Energia (*Belo Monte* Plant)	885,529	(66,808)	208	-	-	818,929
Aliança Norte (*Belo Monte* Plant)	575,745	(39,810)	333	-	-	536,268
Aliança Geração	1,193,841	135,757	-	(158,003)	-	1,171,595
Retiro Baixo (2)	185,495	5,052	-	-	(190,547)	-
Total	**3,355,051**	**141,354**	**541**	**(222,287)**	**(391,322)**	**2,883,337**

(1) On March 20, 2023 the Company completed sale of its direct and indirect stockholding interests in the share capital of MESA to Furnas Centrais Elétricas S.A. (Furnas). There is more information below in this note.
(2) The Company concluded the sales to Furnas of its equity interests in the capital of the companies Baguari Energia and Retiro Baixo, on October 6 and November 22, 2023, respectively. More details in this Note.
(3) Reduction of the share capital of these investee, approved by the EGMs held on September 19, 2023, in accordance with the terms of Law 6,404/1,976.

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Consolidated	Balance on Dec. 31, 2021	Gain (loss) by equity method	Addition	Dividends	Others	Balance on December 31, 2022
Hidrelétrica Cachoeirão	59,014	15,470	-	(27,388)	-	47,096
Guanhães Energia	125,172	57,407	-	-	-	182,579
Hidrelétrica Pipoca	46,722	16,360	-	(16,338)	-	46,744
MESA (*Santo Antônio* Plant)	-	9,500	-	-	-	9,500
FIP Melbourne (*Santo Antônio* Plant) (1)	-	168,403	-	-	(160,643)	7,760
Baguari Energia	168,429	21,413	-	(29,518)	-	160,324
Paracambi (formerly Lightger) (4)	47,787	19,291	-	(6,640)	-	60,438
Amazônia Energia (*Belo Monte* Plant)	932,600	(47,178)	107	-	-	885,529
Aliança Norte (*Belo Monte* Plant)	609,154	(33,793)	384	-	-	575,745
Aliança Geração (3)	1,140,930	104,054	-	(47,875)	(3,268)	1,193,841
Retiro Baixo	200,385	23,313	-	(38,203)	-	185,495
Itaocara (5)		(3,016)	10,428	-	(7,412)	-
Total of investments	**3,330,193**	**351,224**	**10,919**	**(165,962)**	**(171,323)**	**3,355,051**
Itaocara - equity deficit (5)	(20,767)	6,473	14,294	-	-	-
MESA - provisions to losses (2)	(161,648)	161,648	-	-	-	-
Total	**3,147,778**	**519,345**	**25,213**	**(165,962)**	**(171,323)**	**3,355,051**

(1) On September 12, 2022, AGPar made the payment to the FIP Melbourne fund associated with the Agreement arising from Arbitration Judgment CCBC-86/2016. As from that date the Company recognized this as a receivable, in the income statement. There is more information below in this note.

(2) In June 2022, the provision relating to contractual obligations assumed by the Company with the investee and the other shareholders was reversed. See further information in this note.

(3) This refers to expenditure on implementation of projects previously executed.

(4) On November 8, 2022, the investee's Extraordinary General Meeting approved the amendment of the bylaws that changed its corporate name to "Paracambi Energética S.A.".

(5) Up to the third quarter of 2022 the jointly-controlled subsidiary Usina Hidrelétrica Itaocara S.A. presented net negative equity and thus, after writing down the balance of its equity interest, the Company recognized a loss on the extension of its contractual obligations assumed with the investee and the other stockholders, which on September 30, 2022 was in the amount of R$14,280 (R$20,767 at December 31, 2021). In the fourth quarter of 2022, the Company injected capital of R$24,722 into this investee, corresponding to 49% of the penalty applied by Aneel relating to settlement of the compliance guarantee arising from non-implementation of the Itaocara I hydroelectric plant. With this, the provision for the contractual obligations assumed by the Company to the investee and the other stockholders was reversed. Additionally, Aneel recommended to the Mining and Energy Ministry extinction, on request, of the concession of the Itaocara hydroelectric plant by decision of Concession Contract 001/2015. In view of the non-recoverability of the investment, the Company recognized an impairment of its investment in accordance with CPC 01 / IAS 36. The loss is presented in the Income Statement under Other operational expenses.

Parent Company	Balance on Dec. 31, 2022	Gain (loss) by equity method	Addition	Dividends	Settled	Balance on Dec. 31, 2023
Hidrelétrica Cachoeirão	47,096	11,322	-	(11,602)	-	46,816
Guanhães Energia	182,579	39,146	-	-	-	221,725
Hidrelétrica Pipoca	46,744	15,975	-	(15,190)	-	47,529
MESA (*Santo Antônio* Plant) (1)	9,500	(9,500)	-	-	-	-
FIP Melbourne (*Santo Antônio* Plant) (1)	7,760	22,326	-	-	(30,086)	-
Baguari Energia (2)	160,324	11,133	-	(11,579)	(159,878)	-
Central Eólica Praias Parajuru S.A. (5)	203,107	30,761	-	(51,171)	(50,835)	131,862
Central Eólica Volta do Rio S.A. (5)	308,603	30,710	-	(9,341)	(68,499)	261,473
Paracambi (7)	60,438	16,761	-	(25,913)	(10,811)	40,475
Amazônia Energia (*Belo Monte* Plant)	885,529	(66,808)	208	-	-	818,929
Aliança Norte (*Belo Monte* Plant)	575,745	(39,810)	333	-	-	536,268
Aliança Geração	1,193,841	135,757	-	(158,003)	-	1,171,595
Retiro Baixo Energia S.A. (2)	185,495	5,052	-	-	(190,547)	-
Cemig Baguari Energia S.A.	67	(21)	-	-	-	46
Cemig Geração Três Marias S.A. (3)	1,727,594	113,348	-	(54,593)	(1,786,349)	-
Cemig Geração Salto Grande S.A. (3)	562,308	35,192	-	(34,897)	(562,603)	-
Cemig Geração Itutinga S.A.	231,057	42,994	-	(46,427)	-	227,624
Cemig Geração Camargos S.A.	182,960	43,225	-	(57,940)	-	168,245
Cemig Geração Sul S.A.	251,765	40,234	-	(37,348)	-	254,651
Cemig Geração Leste S.A.	167,959	41,363	-	(51,001)	-	158,321
Cemig Geração Oeste S.A.	125,521	19,164	-	-	-	144,685
Rosal Energia S.A.	123,305	27,839	-	(38,761)	-	112,383
Sá Carvalho S.A.	138,259	65,880	-	(111,657)	-	92,482
Horizontes Energia S.A. (6)	60,535	14,254	-	(13,426)	(29,259)	32,104
Cemig PCH S.A. (6)	98,917	14,973	-	(23,146)	(39,952)	50,792
Cemig Geração Poço Fundo S.A.	171,954	27,129	-	(31,115)	-	167,968
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	11,004	19,741	-	(1,627)	-	29,118
Cemig Trading S.A.	5,639	5,017	-	(1,980)	-	8,676
Companhia de Transmissão Centroeste de Minas	120,173	9,709	-	(16,696)	-	113,186
UFV Três Marias (4)	-	819	45,645	-	-	46,464
Total	**7,845,778**	**723,685**	**46,186**	**(803,413)**	**(2,928,819)**	**4,883,417**

(1) On March 20, 2023 the Company completed sale of its direct and indirect stockholding interests in the share capital of MESA to Furnas Centrais Elétricas S.A. (Furnas). There is more information below in this note.

(2) The Company concluded the sales to Furnas of its equity interests in the capital of the companies Baguari Energia and Retiro Baixo, on October 6 and November 22, 2023, respectively. More details in this Note.

(3) These subsidiaries were merged into Cemig GT on May 31, 2023, at book value.More details in note 13.

(4) In the first half of 2023 the Company injected R$39,216 into this investee as an Advance Against Future Capital Increase ('AFAC'), R$32,397 in cash for construction of the 78 MW Três Marias Floating Photovoltaic Distributed Generation complex; and R$6,819 in fixed assets for construction and operation of the Três Marias Photovoltaic Plant, with installed capacity of 1.5 MW. In the fourth quarter of 2023, the Company made a addition in the amount of R$6,429, for the implementation of UFV GD Arapuá, UFV GD Sol Central and UFVF Rio Manso.

(5) Reduction of the share capital of these investees, approved by the Extraordinary General Meetings of Stockholders (EGMs) held on June 1, 2023, in accordance with the terms of Law 6,404/1,976.

(6) Reduction of the share capital of these investees, approved by the EGMs held on June 6, 2023, in accordance with the terms of Law 6,404/1,976.

(7) Reduction of the share capital of these investee, approved by the EGMs held on September 19, 2023, in accordance with the terms of Law 6,404/1,976.

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Parent Company	Balance on Dec. 31, 2021	Gain (loss) by equity method	Addition	Dividends	Others	Balance on December 31, 2022
Hidrelétrica Cachoeirão	59,013	15,470	-	(27,387)	-	47,096
Guanhães Energia	125,172	57,407	-	-	-	182,579
Hidrelétrica Pipoca	46,722	16,360	-	(16,338)	-	46,744
MESA (*Santo Antônio* Plant)	-	9,500	-	-	-	9,500
FIP Melbourne (*Santo Antônio* Plant) (1)	-	168,403	-	-	(160,643)	7,760
Baguari Energia	168,429	21,413	-	(29,518)	-	160,324
Central Eólica Praias Parajuru S.A.	177,707	30,354	-	(4,954)	-	203,107
Central Eólica Volta do Rio S.A.	273,988	34,615	-	-	-	308,603
Paracambi (formerly Lightger) (6)	47,787	19,291	-	(6,640)	-	60,438
Amazônia Energia (*Belo Monte* Plant)	932,600	(47,178)	107	-	-	885,529
Aliança Norte (*Belo Monte* Plant)	609,154	(33,793)	384	-	-	575,745
Aliança Geração (2) (5)	1,140,930	104,054	-	(47,875)	(3,268)	1,193,841
Retiro Baixo Energia S.A.	200,385	23,313	-	(38,203)	-	185,495
Itaocara (7)		(3,016)	10,428	-	(7,412)	-
Cemig Baguari Energia S.A.	88	(21)	-	-	-	67
Cemig Geração Três Marias S.A.	1,652,343	289,770	-	(214,519)	-	1,727,594
Cemig Geração Salto Grande S.A.	526,776	95,467	-	(59,935)	-	562,308
Cemig Geração Itutinga S.A.	211,956	45,101	-	(26,000)	-	231,057
Cemig Geração Camargos S.A.	165,369	44,591	-	(27,000)	-	182,960
Cemig Geração Sul S.A.	214,845	40,920	-	(4,000)	-	251,765
Cemig Geração Leste S.A.	147,702	39,588	-	(19,331)	-	167,959
Cemig Geração Oeste S.A.	105,990	19,531	-	-	-	125,521
Rosal Energia S.A.	114,751	23,805	-	(15,251)	-	123,305
Sá Carvalho S.A.	134,209	61,505	-	(57,455)	-	138,259
Horizontes Energia S.A.	59,575	13,426	-	(12,466)	-	60,535
Cemig PCH S.A.	90,117	22,030	-	(13,230)	-	98,917
Cemig Geração Poço Fundo S.A. (3)	144,129	10,465	20,000	(2,640)	-	171,954
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	7,734	3,270	-	-	-	11,004
Cemig Trading S.A.	2,158	3,960	-	(479)	-	5,639
Companhia de Transmissão Centroeste de Minas	122,079	18,450	-	(20,356)	-	120,173
Total of investments	**7,481,708**	**1,148,051**	**30,919**	**(643,577)**	**(171,323)**	**7,845,778**
Itaocara - equity deficit (7)	(20,767)	6,473	14,294	-	-	-
MESA - provisions to losses (4)	(161,648)	161,648	-	-	-	-
Total	**7,299,293**	**1,316,172**	**45,213**	**(643,577)**	**(171,323)**	**7,845,778**

(1) On September 12, 2022, AGPar made the payment to the FIP Melbourne fund associated with the Agreement arising from Arbitration Judgment CCBC-86/2016. As from that date the Company recognized a receivable in the amount of R$160,643 in the income statement. There is more information below in this note.
(2) On March 24, 2022 the investee's Board of Directors approved the reversion of a portion of Dividends payable to the Retained earnings reserve, which is linked to certain financial conditions.
(3) In the second quarter of 2022, the Company transferred to this investee, as an advance against future capital increase, in the amount of R$20,000.
(4) In June 2022, the provision relating to contractual obligations assumed by the Company with the investee and the other shareholders was reversed. See further information in this note.
(5) This refers to expenditure on implementation of projects previously executed.
(6) On November 8, 2022, the investee's Extraordinary General Meeting approved the amendment of the bylaws that changed its corporate name to "Paracambi Energética S.A.".
(7) Up to the third quarter of 2022 the jointly-controlled subsidiary Usina Hidrelétrica Itaocara S.A. presented net negative equity and thus, after writing down the balance of its equity interest, the Company recognized a loss on the extension of its contractual obligations assumed with the investee and the other stockholders, which on September 30, 2022 was in the amount of R$14,280 (R$20,767 at December 31, 2021). In the fourth quarter of 2022, the Company injected capital of R$24,722 into this investee, corresponding to 49% of the penalty applied by Aneel relating to settlement of the compliance guarantee arising from non-implementation of the Itaocara I hydroelectric plant. With this, the provision for the contractual obligations assumed by the Company to the investee and the other stockholders was reversed. Additionally, Aneel recommended to the Mining and Energy Ministry extinction, on request, of the concession of the Itaocara hydroelectric plant by decision of Concession Contract 001/2015. In view of the non-recoverability of the investment, the Company recognized an impairment of its investment in accordance with CPC 01 / IAS 36. The loss is presented in the Income Statement under Other operational expenses.

Changes in dividends receivable are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Opening balances	**140,250**	**232,098**	**259,106**	**280,204**
Investees' dividends proposed	222,287	165,962	803,413	643,577
Amounts receives	(362,537)	(257,810)	(922,708)	(664,675)
Effects arising from the merger	-	-	(126,006)	-
Ending balances	**-**	**140,250**	**13,805**	**259,106**

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d) Main information on the subsidiaries and and jointly-controlled entities, not adjusted for the Company's percentage ownership interest:

Company	Number of shares	December 31, 2023			December 31, 2022		
		Equity interest (%)	Share capital	Equity	Equity interest(%)	Share capital	Equity
Jointly controlled entities							
Hidrelétrica Cachoeirão	35,000,000	49.00	35,000	95,542	49.00	35,000	96,114
Guanhães Energia	548,626,000	49.00	548,626	452,500	49.00	548,626	372,610
Hidrelétrica Pipoca	41,360,000	49.00	41,360	96,998	49.00	41,360	95,395
Paracambi	79,078,937	49.00	57,166	82,603	49.00	79,232	123,342
Aliança Norte (Belo Monte Plant)	41,949,320,044	49.00	1,210,429	1,007,247	49.00	1,209,750	1,083,789
Amazônia Energia (Belo Monte Plant) (1)	1,323,320,723	74.50	1,323,321	1,099,233	74.50	1,323,042	1,188,630
Aliança Geração	1,291,582,500	45.00	1,291,488	2,045,797	45.00	1,291,488	2,038,988
Usina Hidrelétrica Itaocara S.A.	156,259,500	49.00	206,712	15,126	49.00	206,712	15,126
Subsidiaries							
Cemig Baguari Energia S.A.	406,000	100.00	406	46	100.00	406	67
Cemig Geração Itutinga S.A.	151,309,332	100.00	151,309	227,624	100.00	151,309	231,057
Cemig Geração Camargos S.A.	113,499,102	100.00	113,499	168,245	100.00	113,499	182,960
Cemig Geração Sul S.A.	148,146,505	100.00	148,147	254,651	100.00	148,147	251,765
Cemig Geração Leste S.A.	100,568,929	100.00	100,569	158,321	100.00	100,569	167,959
Cemig Geração Oeste S.A.	60,595,484	100.00	60,595	144,685	100.00	60,595	125,521
Rosal Energia S.A.	46,944,467	100.00	46,944	112,383	100.00	46,944	123,305
Sá Carvalho S.A.	361,200,000	100.00	36,833	92,482	100.00	36,833	138,259
Horizontes Energia S.A.	10,000,000	100.00	10,000	32,104	100.00	39,258	60,535
Cemig PCH S.A.	6,000,000	100.00	6,000	50,792	100.00	45,952	98,917
Cemig Geração Poço Fundo S.A.	139,084,745	100.00	139,085	167,968	100.00	139,185	171,954
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	486,000	100.00	486	29,118	100.00	486	11,004
Cemig Trading S.A.	1,000,000	100.00	1,000	8,676	100.00	1,000	5,639
Central Eólica Praias de Parajuru S.A.	35,000,000	100.00	35,000	91,853	100.00	85,835	158,482
Central Eólica Volta do Rio S.A.	180,000,000	100.00	180,000	207,821	100.00	274,867	248,173
Companhia de Transmissão Centroeste de Minas	28,000,000	100.00	28,000	113,186	100.00	28,000	120,173
UFV Três Marias	6,887,499	100.00	6,819	46,464	100.00	-	-

(1) Control shared under a shareholders' agreement.

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The main balances for the affiliated companies and jointly controlled entities, at December 31, 2023 and 2022, are as follows:

2023	Hidrelétrica Cachoeirão	Guanhães Energia	Hidrelétrica Pipoca	Paracambi
Assets				
Current	11,272	1,533,563	10,778	23,738
Cash and cash equivalents	7,223	112,337	5,740	17,387
Non-current	86,025	4,735,005	95,345	99,536
Total assets	**97,297**	**6,268,568**	**106,123**	**123,274**
Liabilities				
Current	6,877	143,055	8,328	10,750
Loans and financings	-	68,694	6,616	8,680
Non-current	655	1,150,428	804	29,922
Loans and financings	-	940,690	549	29,922
Stockholders' equity	89,765	4,975,085	96,991	82,602
Total liabilities and equity	**97,297**	**6,268,568**	**106,123**	**123,274**
Statement of income				
Net sales revenue	37,616	59,983	45,624	59,523
Operating costs	(15,107)	(38,697)	(11,205)	(16,403)
Depreciation	(3,734)	(20,967)	(4,096)	(11,787)
Gross income	**22,509**	**21,286**	**34,419**	**43,120**
General and administrative expenses	-	-	(1,318)	(2,136)
Finance income	2,690	14,789	3,065	6,508
Finance expenses	(5)	(9,804)	(941)	(3,773)
	25,194	**26,271**	**35,225**	**43,719**
Operational income				
Income tax and social contribution tax	(2,088)	(6,712)	(2,620)	(4,180)
Net income (loss) for the year	**23,106**	**19,559**	**32,605**	**39,539**
Comprehensive income for the year				
Net income (loss) for the year	23,106	19,559	32,605	39,539
Comprehensive income for the year	**23,106**	**19,559**	**32,605**	**39,539**

2023	Amazônia Energy	Aliança Geração	Aliança Norte	Itaocara
Assets				
Current	159	583,013	391	3,243
Cash and cash equivalents	159	347,544	381	3,107
Non-current	1,107,657	3,700,253	1,015,013	11,874
Total assets	**1,107,816**	**4,283,266**	**1,015,404**	**15,117**
Liabilities				
Current	7,897	828,616	41	249
Loans and financings	-	179,920	-	-
Non-current	458	1,766,780	8,116	-
Loans and financings	-	992,959	-	-
Stockholders' equity (negative)	1,099,461	1,687,870	1,007,247	14,868
Total liabilities and equity (negative)	**1,107,816**	**4,283,266**	**1,015,404**	**15,117**
Statement of income				
Net sales revenue	-	1,148,967	-	-
Operating costs	(200)	(472,227)	-	(647)
Depreciation	-	(130,761)	-	-
Gross income (loss)	**(200)**	**676,740**	**-**	**(647)**
General and administrative expenses	-	(51,091)	(77,257)	-
Finance income	-	50,288	60	389
Finance expenses	(7)	(171,026)	(24)	-
Operational income	**(207)**	**504,911**	**(77,221)**	**(258)**
Share of (loss) profit, net, of associates and joint ventures	(82,898)	23,357	-	-
Income tax and Social Contribution tax	-	(170,341)	-	-
Net income (loss) for the year	**(83,105)**	**357,927**	**(77,221)**	**(258)**
Comprehensive income for the year	(83,105)	357,927	(77,221)	(258)
Net income (loss) for the year	(83,105)	357,927	(77,221)	(258)
Comprehensive income for the period	**(83,105)**	**357,927**	**(77,221)**	**(258)**

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2022	Hidrelétrica Cachoeirão	Baguari Energia	Guanhães Energia	Madeira Energia	Hidrelétrica Pipoca	Paracambi
Assets						
Current	15,485	83,027	132,307	1,818,829	19,753	62,992
Cash and cash equivalents	10,932	10,471	3,118	923,599	14,406	59,516
Non-current	90,105	205,105	375,482	20,953,217	98,614	109,681
Total assets	**105,590**	**288,132**	**507,789**	**22,772,046**	**118,367**	**172,673**
Liabilities						
Current	8,821	24,970	38,127	2,570,839	15,782	11,242
Loans and financings	-	-	11,782	655,361	6,613	8,623
Non-current	655	24,326	97,052	19,971,866	7,190	38,089
Loans and financings	-	-	79,587	13,546,024	7,070	38,089
Stockholders' equity	96,114	238,836	372,610	229,341	95,395	123,342
Total liabilities and equity	**105,590**	**288,132**	**507,789**	**22,772,046**	**118,367**	**172,673**
Statement of income						
Net sales revenue	42,556	81,279	56,864	4,137,130	44,807	62,385
Operating costs	(12,134)	(28,504)	(45,247)	(3,451,054)	(9,424)	(17,258)
Depreciation	(3,485)	(10,487)	(16,012)	-	(4,350)	(11,783)
Gross income	**30,422**	**52,775**	**11,617**	**686,076**	**35,383**	**45,127**
General and administrative expenses	-	(122)	-	(149,579)	(1,184)	(2,096)
Finance income	3,901	9,495	89,794	361,215	3,069	5,856
Finance expenses	(27)	(3,640)	(10,633)	(3,520,551)	(1,463)	(4,324)
	34,296	**58,508**	**90,778**	**(2,622,839)**	**35,805**	**44,563**
Operational income						
Income tax and social contribution tax	(2,725)	(19,869)	(32,062)	(222,408)	(2,451)	(3,984)
Net income (loss) for the year	**31,571**	**38,639**	**58,716**	**(2,845,247)**	**33,354**	**40,579**
Comprehensive income for the year						
Net income (loss) for the year	31,571	38,639	58,716	(2,845,247)	33,354	40,579
Comprehensive income for the year	**31,571**	**38,639**	**58,716**	**(2,845,247)**	**33,354**	**40,579**

2022	Amazônia Energy	Retiro Baixo	Aliança Geração	Aliança Norte	Itaocara
Assets					
Current	146	63,163	871,025	264	3,695
Cash and cash equivalents	146	49,213	448,561	261	3,584
Non-current	1,190,554	337,170	3,320,769	1,091,377	11,709
Total assets	**1,190,700**	**400,333**	**4,191,794**	**1,091,641**	**15,404**
Liabilities					
Current	1,581	36,957	664,162	39	278
Loans and financings	-	13,812	134,435	-	-
Non-current	489	44,561	1,488,644	7,813	-
Loans and financings	-	27,601	710,257	-	-
Stockholders' equity (negative)	1,188,630	318,815	2,038,988	1,083,789	15,126
Total liabilities and equity (negative)	**1,190,700**	**400,333**	**4,191,794**	**1,091,641**	**15,404**
Statement of income					
Net sales revenue	-	77,283	1,109,022	-	-
Operating costs	(77)	(3,512)	(608,497)	-	(253)
Depreciation	-	(8,898)	(124,004)	-	-
Gross income (loss)	**(77)**	**73,771**	**500,525**	**-**	**(253)**
General and administrative expenses	-	(3,645)	(42,854)	(64,959)	-
Finance income	-	9,781	61,101	20	431
Finance expenses	(2)	(4,844)	(109,271)	(3)	(6,676)
Operational income	**(79)**	**75,063**	**409,501**	**(64,942)**	**(6,498)**
Share of (loss) profit, net, of associates and joint ventures	(63,246)	-	10,986	-	-
Income tax and Social Contribution tax	-	(25,559)	(139,078)	-	-
Net income (loss) for the year	**(63,325)**	**49,504**	**281,409**	**(64,942)**	**(6,498)**
Comprehensive income for the year					
Net income (loss) for the year	(63,325)	49,504	281,409	(64,942)	(6,498)
Comprehensive income for the period	**(63,325)**	**49,504**	**281,409**	**(64,942)**	**(6,498)**

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

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

On December 31, 2023 NESA presents negative net working capital of R$578,277 (R$494,493 on December 31, 2022). According to the estimates and projections, the negative net working capital, and the future demands for investments in the hydroelectric plant, will be supported by revenues from future operations and/or raising of bank loans.

On September 21, 2015, NESA was awarded a preliminary injunction ordering the grantor to abstain, until hearing of the application for an injunction made in the original case, from applying to Appellant any penalties or sanctions in relation to the Belo Monte Hydroelectric Plant not starting operations on the date established in the original timetable for the project, including those specified in an the grantor (Aneel) Normative Resolution 595/2013 and in the Concession Contract 01/2010-MME for the Belo Monte Hydroelectric Plant'. The legal advisors of NESA have classified the probability of loss as 'possible' and estimated the potential loss on September 30, 2023 to R$2,859 million (R$2,972 million on December 31, 2022). The potential impact to the Company is limited to its NESA investment.

e) Absorption of the wholly-owned subsidiaries Cemig Geração Três Marias S.A. and Cemig Geração Salto Grande S.A.

On January 24, 2023 Aneel approved transfer of the concessions of the Três Marias and Salto Grande hydroelectric plants to Cemig GT. On May 31, 2023 this absorption was approved by an Extraordinary General Meeting of Stockholders, at book value, with consequent extinction of the investees from that date, the Company becoming its successor in all its assets, rights and obligations, as per Article 277 of Law 6,404/1976.

Since this is an absorption of a wholly-owned subsidiary, there was no capital increase nor need for issue of new shares by Cemig.

The diagram below shows the book value balances of the absorbed companies:

	May 31, 2023
CURRENT	**405,630**
Cash and cash equivalents	138,723
Concession financial assets	226,049
Other Assets	40,858
NON-CURRENT	**2,216,484**
Concession financial assets	2,026,292
Property, plant and equipment	31,192
Intangible	146,628
Other Assets	12,372
CURRENT	**209,965**
Income tax and social contribution tax	64,562
Other liabilities	145,403
NON-CURRENT	**63,197**
Deferred income tax and social contribution tax	44,178
Other liabilities	19,019
TOTAL	**2,348,952**

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The absorption contributes to optimization of the Company's stockholding structure, which in turn results in reduction of costs, and generates administrative and financial efficiency.

f) Disposal of stockholding interests

Mesa

On March 20, 2023 the Company 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, % (1)	30,487
Indirect stake, % (1)	24,904
	55,391
Cost of the investment (2):	-

(1) The effects of the sale are presented in the results of the holdings operating segment in note 5.
(2) 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.

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

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

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

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

Retiro Baixo and Baguari Energia

Operation 1

Share purchase agreements were signed on April 14, 2023 for sale to Furnas Centrais Elétricas of the Company'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 Company 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 Company's indirectly held interest of 34% in the Baguari Consortium, which operates the UHE Baguari hydroelectric plant, in Minas Gerais, with installed generation capacity of 140 MW and assured energy (physical offtake guarantee) of 81.9 MW, representing 69.39% of the share capital of Baguari Energia.

In April 2023 the assets were classified as held for sale, at book value, in accordance with Item 15 of CPC 31 / IFRS 5, thus having no effect on net profit.

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

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

- Conclusion of the sale of Baguari Energia

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

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

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

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

(1) The effects of the sale are presented in the results of the holdings operating segment in note 5.
(2) Sales expenses totaled R$519 and its refers to accounting, tax and legal due diligence services, and legal advice.

- Sale of Retiro Baixo

On November 22, 2023, the sale was completed for the amount of R$223,4 million, made up of the amount agreed in the CCVA of R$190 million plus 100% CDI adjustment since December 31, 2022. From this total, the amount of R$5,9 million was deducted, referring to the dividend received on June 28, 2023. Thus, the amount received on the closing date of the transaction was R$217,5 million.

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

Interest held by Cemig GT	49.9%
Total sale price	217,511
Value of the assets held for sale on November 30, 2023	190,547
Capital gain on the share transaction (1)	**26,964**
Taxable capital gain (net of sales expenses) (2)	5,800
Income tax and Social Contribution tax (2)	(1,947)
Capital gain net of taxes	**3,853**

(1) The effects of the sale are presented in the results of the holdings operating segment in note 5
(2) Sales expenses totaled R$432 and its refers to accounting, tax and legal due diligence services, and legal advice.

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Operation 2

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

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

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

Reduction of share capital in the jointly controlled subsidiary Guanhães Energia

An Extraordinary General Meeting of Stockholders held on September 19, 2023 decided to reduce the share capital by R$235,309, of which R$137,488 will be destined to absorption of losses and R$97,820 will be repaid to stockholders, with no reduction in the number of nominal common shares as currently issued. Thus, the share capital of the jointly controlled subsidiary has decreased from R$548,636 to R$313,317. The share of Cemig GT corresponds to R$47,932; in January 2024 Cemig GT received R$46,476. This transaction will be reflected in the interim financial statements for the first quarter of 2024.

g) Risks related to compliance with law and regulations

There is a public civil inquiry being conducted by the Public Attorneys' Office of the State of Minas Gerais ('MPMG'), which aim to investigate eventual irregularities in the investment made by the Company at Guanhães Energia.

Accounting policy

The Company hold investments in subsidiaries and jointly controlled entities. Control is obtained when the Company and/or one of its subsidiaries has the power to control the financial and operational policies of an entity to receive benefits from its activities. These investments are initially recognized at acquisition cost, represented by the total of the consideration transferred, which is calculated on the basis of the fair value on the date of acquisition.

The difference between the amount paid and the amount of the shareholders' equity acquired is recognized in Investments as:

(i) added value, represented by the difference between the fair value of the acquired entity's assets and the value of its shareholders; and
(ii) goodwill premium, when the amount paid is higher than the fair value of the net assets, representing the expectation of generation of future value. The goodwill premium arising from the acquisition is tested annually for impairment.

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Estimates and judgments

Subsequent measurement of these investments is effected by the equity method. After this measurement, the Company evaluates whether there are any indications of possible impairment of the value of its investments. A loss is recognized in the income statement when there is an indication that the impaired value of an investment is lower than its book value. The equity method ceases to be applied from the moment the investment loses its characteristics as an associate, subsidiary or jointly-controlled subsidiary, for example in the case of classification as a non-current asset held for sale.

The financial statements of the associates and jointly controlled entities are prepared for the same disclosure period as those of the Company and its subsidiaries. When necessary, adjustments are made to bring the accounting policies in line with those applied by the Company and its subsidiaries.

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15. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Dec. 31, 2023			Dec. 31, 2022		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
In service	**7,407,814**	**(5,461,963)**	**1,945,851**	**7,393,963**	**(5,398,094)**	**1,995,869**
Land	247,353	(32,051)	215,302	246,946	(29,140)	217,806
Reservoirs, dams and watercourses	3,322,524	(2,470,024)	852,500	3,302,646	(2,432,974)	869,672
Buildings, works and improvements	1,094,497	(867,718)	226,779	1,092,172	(858,980)	233,192
Machinery and equipment	2,711,526	(2,066,687)	644,839	2,724,327	(2,053,238)	671,089
Vehicles	19,054	(14,541)	4,513	14,970	(13,050)	1,920
Furniture and utensils	12,860	(10,942)	1,918	12,902	(10,712)	2,190
Under construction	**1,089,805**	**-**	**1,089,805**	**360,830**	**-**	**360,830**
Assets in progress	1,089,805	-	1,089,805	360,830	-	360,830
Net PP&E	**8,497,619**	**(5,461,963)**	**3,035,656**	**7,754,793**	**(5,398,094)**	**2,356,699**

Parent Company	Dec. 31, 2023			Dec. 31, 2022		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
In service	**6,116,253**	**(4,770,158)**	**1,346,095**	**6,194,255**	**(4,743,558)**	**1,450,697**
Land	242,848	(31,632)	211,216	242,323	(28,696)	213,627
Reservoirs, dams, watercourses	2,962,659	(2,308,152)	654,507	3,019,053	(2,277,133)	741,920
Buildings, works and improvements	1,004,445	(820,465)	183,980	1,002,659	(814,033)	188,626
Machinery and equipment	1,874,848	(1,584,850)	289,998	1,902,809	(1,600,347)	302,462
Vehicles	18,836	(14,323)	4,513	14,752	(12,832)	1,920
Furniture and utensils	12,617	(10,736)	1,881	12,659	(10,517)	2,142
Under construction	**859,845**	**-**	**859,845**	**106,218**	**-**	**106,218**
Assets in progress	859,845	-	859,845	106,218	-	106,218
Net PP&E	**6,976,098**	**(4,770,158)**	**2,205,940**	**6,300,473**	**(4,743,558)**	**1,556,915**

Changes in Property, plant and equipment were as follows:

Consolidated	Balance on Dec. 31, 2022	Addition (2)	Transfer (3)	Settled	Held for sale	Depreciation	Balance on Dec. 31, 2023
In service	**1,995,869**	**-**	**175,549**	**(921)**	**(56,469)**	**(168,177)**	**1,945,851**
Land (1)	217,806	-	1,647	(207)	(653)	(3,291)	215,302
Reservoirs, dams, watercourses	869,672	-	83,844	(1)	(22,300)	(78,715)	852,500
Buildings, works and improvements	233,192	-	15,573	-	(4,662)	(17,324)	226,779
Machinery and equipment	671,089	-	70,382	(713)	(28,854)	(67,065)	644,839
Vehicles	1,920	-	4,084	-	-	(1,491)	4,513
Furniture and utensils	2,190	-	19	-	-	(291)	1,918
Under construction	**360,830**	**905,099**	**(175,549)**	**(290)**	**(285)**	**-**	**1,089,805**
Net PP&E	**2,356,699**	**905,099**	**-**	**(1,211)**	**(56,754)**	**(168,177)**	**3,035,656**

(1) Certain land sites linked to concession contracts and not having provision for reimbursement are amortized in accordance with the period of the concession.
(2) This includes investments in the Boa Esperança and Jusante photovoltaic solar plants – respectively of R$368,975 and R$339,458.
(3) Balance relating to transfers from Assets in progress to Assets in service.

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Consolidated	Balance on Dec. 31, 2021	Addition	Reversal of disposals (3)	Transfer (2)	Settled	Depreciation	Balance on December 31, 2022
In service	**2,112,939**	**-**	**-**	**66,913**	**(12,006)**	**(171,977)**	**1,995,869**
Land (1)	220,701	-	-	423	-	(3,318)	217,806
Reservoirs, dams, watercourses	943,822	-	-	7,050	-	(81,200)	869,672
Buildings, works and improvements	247,970	-	-	2,572	-	(17,350)	233,192
Machinery and equipment (4)	696,593	-	-	55,808	(12,006)	(69,306)	671,089
Vehicles	1,372	-	-	1,060	-	(512)	1,920
Furniture and utensils	2,481	-	-	-	-	(291)	2,190
Under construction	**304,586**	**121,657**	**1,500**	**(66,913)**	**-**	**-**	**360,830**
Net PP&E	**2,417,525**	**121,657**	**1,500**	**-**	**(12,006)**	**(171,977)**	**2,356,699**

(1) Certain land sites linked to concession contracts and not having provision for reimbursement are amortized in accordance with the period of the concession.
(2) Balance relating to transfers from Assets in progress to Assets in service.
(3) Reversal of disposals of works in progress assets with expectation of partial or total cancellation, due to the Company's withdrawn of a previously agreed consortium.
(4) Includes R$8,612 for the write-off of two generators of the jointly-controlled subsidiary Rosal, and R$3,345 relating to the remeasurement of the provision for dismantling of crossover stockholdings in Parajuru and Volta do Rio.

Parent Company	Balance on Dec. 31, 2022	Addition (2)	Assets arising from the merger	Transfer (3)	Settled	Held for sale	Depreciation	Balance on Dec. 31, 2023
In service	**1,450,697**	**-**	**29,852**	**35,046**	**(7,030)**	**(44,940)**	**(117,530)**	**1,346,095**
Land (1)	213,627	-	-	1,647	(207)	(596)	(3,255)	211,216
Reservoirs, dams, watercourses	741,920	-	867	729	-	(20,027)	(68,982)	654,507
Buildings, works and improvements	188,626	-	412	13,959	(842)	(3,754)	(14,421)	183,980
Machinery and equipment	302,462	-	28,573	14,608	(5,981)	(20,563)	(29,101)	289,998
Vehicles	1,920	-	-	4,084	-	-	(1,491)	4,513
Furniture and utensils	2,142	-	-	19	-	-	(280)	1,881
Under construction	**106,218**	**787,333**	**1,340**	**(35,046)**	**-**	**-**	**-**	**859,845**
Net PP&E	**1,556,915**	**787,333**	**31,192**	**-**	**(7,030)**	**(44,940)**	**(117,530)**	**2,205,940**

(1) Certain land sites linked to concession contracts and not having provision for reimbursement are amortized in accordance with the period of the concession.
(2) This includes investments in the Boa Esperança and Jusante photovoltaic solar plants – respectively of R$368,975 and R$339,458.
(3) Balance relating to transfers from Assets in progress to Assets in service.

Parent Company	Balance on Dec. 31, 2021	Addition	Reversal of provision (3)	Transfer (2)	Settled	Depreciation	Balance on December 31, 2022
In service	**1,546,760**	**-**	**-**	**27,565**	**(60)**	**(123,568)**	**1,450,697**
Land (1)	216,482	-	-	423	-	(3,278)	213,627
Reservoirs, dams, watercourses	808,764	-	-	6,217	-	(73,061)	741,920
Buildings, works and improvements	201,344	-	-	1,814	-	(14,532)	188,626
Machinery and equipment	316,374	-	-	18,051	(60)	(31,903)	302,462
Vehicles	1,372	-	-	1,060	-	(512)	1,920
Furniture and utensils	2,424	-	-	-	-	(282)	2,142
Under construction	**110,086**	**22,192**	**1,505**	**(27,565)**	**-**	**-**	**106,218**
Net PP&E	**1,656,846**	**22,192**	**1,505**	**-**	**(60)**	**(123,568)**	**1,556,915**

(1) Certain land sites linked to concession contracts and not having provision for reimbursement are amortized in accordance with the period of the concession.
(2) Balance relating to transfers from Assets in progress to Assets in service.
(3) Reversal of a provision previously recognized for impairment of works in progress assets with expectation of partial or total cancellation, due to the Company's withdrawn of a previously agreed consortium.

The average annual depreciation rate for the Company and its subsidiaries is 3.09%. Depreciation rates, which take into consideration the expected useful life of the assets, are revised annually by Management and are as follows:

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Generation	(%)	Administration	(%)
Reservoirs, dams and watercourses	2.00	Vehicles	14.29
Buildings - Machine room	2.00	IT equipment in general	16.67
Buildings - Other	3.33	General equipment	6.25
Generator	3.33	Buildings - Other	3.33
Water turbine	2.50		
Pressure tunnel	3.13		
Command station, panel and cubicle	3.57		
Town planning and improvements	3.33		

The Company and its subsidiaries have not identified any evidence of impairment of its Property, plant and equipment assets. The generation concession contracts provide that at the end of each concession the grantor must determine the amount to be reimbursed to the Company - except for the concession contracts related to Lot D of Auction 12/2015. Management believes that the indemnity of these assets will be greater than the amount of their historic cost, after depreciation over their useful lives.

The residual value of the assets is the residual balance of the assets at the end of the concession contract which will be transferred to the grantor at the end of the concession contract and for which the Company is entitled to receive in cash. For contracts under which the Company does not have a right to receive such amounts or there is uncertainty related to collection of the amounts, such as in the case of thermal generation and hydroelectric generation as an independent power producer, no residual value is recognized, and the depreciation rates are adjusted so that all the assets are depreciated within the concession term.

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.

Consolidated and Parent Company	Stake in power output, %	Average annual depreciation rate %	Dec. 31, 2023	Dec. 31, 2022
In service				
Queimado Power Plant	82.50	3.94	220,252	220,096
Depreciation			(142,391)	(134,524)
Total in service			**77,861**	**85,572**
In progress				
Queimado Power Plant	82.50	-	2,395	1,962
Total in progress			**2,395**	**1,962**
Total			**80,256**	**87,534**

Accounting policy

These are valued at the cost incurred on the date of their acquisition or formation, including deemed cost, decommissioning costs and capitalized borrowing costs, less accumulated depreciation and impairment, if there is.

Gains and losses resulting from the disposal of a property, plant and equipment, are measured as the difference between the net proceeds obtained from the sale and the asset's book value and are recognized in the Statements of income when the asset is disposed of.

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Depreciation is calculated on the balance of property, plant and equipment in service and investments in consortia, by the straight-line method, using the rates that reflect the estimated useful life of the assets, for assets related to the energy activities, limited in certain circumstances to the periods of the related concession contracts.

Material components of certain assets that are replaced during the useful life of the principal asset are recognized separately and depreciated over the estimate period, until their replacement. Expenses on periodic maintenance are recognized in the income statement as and when incurred.

16. INTANGIBLE ASSETS

Consolidated	Dec. 31, 2023			Dec. 31, 2022		
	Historic cost	Accumulated amortization	Residual value	Historic cost	Accumulated amortization	Residual value
In service	**1,359,114**	**(523,369)**	**835,745**	**1,327,508**	**(375,092)**	**952,416**
Temporary easements	14,689	(6,084)	8,605	14,692	(5,405)	9,287
Paid concession	13,599	(9,739)	3,860	13,599	(9,116)	4,483
Assets of the concession (1)	202,337	(108,676)	93,661	202,337	(97,283)	105,054
Assets of the concession - GSF	1,031,161	(333,569)	697,592	1,031,810	(199,809)	832,001
Others	97,328	(65,301)	32,027	65,070	(63,479)	1,591
Under construction	**23,341**	**-**	**23,341**	**21,753**	**-**	**21,753**
Assets in progress	23,341	-	23,341	21,753	-	21,753
Net intangible assets	**1,382,455**	**(523,369)**	**859,086**	**1,349,261**	**(375,092)**	**974,169**

(1) The rights of authorization to generate wind energy granted to the Parajuru and Volta do Rio, in the amount of R$93,661, are recognized as investments in the interim financial information of the parent company and are classified under intangible assets in the statement of financial position, as per Technical Interpretation ICPC 09. These concession assets are amortized by the straight-line method, during the period of the concession.

Parent Company	Dec. 31, 2023			Dec. 31, 2022		
	Historic cost	Accumulated amortization	Residual value	Historic cost	Accumulated amortization	Residual value
In service	**1,079,128**	**(389,805)**	**689,323**	**893,415**	**(254,972)**	**638,443**
Temporary easements	11,448	(5,595)	5,853	11,451	(5,038)	6,413
Paid concession	11,720	(8,113)	3,607	11,720	(7,642)	4,078
Assets of the concession - GSF	960,874	(311,278)	649,596	805,613	(179,120)	626,493
Others	95,086	(64,819)	30,267	64,631	(63,172)	1,459
Under construction	**22,774**	**-**	**22,774**	**21,650**	**-**	**21,650**
Assets in progress	22,774	-	22,774	21,650	-	21,650
Net intangible assets	**1,101,902**	**(389,805)**	**712,097**	**915,065**	**(254,972)**	**660,093**

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Changes in intangible assets are as follow:

Consolidated	Balance on Dec. 31, 2022	Addition (1)	Capitalization / Transfer (2)	Settled	Held for sale	Amortization	Balance on Dec. 31, 2023
In service	**952,416**	**1,826**	**33,604**	**-**	**(474)**	**(151,627)**	**835,745**
Temporary easements	9,287	-	-	-	(3)	(679)	8,605
Paid concessions	4,483	-	-	-	-	(623)	3,860
Assets of the concession	105,054	-	-	-	-	(11,393)	93,661
Assets of the concession - GSF	832,001	-	-	-	(471)	(133,938)	697,592
Others	1,591	1,826	33,604	-	-	(4,994)	32,027
Under construction	**21,753**	**39,199**	**(33,604)**	**(3,424)**	**(583)**	**-**	**23,341**
Assets in progress	21,753	39,199	(33,604)	(3,424)	(583)	-	23,341
Total	**974,169**	**41,025**	**-**	**(3,424)**	**(1,057)**	**(151,627)**	**859,086**

(1) Includes the amount of R$23,500, posted with a counterpart in liabilities, related to the expenses on required environmental work. This transaction does not affect cash, and thus is not reflected in the cash flow statements. There is more information below in this note.
(2) Balance relating to transfers from Assets in progress to Assets in service.

Consolidated	Balance on December 31, 2021	Addition	Capitalization / Transfer (1)	Amortization	Balance on December 31, 2022
In service	**1,100,786**	**-**	**520**	**(148,890)**	**952,416**
Temporary easements	9,966	-	-	(679)	9,287
Paid concessions	5,108	-	-	(625)	4,483
Assets of the concession	116,446	-	-	(11,392)	105,054
Assets of the concession - GSF	966,065	-	-	(134,064)	832,001
Others	3,201	-	520	(2,130)	1,591
Under construction	**12,126**	**10,147**	**(520)**	**-**	**21,753**
Assets in progress	12,126	10,147	(520)	-	21,753
Total	**1,112,912**	**10,147**	**-**	**(148,890)**	**974,169**

(1) Balance relating to transfers from Assets in progress to Assets in service.

Parent Company	Balance on Dec. 31, 2022	Addition (1)	Assets arising from the merger	Capitalization / Transfer (2)	Settled	Held for sale	Amortization	Balance on Dec. 31, 2023
In service	**638,443**	**-**	**146,572**	**33,604**	**-**	**(474)**	**(128,822)**	**689,323**
Temporary easements	6,413	-	-	-	-	(3)	(557)	5,853
Paid concessions	4,078	-	-	-	-	-	(471)	3,607
Assets of the concession - GSF	626,493	-	146,563	-	-	(471)	(122,989)	649,596
Others	1,459	-	9	33,604	-	-	(4,805)	30,267
Under construction	**21,650**	**38,345**	**56**	**(33,604)**	**(3,424)**	**(249)**	**-**	**22,774**
Assets in progress	21,650	38,345	56	(33,604)	(3,424)	(249)	-	22,774
Total	**660,093**	**38,345**	**146,628**	**-**	**(3,424)**	**(723)**	**(128,822)**	**712,097**

(1) Includes the amount of R$21,227, posted with a counterpart in liabilities, related to the expenses on required environmental work. This transaction does not affect cash, and thus is not reflected in the cash flow statements. There is more information below in this note.
(2) Balance relating to transfers from Assets in progress to Assets in service.

Parent Company	Balance on December 31, 2021	Addition	Capitalization / Transfer (1)	Amortization	Balance on December 31, 2022
In service	**761,292**	**-**	**507**	**(123,356)**	**638,443**
Temporary easements	6,970	-	-	(557)	6,413
Paid concessions	4,549	-	-	(471)	4,078
Assets of the concession - GSF	746,768	-	-	(120,275)	626,493
Others	3,005	-	507	(2,053)	1,459
Under construction	**12,113**	**10,044**	**(507)**	**-**	**21,650**
Assets in progress	12,113	10,044	(507)	-	21,650
Total	**773,405**	**10,044**	**-**	**(123,356)**	**660,093**

(1) Balance relating to transfers from Assets in progress to Assets in service.

The average annual amortization rate of the Company and its subsidiares is 12.39%.

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The Company and its subsidiaries have not identified any indications of impairment of its Intangible assets.

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

The Resolution nº 2,919/2021 ratified the amount of the right to compensation for the São Simão, Jaguara, Miranda and Volta Grande generation plants, which had been owned by the Company during the period stipulated in the Law 14,052/2020 to be compensated but does not specify how this compensation will happen in the event of absence of debts with the Federal Government related to the regime of concessions determined in that Law. The amounts calculated are:

Plant re-offered for tender	Amount
São Simão	783,004
Miranda	145,528
Jaguara	237,218
Volta Grande	156,688
Total	**1,322,438**

On December 21, 2023, the Company sent correspondence to the Mining and Energy Ministry requesting (i) recognition of the absence of a compensation mechanism in the event mentioned above, and (ii) updating of the amounts contained in ReH 2,919/2021, and their conversion into the agreement to extend the periods of concessions for certain plants operated by the Company, in accordance with Law 14,052/2020.

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

Operating Licenses

The generation plants of the Company and its subsidiaries are undergoing the processes of obtaining and renewal of Operating Licenses, in accordance with the legal requirements laid down by Copam Normative Decision 217/2017.

The following facilities have obtained operating licenses: The Irapé, Salto Grande and Pai Joaquim hydroelectric plants, and the Volta do Rio wind farm. The expenses on environmental requirements, related to legal and regulatory requirements after they started operation, were estimated and recognized, in counterpart to items in Intangible assets. The estimated expenses on compliance with environmental requirements were brought to present value using the incremental rate, based on the periods of the operating licenses, of up to 10 years, in which each asset will be amortized.

Six hydroelectric plants – Santa Luzia, Jacutinga, Salto Voltão, Salto do Passo Velho, Xicão and Pissarrão – also obtained operating licenses, but no provisions were made for expenses on compliance with environmental requirements, since these plants are classified as assets held for sale.

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The Luiz Dias and Salto Moraes hydroelectric plants also obtained operating licenses. The expenditures on legal and regulatory requirements after the projects started operation are being ascertained and estimated for provisioning, with a counterpart in Intangible assets, in 2024.

Accounting policy

Intangible assets comprise, mainly, the assets related to concession contracts for services described above and software. Intangible assets are stated at cost, less amortization, and any accumulated impairments when applicable.

Any gains or losses arising on derecognition of intangible assets, calculated as the difference between their book value and the net sale proceeds, are recognized in the income statement in Other expenses, net.

Paid concessions

Information on paid concessions is given in Note 2.

Estimates and judgments

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

Under Law 13,203/2015, as amended, there was renegotiation of hydrological risk, establishing a right of compensation for the costs incurred arising from the GSF, assumed by holders of the hydroelectric plants participating in the Energy Reallocation Mechanism (MRE) between the years 2012 and 2017.

The procedure adopted by Aneel for this compensation was the extension of the concessions of these plants. The Company therefore recognized an intangible asset comprising this right of extension of these concessions.

In the initial recognition, the fair values of the concessions extension rights have been estimated individually, as shown in the table below, using the revenue approach, under which future values are converted into a single present value, discounted by the rate of profitability approved by Management for the energy generation activity, reflecting present market expectations in relation to the future amounts.

The useful life of items that are components of PP&E and Intangible assets has been adjusted for the new remaining concession period, that is to say, the result of addition, to the original concession period, of the concession extension granted. Their value is now amortized by the straight-line method up to the end of each new concession term.

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17. LEASING

The Company and its subsidiaries recognized a right of use and a lease liability for the following contracts which contain a lease:

- Leasing of building used as administrative headquarter; and
- Leasing of commercial vehicles used in operations.

The discount rates were obtained based on the incremental rates, as follows:

Marginal rates (1)	Annual rate (%)	Monthly rate (%)
Contracts entered - from January, 2022 to December, 2022		
Up to five years	6.48	0.53
Six to ten years	6.59	0.54
Eleven to fifteen years	6.64	0.54
Sixteen to thirty years	6.65	0.54
Contracts entered - from January, 2022 to December, 2023		
Up to seven years	6.82	0.55
Eight to nine Years	6.90	0.56
Ten to twelve Years	6.99	0.57
Thirteen to twenty two years	7.19	0.58

(1) Each month the Company calculates the addition to the rate to be applied to the new contracts. For the purposes of publication, these are presented at the average rates used.

a) Changes in right of use

Consolidated	Real estate property	Vehicles	Total
Balances at December 31, 2021	**37,010**	**4,854**	**41,864**
Settled (closed contracts)	(40)	-	(40)
Addition	58	17,286	17,344
Amortization (1)	(1,611)	(6,026)	(7,637)
Remeasurement (2)	3,524	2,164	5,688
Balances at December 31, 2022	**38,941**	**18,278**	**57,219**
Addition	139	18,396	18,535
Amortization (1)	(1,756)	(7,309)	(9,065)
Remeasurement (2)	2,811	5,884	8,695
Balances at December 31, 2023	**40,135**	**35,249**	**75,384**

Parent Company	Real estate property	Vehicles	Total
Balances at December 31, 2021	**35,575**	**4,852**	**40,427**
Settled (closed contracts)	(40)	-	(40)
Addition	58	17,113	17,171
Amortization (1)	(1,547)	(5,450)	(6,997)
Remeasurement (2)	3,392	1,540	4,932
Balances at December 31, 2022	**37,438**	**18,055**	**55,493**
Assets arising from the merger	162	662	824
Addition	-	15,904	15,904
Amortization (1)	(1,679)	(6,844)	(8,523)
Remeasurement (2)	1,751	5,722	7,473
Balances at December 31, 2023	**37,672**	**33,499**	**71,171**

(1) Amortization of the Right of Use recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R$128, for the consolidated and R$125 for the financial statements, for 2023 (R$117 for the consolidated and R$116 for the individual financial statement, for 2022). The weighted average annual depreciation rate for real estate is 4.58% in the Consolidated, and 4.62% in the Parent company. For vehicles the rate is 23.79% in the Consolidated and 21.28% in the Parent company.

(2) The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The lease liabilities are restated with adjustment to the asset of Right of Use.

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b) Changes in lease liabilities

	Consolidated	Parent Company
Balances on December 31, 2021	**45,450**	**43,926**
Settled (closed contracts)	(45)	(48)
Addition	17,344	17,171
Accrued interest (1)	5,623	5,394
Payment of principal portion of lease liability	(11,094)	(10,341)
Payment of interest	(597)	(533)
Remeasurement (2)	5,686	4,932
Balances on December 31, 2022	**62,367**	**60,501**
Liabilities arising from the merger	-	847
Addition	18,535	15,904
Accrued interest (1)	7,513	7,204
Payment of principal portion of lease liability	(12,967)	(12,524)
Payment of interest	(928)	(619)
Remeasurement (2)	8,695	7,473
Balances on December 31, 2023	**83,215**	**78,786**
Current liabilities	**15,765**	**15,003**
Non-current liabilities	**67,450**	**63,783**

(1) Financial revenues recognized in the financial statements are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R$401 and R$399, for 2023, for the consolidated and individual interim financial information, respectively (R$377 and R$373 for 2022, for the consolidated and individual financial statement).

(2) The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The lease liabilities are restated with adjustment to the asset of Right of Use.

Additions, settled and remeasurements in leasing agreements are non-cash transactions, and consequently are not reflected in the Statements of cash flow.

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	Adjustments to present value	Nominal	Adjustments to present value
Consideration for the leasing	175,737	83,215	168,701	78,786
Potential PIS/Pasep and Cofins (9.25%)	11,902	4,058	11,876	4,044

The cash flows of the contracts containing a lease are, in their majority, updated by the IPCA inflation index on an annual basis. Below is an analysis of maturity of lease contracts:

	Consolidated (Nominal)	Parent Company (Nominal)
2024	16,702	15,912
2025	16,695	15,905
2026	16,695	15,905
2027	14,554	13,938
2028	7,690	7,411
2029 a 2045	103,401	99,630
Undiscounted values	**175,737**	**168,701**
Embedded interest	(92,522)	(89,915)
Lease liabilities	**83,215**	**78,786**

Accounting policy

Right of use assets

The cost of Right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as described in this note.

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Lease liabilities

The lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

Leasings for a short period or of assets of low value

The Company applies the exemption from recognition of leasing agreements of short duration, that is to say where the leasing period is 12 months or less from the start date, without option to purchase, and for goods of low value. Payments for leasing agreements for short periods and for assets of low value are recognized as expenses by the straight-line method over the period of the leasing agreement.

Estimates and judgments

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.

Right of use assets

Right of use assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as described in this note.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, amortization is calculated using the estimated useful life of the asset.

Lease liabilities

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company recognize separately the expenses of interest on the leasing liability and the expense of depreciation of the asset of the right to use.

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18. SUPPLIERS

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Wholesale supply, and transport of supply (1)	247,387	387,125	243,087	378,857
Materials and services	227,369	115,985	198,648	69,764
	474,756	**503,110**	**441,735**	**448,621**

(1) This includes an estimate for purchase of energy in the Free Market which reduced significantly in the period due to the lower volume of energy purchases.

The exposure of the Company and its subsidiaries to liquidity risk is presented in Note 29.

19. TAXES PAYABLE

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Current				
ICMS (value added) tax	13,934	18,939	10,421	13,890
Pasep tax (1)	19,220	20,122	17,968	17,992
Cofins tax (1)	88,866	91,834	82,884	82,938
Social security contributions	14,751	13,417	11,188	8,212
ISS tax on services	4,796	4,254	3,409	2,596
Others (2)	29,229	27,686	28,578	5,807
	170,796	**176,252**	**154,448**	**131,435**
Non-current				
Pasep tax (1)	62,705	64,476	60,685	62,176
Cofins tax (1)	288,823	296,825	279,528	286,397
	351,528	**361,301**	**340,213**	**348,573**
	522,324	**537,553**	**494,661**	**480,008**

(1) Includes PIS/Pasep and Cofins recognized in current liability includes the deferred taxes related to the interest revenue arising from the financing component in contract asset and to the revenue of construction and upgrade associated with the transmission concession contract. More information in Note 11.

(2) This includes the retention, at source, of income tax on the Interest on Equity declared. This tax was paid in the subsequent month, in accordance with the tax legislation. More details in note 24.

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20. LOANS AND DEBENTURES

Financing source	Principal maturity	Annual financing cost	Currency	Consolidated and Parent Company - December 31, 2023			Consolidated and Parent Company - December 31, 2022
				Current	Non-current	Total	
FOREIGN CURRENCY							
Eurobonds	2024	9.25%	USD	1,856,920	-	1,856,920	3,974,971
(-) Transaction costs				(1,032)	-	(1,032)	(5,743)
(+/-) Funds advanced (1)				(1,795)	-	(1,795)	(9,423)
Total of loans				**1,854,093**	**-**	**1,854,093**	**3,959,805**
Debentures - 9rd Issue, 1rd Series	2027	CDI + 1.33%	R$	3,092	700,000	703,092	703,185
Debentures - 9rd Issue, 2rd Series	2029	IPCA + 7.6245%	R$	828	315,122	315,950	302,216
(-) Transaction costs				-	(5,042)	(5,042)	(6,140)
Total, debentures				**3,920**	**1,010,080**	**1,014,000**	**999,261**
Overall total				**1,858,013**	**1,010,080**	**2,868,093**	**4,959,066**

(1) In December 2023, Cemig GT carried out a partial buyback of its debt securities (Eurobonds) issued in the external market, in the principal amount of US$375 million (US$244 million in December 2022). There are more details on this transaction later in this Note.
(2) Advance of funds to achieve the yield to maturity agreed in the Eurobonds contract.

The debentures issued by the Company are of the "simple" type, not convertible into shares, with no renegotiation clauses and no debentures in treasury.

Partial repurchase of Eurobonds

On December 20, 2023, the Company concluded the partial early redemption, without premium, by exercise of a call option, of its debt securities in the external market, maturing in December 2024, remunerated at 9.25% a year, in the principal amount of US$375 million (R$1,823,400).

This reduced the balance of these securities, due in December 2024, to US$381 million (R$1,823,920 in December 31, 2023).

The table below shows the effects related to the repurchase of bonds:

	%	US$	R$
Principal Amount	100.00	375,000	1,823,400
Accrued interests	0.41	1,542	7,496
		376,542	**1,830,896**
Income tax on accrued interests	17.65	272	1,344
		272	**1,344**
Total of payments		**376,814**	**1,832,240**
Partial disposal of hedge		-	(282,950)
NDF positive adjustment (*)		-	117,305
Total		**376,814**	**1,666,595**

(*) Difference between the PTAX dollar rate on the day of purchase (R$4.9091) in relation to the financial instrument - exchange protection NDF, with the dollar purchase lock in April/23 at R$5.1110 and difference between the PTAX dollar rate on the day of purchase (R$4.8663) in relation to the financial instrument - exchange protection NDF, with the dollar purchase lock in December/23 at R$4.9675.

Guarantees

The Company's debtor balances on loans and debentures guaranteed by the parent company, Cemig on December 31, 2023 were as follows:

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Consolidated	31/12/2023
Surety guarantees	1,854,093
Fiança	1,014,000
Total	**2,868,093**

The Company's debt has an average repayment period of 2.1 years. The consolidated breakdown of loans and debentures, by currency and index, considering their maturities, is as follows:

Consolidated and Parent Company	2024	2025	2026	2027	2028	2029 onwards	Total
Currency							
US dollar (1)	1,856,920	-	-	-	-	-	1,856,920
Total, currency-denominated	**1,856,920**	**-**	**-**	**-**	**-**	**-**	**1,856,920**
IPCA (2)	828	-	-	-	-	315,122	315,950
CDI (3)	3,092	233,334	233,333	233,333	-	-	703,092
Total by indexers	**3,920**	**233,334**	**233,333**	**233,333**	**-**	**315,122**	**1,019,042**
(-) Transaction costs	(1,032)	(1,151)	(1,151)	(1,151)	-	(1,589)	(6,074)
(+/-) Funds advanced	(1,795)	-	-	-	-	-	(1,795)
Overall total	**1,858,013**	**232,183**	**232,182**	**232,182**	**-**	**313,533**	**2,868,093**

(1) The company uses derivative financial instruments for protection against risks arising from exchange rate variation. More details in note 27.
(2) IPCA ('Expanded Consumer Price') Inflation Index.
(3) CDI: Interbank Rate for Certificates of Deposit.

The principal currencies and index used for monetary updating of loans and debentures had the following variations:

Currency	Accumulated change in 2023 (%)	Accumulated change in 2022 (%)	Indexer	Accumulated change in 2023 (%)	Accumulated change in 2022 (%)
US dollar	(7.21)	(6.50)	IPCA	4.62	5.79
			CDI	13.04	12.39

The changes in loans and debentures are as follows:

	Consolidated and Parent Company
Balances on December 31, 2021	**6,029,460**
Loans obtained	1,000,000
Transaction costs	(6,132)
Loans obtained, net	**993,868**
Monetary variation	4,569
Exchange rate variations	(338,265)
Financial charges provisioned	548,186
Discount and premium on repurchase of debt securities (*Eurobonds*)	46,763
Amortization of transaction cost	2,514
Financial charges paid	(621,439)
Amortization of financing	(1,706,590)
Balances on December 31, 2022	**4,959,066**
Monetary variation	13,613
Exchange rate variations	(276,687)
Financial charges provisioned	529,238
Amortization of transaction cost	5,845
Financial charges paid	(539,582)
Amortization of financing	(1,823,400)
Balances on December 31, 2023	**2,868,093**

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Restrictive covenants

The Company and its subsidiaries have contracts with financial and non-financial covenants. This table shows the financial covenants:

Security	Covenant	Ratio required - Cemig GT	Ratio required --- Cemig (guarantor)	Compliance required
Eurobonds (1)	Net debt / (Ebitda adjusted for the Covenant) (2)	The following, or less: 2.5 on/after Dec. 31, 2021	Ratio to be the following, or less: 3.0 on/after December 31, 2021	Half-yearly and annual
9th Issue of debentures 1st and 2nd series (3)	Net debt / (Ebitda adjusted for the Covenant) (2)	The following, or less: 3.5 on/after December 31, 2022	Ratio to be the following, or less: 3.0 on/after December 31, 2022 up to June 30, 2026 3.5 on/after December 31, 2026	Half-yearly and annual

(1) In the event of overrun of the financial maintenance covenants, interest will automatically be increased by 2% p.a. during the period in which they remain exceeded. There is also an obligation to comply with a 'debt maintenance covenant', involving asset collateral of 2.0x Cemig's consolidated Ebitda (1.75x at Dec. 2017); and an 'incurrence' covenant comprising an asset guarantee in the Company of 1.5x Ebitda

(2) Ebitda is defined as: (i) Profit before interest, income tax and Social Contribution tax on profit; depreciation; and amortization, less: (ii) non-operational profit; any non-recurring non-monetary credits or gains that increase net income; any payments in cash made on consolidated basis during the period relating to non-monetary charges that were newly added in the calculation of Ebitda in any prior period; and any non-recurring non-monetary expenses or charges.

(3) Noncompliance with financial covenants leads to early maturity, creating immediate demandability of payment by the Company of the Nominal Unit Value or the Updated Nominal Unit Value (as the case may be) of the debentures, plus any other charges due, without the need for notification or any action through the courts or otherwise.

Management monitors these indices continuously.

The information on the derivative financial instruments (swaps, currency option and NDF) 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 29.

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21. REGULATORY CHARGES

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Liabilities				
Global reversion reserve (RGR)	2,777	3,320	-	-
Royalties for use of water resources (CFURH)	11,024	10,424	9,834	6,698
Energy development account (CDE)	66,332	80,814	66,332	80,814
Electricity services inspection charge (TFSEE)	955	789	813	713
Alternative power source program (Proinfa)	9,488	10,291	9,488	10,291
National scientific and technological development fund (FNDCT) (a)	2,010	1,367	1,729	751
Research and development (P&D)	23,331	13,179	15,134	4,193
Energy system expansion research – MME (a)	1,144	823	1,003	515
Energy development account (CDE) on Research and development (P&D)	761	540	675	382
	117,822	**121,547**	**105,008**	**104,357**
Current liabilities	**113,258**	**116,248**	**105,008**	**104,357**
Non-current liabilities	**4,564**	**5,299**	**-**	**-**

a) Research, development and innovation

Holders of transmission concessions and permissions are required to allocate 1% of their net regulatory operating revenue for research, development and innovation projects in the electricity sector. This table shows the movements in the balances of the Company and its subsidiaries:

Consolidated	Dec. 31, 2022	Addition	Expenses	Investments	Monetary updating	Dec. 31, 2023
FNDCT	1,367	13,820	(13,177)	-	-	2,010
MME	823	6,907	(6,586)	-	-	1,144
P&D (1)	8,883	13,107	-	(6,086)	1,666	17,570
	11,073	**33,834**	**(19,763)**	**(6,086)**	**1,666**	**20,724**

(1) The changes in R&D are presented net of services in progress, which amounted to R$5,761 on December 31, 2023 and R$1,680 on December 31, 2022.

Consolidated	Dec. 31, 2021	Addition	Expenses	Investments	Monetary updating	Dec. 31, 2022
FNDCT	1,120	12,840	(12,593)	-	-	1,367
MME	699	6,419	(6,295)	-	-	823
P&D (1)	21,057	7,769	-	(20,966)	1,023	8,883
	22,876	**27,028**	**(18,888)**	**(20,966)**	**1,023**	**11,073**

(1) The changes in R&D are presented net of services in progress, which amounted to R$1,680 on December 31, 2022.

Parent Company	Dec. 31, 2022	Liabilities arising from the merger (1)	Addition	Expenses	Investments	Monetary updating	Dec. 31, 2023
FNDCT	751	157	12,295	(11,474)	-	-	1,729
MME	515	78	6,147	(5,737)	-	-	1,003
P&D (2)	2,513	3,367	8,606	-	(5,903)	790	9,373
	3,779	**3,602**	**27,048**	**(17,211)**	**(5,903)**	**790**	**12,105**

(1) The subsidiaries Três Marias and Salto Grande were incorporated by the Company on May 31, 2023, at book value. More details in note n. 14.
(2) The changes in R&D are presented net of services in progress, which amounted to R$5,761 on December 31, 2023 and R$1,680 on December 31, 2022.

Parent Company	Dec. 31, 2021	Addition	Expenses	Investments	Monetary updating	Dec. 31, 2022
FNDCT	577	9,287	(9,113)	-	-	751
MME	428	4,644	(4,557)	-	-	515
P&D (1)	16,166	6,501	-	(20,530)	376	2,513
	17,171	**20,432**	**(13,670)**	**(20,530)**	**376**	**3,779**

(1) The changes in R&D are presented net of services in progress, which amounted to R$1,680 on December 31, 2022.

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22. POST-EMPLOYMENT OBLIGATIONS

The Forluz Pension plan (a supplementary retirement pension plan)

The Company is one of the sponsors of the Forluminas Social Security Foundation (Forluz), a non-profit legal entity whose object is to provide its associates and participants and their dependents with a finance income to complement retirement and pension in accordance with the pension plan that they are subscribed in.

Forluz provides the following supplementary pension benefit plans available to its participants:

Mixed Benefit Plan ('Plan B'): This plan operates as a defined-contribution plan in the fund accumulation phase for retirement benefits for normal time of service, and as a defined-benefit plan for disability or death of participants still in active employment, and for receipt of benefits for time of contribution. The Sponsors match the basic monthly contributions of the participants. This is the only plan open for joining by new participants. The actuarial risks related to Plan B occur only as from the option for the lifetime benefit at the moment of the participant's retirement. In this specific case the responsibility for the risk of insufficiency of reserves for coverage of the benefits (deficits) is in parity between sponsors and participants.

Pension Benefits Balances Plan ('Plan A'): This plan includes all currently employed and assisted participants who opted to migrate from the Company's previously sponsored defined benefit plan, and are entitled to a benefit proportional to those balances. For participants who are still working, this benefit has been deferred to the retirement date. The benefit balances of Plan A have the characteristic of lifetime payment, and the responsibility for the risk of insufficiency of reserves to cover the benefits (deficits) is exclusively that of the sponsors.

Independently of the plans made available by Forluz, the Company maintains contributes to a health plan and a dental plan for the active employees, retired employees and dependents, administered by Cemig Saúde.

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, 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 IAS 19/ 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, the first quarter of 2023, in the income statement as a cost of past service, in the amounts of R$20,291 for the health plan and R$532 for the dental plan.

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The curtailment event that was recognized for the first quarter affected the actuarial assumptions, in that it altered the discount rates applicable to the plans. Since the new discount rate was higher, there was a reduction of the liability, and as a result an actuarial gain of R$12,890 for the health plan, and R$193 for the dental plan.

Actuarial obligations and recognition in the financial statements

On this Note the Company discloses its obligations and expenses incurred for purposes of the Retirement Plan, Health Plan, Dental Plan and the Life Insurance Plan in accordance with terms of IAS 19/CPC 33 R1, and the independent actuarial opinion issued as of December 31, 2023.

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 December 31, 2023 the total amount payable by the Company was R$117,879 (R$123,842 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$77,748, and up to 2033 for the 2017 deficit, in the amount of R$40,131. Remuneratory interest applicable to the outstanding balance is 6% p.a., plus the effect of the IPCA. If the plan reaches actuarial surplus before the full period of amortization of the debt, also Company will not be required to pay the remaining installments and the contract will be extinguished.

Deposits on consignment to Forluz

In accordance with the specific legislation, Forluz sent Cemig a proposal to enter into new Private Debt Assumption Instruments between Forluz and the sponsors Cemig, Cemig GT and Cemig D, according to the settlement plan to cover the deficit of Forluz's Plan A in 2019, 2020 and 2021. In the case of deficit settlements, if the plan reaches actuarial balance before the full amortization period of the contract, the Company would be exempt from paying the remaining installments and the contract would be extinguished.

The Company, recognizing its legal obligation with regard to the Plan A deficit, corresponding to 50% of the minimum amount, respecting the rule of contributory parity, makes consignment payments into a judicial deposit account, which are available to Forluz to be redeemed at any time at the official bank. The deposits are constituted monthly by the amount of 50% of the installment of each of the 2019, 2020 and 2021 Deficit Equalizations, as follows:

	Deficit of pension fund 2019	Deficit of pension fund 2020	Deficit of pension fund 2021
Start of consignment	May, 2021	April, 2022	June, 2023
Total amount requested by Forluz	R$36,304	R$56,947	R$151,556
Amount considering contribution parity	R$18,152	R$28,474	R$75,778
Number of parcels	166	158	159
Remuneratory interest	IPCA + 6%	IPCA + 6%	IPCA + 6%
Balance deposited on December 31, 2023	R$6,097	R$5,863	R$4,587

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Regarding the resolution of the 2019 deficit, 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 Cemig GT, 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$36,304. In 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'.

Debt with the pension fund (Forluz)

On December 31, 2023 the Company has recognized an obligation for past actuarial deficits relating to the pension fund in the amount of R$20,433 (R$56,892 on December 31, 2022). This amount has been recognized as an obligation payable, and will be amortized until June of 2024, through monthly installments calculated by the system of constant installments (known as the 'Price' table) and adjusted by the IPCA (Expanded National Customer Price) inflation index (published by the Brazilian Geography and Statistics Institute - IBGE) plus 6% per year. The Company is required to pay this debt even if Forluz has a surplus, thus, the Company maintain recorded the debt in full and record the effects of monetary updating and interest in finance income in the statement of income.

Actuarial information

2023	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total (consolidated)
Present value of the obligations	2,666,568	638,517	11,490	3,316,575
Fair value of plan assets	(2,201,261)	-	-	(2,201,261)
Initial net liabilities	**465,307**	**638,517**	**11,490**	**1,115,314**
Adjustment to asset ceiling	6,556	-	-	6,556
Net liabilities in the statement of financial position	**471,863**	**638,517**	**11,490**	**1,121,870**

2022	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total (consolidated)
Present value of the obligations	2,516,021	714,248	13,138	3,243,407
Fair value of plan assets	(2,078,424)	-	-	(2,078,424)
Initial net liabilities	**437,597**	**714,248**	**13,138**	**1,164,983**
Adjustment to asset ceiling	31,463	-	-	31,463
Net liabilities in the statement of financial position	**469,060**	**714,248**	**13,138**	**1,196,446**

The asset ceiling is the present value of any economic benefits available in the form of restitutions coming from the plan or reductions in future contributions to the plan.

The present value of the liabilities of the pension plan is adjusted to the asset ceiling, which corresponds to the surplus result of Plan B, which has a specific destination allocation under the regulations of the National Private Pension Plans Council (CNPC).

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The changes in the present value of the defined benefit obligation are as follows:

Consolidated and Parent Company	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total
Defined-benefit obligation at December 31, 2021	**2,669,508**	**744,895**	**14,207**	**3,428,610**
Cost of current service	465	3,762	94	4,321
Past service cost (1)	(1,242)	-	-	(1,242)
Interest on the actuarial obligation	272,283	77,750	1,483	351,516
Actuarial losses (gains):				
Due to changes in demographic assumptions	(2,246)	(240)	21	(2,465)
Due to changes in financial assumptions	(191,868)	(65,232)	(1,183)	(258,283)
Due to adjustments based on experience	1,976	(1,249)	(685)	42
	(192,138)	**(66,721)**	**(1,847)**	**(260,706)**
Benefits paid	(232,855)	(45,438)	(799)	(279,092)
Defined-benefit obligation at December 31, 2022	**2,516,021**	**714,248**	**13,138**	**3,243,407**
Cost of current service	74	2,327	60	2,461
Past service cost (2)	-	(20,291)	(532)	(20,823)
Interest on the actuarial obligation	281,862	79,026	1,443	362,331
Actuarial losses (gains):				
Due to changes in demographic assumptions	-	4,362	93	4,455
Due to changes in financial assumptions	168,713	48,237	907	217,857
Due to adjustments based on experience	(63,488)	(141,362)	(2,782)	(207,632)
	105,225	(88,763)	(1,782)	14,680
Benefits paid	(236,614)	(48,030)	(837)	(285,481)
Defined-benefit obligation at December 31, 2023	**2,666,568**	**638,517**	**11,490**	**3,316,575**

(1) Refers to the alterations of the conditions in Plan B for applying for Improvement of Pension for Time of Contribution, or due to Special Reasons, or Age.
(2) Refers to acceptances by employees of the new health plan offered by the Company, called the Premium Plan.

Changes in the fair values of the plan assets are as follows:

Consolidated and Parent Company	Pension plans and retirement supplement plans
Fair value of the plan assets at December 31, 2021	**2,127,603**
Real return on the investments	122,129
Contributions from the employer	61,547
Benefits paid	(232,855)
Fair value of the plan assets at December 31, 2022	**2,078,424**
Real return on the investments	288,217
Contributions from the employer	71,234
Benefits paid	(236,614)
Fair value of the plan assets at December 31, 2023	**2,201,261**

Changes in net liabilities were as follows:

Consolidated and Parent Company	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities at December 31, 2021	**548,112**	**744,895**	**14,207**	**1,307,214**
Expense recognized in Statement of income	58,544	81,512	1,577	141,633
Past service cost (1)	(1,242)	-	-	(1,242)
Contributions paid	(61,547)	(45,438)	(799)	(107,784)
Actuarial gains (losses)	(74,807)	(66,721)	(1,847)	(143,375)
Net liabilities at December 31, 2022	**469,060**	**714,248**	**13,138**	**1,196,446**
Expense recognized in Statement of income	57,256	81,353	1,503	140,112
Past service cost	-	(20,291)	(532)	(20,823)
Contributions paid	(71,234)	(48,030)	(837)	(120,101)
Actuarial gains (losses)	16,781	(88,763)	(1,782)	(73,764)
Net liabilities at December 31, 2023	**471,863**	**638,517**	**11,490**	**1,121,870**

	Dec. 31, 2023	Dec. 31, 2022
Current liabilities	71,026	84,377
Non-current liabilities	1,050,844	1,112,069

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

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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$114,795 for the year ended December 31, 2023 (R$131,395 for the year ended December 31, 2022), plus the finance expenses and monetary updating on the debt with Forluz, in the amounts of R$4,494 for the year ended December 31, 2023 (R$8,996 for year ended December 31, 2022).

The amounts recognized in Statement of income are as follows:

Consolidated and Parent Company	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total
Cost of current service	74	2,327	60	2,461
Past service cost	-	(20,291)	(532)	(20,823)
Interest on the actuarial obligation	281,862	79,026	1,443	362,331
Return on the assets of the plan	(224,680)	-	-	(224,680)
Total expense in 2023 according to actuarial calculation	**57,256**	**61,062**	**971**	**119,289**

Consolidated and Parent Company	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total
Cost of current service	465	3,762	94	4,321
Past service cost	(1,242)	-	-	(1,242)
Interest on the actuarial obligation	272,283	77,750	1,483	351,516
Return on the assets of the plan	(214,204)	-	-	(214,204)
Total expense in 2022 according to actuarial calculation	**57,302**	**81,512**	**1,577**	**140,391**

Sensitivity analysis and estimates for the following year

The independent actuary's estimation for the expense to be recognized for 2024 is as follows:

Consolidated	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total
Cost of current service	310	1,263	26	1,599
Interest on the actuarial obligation	230,670	55,676	998	287,344
Expected return on the assets of the Plan	(188,082)	-	-	(188,082)
Estimate of total expense in 2024 as per actuarial calculation report	**42,898**	**56,939**	**1,024**	**100,861**

The expectation for payment of benefits for 2024 is as follows:

Consolidated	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total
Estimate of payment of benefits	**237,809**	**48,164**	**954**	**286,927**

The Company has expectation of contribution to the pension fund in 2024 of R$60,944 for amortization of the deficit in Plan A, and of R$22,482 to the Defined Contribution plan (recorded directly in the Statements of income for the year).

Sensitivity of changes in main actuarial assumptions used to determine the defined-benefit obligation, on December 31, 2023:

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Effects on the defined-benefit obligation	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total
Reduction of one year in the mortality table	72,084	13,079	237	85,400
Increase of one year in the mortality table	(65,772)	(13,294)	(241)	(79,307)
Reduction of 1% in the discount rate	255,733	71,068	1,282	328,083
Increase of 1% in the discount rate	(217,994)	(64,480)	(1,163)	**(283,637)**

In the presentation of the sensitivity analysis, the present value of the defined-benefit obligation was calculated using the Unit Projected Credit method, the same method used to calculate the defined-benefit obligation recognized in the Statements of financial position.

The average maturity periods of the obligations of the benefit plans, in years, are as follows:

Pension plans and retirement supplement plans		Health Plan	Dental Plan
Plan A	Plan B		
8.38	10.26	9,92	9.79

The main categories plans' assets are as follows:

	2023	2022
Shares and variable income bonds	298,310	134,055
Fixed income securities	1,664,994	1,598,093
Real estate property	97,961	101,627
Others	139,996	244,649
Total	**2,201,261**	**2,078,424**

The following assets, measured at fair value, are related to the Company and not considered as assets of the plan. As required by the rules, this amount is presented for information purposes.

	2023	2022
Real estate properties of Forluz, occupied by the Company	59,125	58,050

Main actuarial assumptions

	2022		2022	
	Pension plans and retirement supplement plans	Health Plan and Dental Plan	Pension plans and retirement supplement plans	Health Plan and Dental Plan
Annual discount rate for present value of the actuarial obligation	9.03%	9.07%	11.73%	11.83%
Annual expected return on plan assets	9.03%	Não aplicável	11,73%	Not applicable
Long-term annual inflation rate	3.50%	3.50%	5.31%	5.31%
Estimated future annual salary increases	3.50%	Não aplicável	5.31%	Not applicable
General mortality rate table	AT-2000 S10% por sexo	AT-2000 M&F S10% D20%	AT-2000 S10% by sex	AT-2000 M&F S10% D20%
Disability rate	Não aplicável	Não aplicável	Not applicable	Álvaro Vindas Desagravo 30%
Disabled mortality rate	AT-83 IAM Male	MI-85 Female	AT-83 IAM Male	MI-85 Female
Real growth of contributions above inflation	-	1.00%	-	1.00%

The Company has not made changes in the methods used to calculate its post-retirement obligations for the years ending December 31, 2023 and December 31, 2022.

Accounting policy

The liability recorded in the statements of financial position related to retirement benefit pension plan obligations is the present value of the actuarial obligation, less the fair value of the plan's assets, and adjusted for unrecognized actuarial gains and losses.

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Estimates and judgments

The present value of the defined benefit obligation is calculated by discounting of the estimated future cash disbursements. The interest rates used in this discounting are consistent with market securities, which are denominated in the currency in which the benefits will be paid and which have maturity close to those of the respective pension plan obligation.

In the defined contribution plans, the Company makes fixed contributions and has no legal or constructive obligations to make contributions, if the fund does not have sufficient assets to pay all employees the related benefits. There is no additional payment obligation after the contribution is made. Contributions are recognized, when they become due, as an expense of benefit to employees.

The liabilities of the health and dental plans are calculated as the present value of future obligations to be paid by the Company, based on: (i) continuation of the present level of contribution; (ii) forecasts of real-terms adjustment of the amounts; and (iii) future updating of contributions by an index compatible with the Regulations; and (iv) the cost history of the plans.

The actuarial calculations are made at the end of each business year, and involve use of assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future increases in retirement and pension benefits. All the assumptions are reviewed at each base-date.

In the current and the prior business years, post-employment expenses are recorded as operational expenses, except for expenses related to debt agreed with the Pension Fund, which are recorded in the financial result, since they consist of interest and monetary updating.

The actuarial gains and losses arising from adjustments based on experience and on changes in actuarial assumptions are recognized in Other comprehensive income, and are not reclassified to the income statement in the future.

Both (i) the cost of past service, arising from alteration or reduction of the defined benefit plan, and (ii) the gain or loss on settlement of obligations, are determined by the remeasurement of the net present value of the obligation, due to a revision of actuarial assumptions, and are recognized directly in the income statement for the period in which the alteration takes place.

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23. 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.

In this context, considering the assessment of the Company and its legal advisers, provisions were constituted for the legal actions in which the expectation of loss is assessed as 'probable', as follows:

Consolidated	Dec. 31, 2022	Additions	Reversals	Settled	Dec. 31, 2023
Labor	70,412	18,351	-	(12,272)	76,491
Tax	312,001	28,945	-	(501)	340,445
Regulatory	4,737	1,888	(20)	(1,539)	5,066
Others	9,890	8,635	(8,809)	(8,144)	1,572
Total	**397,040**	**57,819**	**(8,829)**	**(22,456)**	**423,574**

Consolidated	Dec. 31, 2021	Additions	Reversals	Settled	Dec. 31, 2022
Labor	59,957	20,299	(607)	(9,237)	70,412
Tax	317,326	62,443	(67,490)	(278)	312,001
Regulatory	4,131	2,808	-	(2,202)	4,737
Others	56,629	39,557	(47,141)	(39,155)	9,890
Total	**438,043**	**125,107**	**(115,238)**	**(50,872)**	**397,040**

Parent Company	Dec. 31, 2022	Additions	Reversals	Settled	Liabilities arising from the merger	Dec. 31, 2023
Labor	70,412	17,641	-	(12,272)	-	75,781
Tax	312,001	28,847	-	(403)	-	340,445
Regulatory	4,737	1,880	(20)	(1,531)	-	5,066
Others	9,387	8,133	(8,809)	(8,134)	388	965
Total	**396,537**	**56,501**	**(8,829)**	**(22,340)**	**388**	**422,257**

Parent Company	Dec. 31, 2021	Additions	Reversals	Settled	Dec. 31, 2022
Labor	59,957	20,299	(607)	(9,237)	70,412
Tax	317,287	62,443	(67,451)	(278)	312,001
Regulatory	4,131	2,808	-	(2,202)	4,737
Others	56,397	39,271	(47,141)	(39,140)	9,387
Total	**437,772**	**124,821**	**(115,199)**	**(50,857)**	**396,537**

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

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Labor	61,310	82,580	60,776	80,727
Civil				
Customers relations	32,048	27,950	31,940	27,855
Other civil cases	84,317	56,520	63,661	55,636
	116,365	**84,470**	**95,601**	**83,491**
Tax	501,921	486,999	474,379	459,683
Regulatory	886,634	674,430	886,635	674,430
Other	706,594	401,424	523,746	381,803
Total	**2,272,824**	**1,729,903**	**2,041,137**	**1,680,134**

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The Company and its subsidiaries, 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 timing of any cash outflows, or any possibility of reimbursements. The expectation is that the majority of the provisioned amounts will be paid in periods longer than 12 months.

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

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

Tax

The Company are involved in numerous administrative and judicial claims relating to taxes, including, among other matters, subjects relating to 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 tax on Net income (*Contribuição Social sobre o Lucro Líquido*, or CSLL), and motions to stay tax enforcement. The amount of the obligation is R$135,865 (R$128,731 at December 31, 2022), of which R$2,658 has been provisioned (R$2,288 at December 31, 2022).

Social Security contributions on profit sharing payments

The Brazilian tax authority (*Receita Federal*) has filed administrative and court proceedings against the Company, relating to social security contributions on the payment of profit sharing to its employees over the period 1999 to 2016, alleging that the Company did not comply with the requirements of Law 10,101/2000 on the argument that it did not previously establish clear and objective rules for the distribution of these amounts. In August 2019, the Regional Federal Court of the First Region published a decision against the Company on this issue. As a result the Company, based on the opinion of its legal advisers, reassessed the chances of loss from 'possible' to 'probable' for some portions paid as profit-sharing amounts, maintaining the classification of the probability 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 obligation is approximately R$457,453 (R$416,212 at December 31, 2022), of which R$302,941 has been provisioned (R$276,406 at December 31, 2022).

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

In 2006 the Company paid an indemnity to its employees, totaling R$41,860, in exchange for rights to future payments (referred to as the *Anuênio*) for time of service, which would otherwise be incorporated into salaries. The company did not pay income tax nor Social Security contributions in relation to these amounts because it considered that those obligations are not

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applicable to amounts paid as an indemnity. However, given the disagreement, and to avoid risk of a future penalty payment, the Company filed legal actions for recognition of the right not to be taxed on these *Anuênio* payments, making separate submissions and argument in relation to (a) income tax and (b) the social security contribution, and making escrow payments into court of the amount involved in each action, in the aggregate historic amount of R$28,716. In the action relating to applicability of the Social Security contribution, a court judgment was given that impeded consideration of an appeal to the Federal Supreme Court - thus consideration by the Higher Appeal Court remains. In October 2022, a judgment was published refusing to recognize the Special Appeal filed by the Company, reducing the chances of success in the action.

As a result the assessment of the chances of loss in this action were altered from 'possible' to 'probable', and a provision made for the amount deposited in escrow. 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 obligation is R$75,268 (R$71,988 at December 31, 2022), of which R$33,549 has been provisioned (R$32,086 at December 31, 2022).

Non-homologation of offsetting of tax credit

The federal tax authority did not ratify the Company declared offsetting, in Corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes - IRPJ, CSLL, PIS/Pasep and Cofins - identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The Company is contesting the non-homologation of the amounts offset. The amount of the obligation is R$42,748 (R$63,255 at December 31, 2022), of which R$1,297 (R$1,221 at December 31, 2022) has been provisioned, due to the related legal requirements contained in the National Tax Code (CTN) having been met.

Social Security contributions

The Brazilian tax authority (*Receita Federal do Brasil*) has filed administrative proceedings related to various matters: 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 have presented defenses and await judgment. The amount of the contingency is R$21,920 (R$20,208 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.

The social contribution tax on net income (CSLL)

The federal tax authority issued tax assessments against the Company for the years of 2012 and 2013, alleging undue non-addition, or deduction, of amounts relating to the following items in calculating the Social Contribution tax on net income: (i) taxes with liability suspended; (ii) donations and sponsorship (Law 8,313/91); and (iii) fines for various alleged infringements. The amount of this contingency is R$109,112 (R$98,606 on December 31, 2022).

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Labor claims

The Company and its subsidiaries are involved in various legal claims filed by its employees and employees of third parties. Most of these claims relate to overtime and additional pay, severance payments, various benefits, salary adjustments, complementary additions to or re-calculation of retirement pension payments by Forluz, and salary adjustments. The amount of the obligation is R$137,801 (R$152,992 at December 31, 2022), of which R$76,491 has been provisioned (R$70,412 at December 31, 2022).

Regulatory

The Company and its subsidiaries are defendant in court and administrative proceedings challenging, especially: reduction of an energy supply contract, limitation on a procedure for operation of the sluice dam of a hydroelectric plant, a claim of infringement arising from an inspection by the grantor, and other matters. The amount of the obligation is R$63,083 (R$55,330 at December 31, 2022), of which R$5,066 has been provisioned (R$4,737 at December 31, 2022).

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 Trading 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 the Company, related to the expense on purchase of energy in the spot market on the CCEE, in the approximate amount of R$594,151 (R$506,742 on December 31, 2022). On November 9, 2008 the Company 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 and has classified the chance of loss as 'possible', since this action deals with the General Agreement for the Energy Sector, in which the Company has the full documentation to support its arguments.

Dispute on billing of electricity

During 2022 one of the Company's clients opened arbitration proceedings requesting alterations to contractual clauses and questioning the application of certain taxes to the amounts of their energy bills. In september 2022 the Company received regular service of notice of a court decision granting an injunction ordering the Company to effect billing of the electricity supply contract according the plaintiff's demand. After the arbitration proceedings had been opened and the parties heard, in January 2023 the Tribunal revoked the prior decision and re-established the system of billing according to the contract, and payment of the amounts that had not been billed due to the injunction initially granted to this client.

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The arbitration proceeding continues, in which this client challenges the points set out above. If the arbitration decision accepts this client's request, the Company will have to restitute the difference between the amounts contracted and the adjustments demanded, which at December 31, 2023 totaled R$234,466 (R$117,095 at December 31, 2022). Based on the opinion of its legal advisors, management has classified the chances of loss as 'possible'.

Other legal actions

The Company is involved, as plaintiff or defendant, in other lesser claims, related to the normal course of its operations. The amount of the obligation is approximately R$179,372 (R$159,994 at December 31, 2022), of which R$1,572 has been provisioned (R$9,890 at December 31, 2022). Management believes that it has appropriate defense for these actions and does not expect these issues to give rise to significant losses that could have an adverse effect on the Company's financial position or profit. The main subjects related to these contingencies concern: (i) disputes on alleged losses suffered as a result of supposed breach of contract at the time of provision of services of cleaning of power line pathways and firebreaks; and (ii) customer relations.

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. Based on the opinion of its legal advisers in relation to the changes that have been made in the new Forest Code and in the case law on this subject, the Company has classified the chance of loss in this dispute as 'possible'. The estimated value of the contingency is R$148,656 (R$136,795 on December 31, 2022).

Additionally, the Company is involved in environmental matters, relating to protected areas, environmental licenses, recovery of environmental damage, and other matters, in the amount of R$93,244 (R$96,235 on December 31, 2022). No provision has been made, since based on the opinion of its legal advisors management has classified the chance of loss as 'possible'.

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 parent company (Cemig), as defendants jointly and severally liable. The amount of the contingent liability is estimated in the amount of R$127,048 (R$102,760 on December 31, 2022).

Clearance of residential occupation under high-voltage lines

The class action brought by the Public Attorneys of Minas Gerais State requests that the Company remove and resettle the inhabitants currently living within the limits of the safety zone of the high-voltage lines in the region. The amount of the contingent liability in dispute has been estimated at R$101,864 on December 31, 2023.

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Volta do Rio wind farm

The Company and its subsidiary Volta do Rio are defendants in a claim presented in 2022 by the Federal Heritage Board (Secretaria de Patrimônio da União – SPU) of Ceará state, which considered that landfills, rockfill and towers for installation of the wind generation system of the Volta do Rio wind farm are located on free beach coastline. This resulted in the following penalties being applied to the Volta do Rio wind farm: (i) demolition and/or removal of buildings, and the installed equipment, if they are unable to be regularized; and (ii) a monthly fine for each square meter affected by the facilities. The Company has presented a defense to the accusation, and filed an administrative appeal. The contingency is estimated at R$174,347 at December 31, 2023. The chances of loss have been assessed as 'possible'.

Accounting policy

The amounts are recognized only in operational expenses, of which the following cases may be examples: (i) the amounts related to expropriation and constitution of easements do not impact the Company's profit, since the disbursement is understood as investment in acquisition of real estate; (ii) administrative proceedings, in which discussions take place in the administrative sphere, are evaluated as to their probability of loss in the judicial sphere; (iii) the amount assumed for legal actions related to consortia refers to the share of the Company, specified by contract, and will receive the same treatment as that applied to the other legal actions; (iv) in material actions in which deposits have been made in escrow, provisions, based on the updated amount of the balance of the deposit made, are made only when they represent a probable outward payment of cash to settle the obligation, and no other outward cash payment is required.

Estimates and judgments

A contingent liability is a possible obligation that may result from past events, the confirmation of which depends on one or more uncertain future events, which are not entirely under the control of the Company. This is an unrecognized obligation, since it is not probable that there will be a requirement to make a payment to settle the obligation; but such items are disclosed in explanatory notes. In the disclosure, a brief description is given of the nature of the contingent liability, with an indication of the uncertainties on the amount of any disbursement, or the amount of any expected reimbursement, where applicable.

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24. EQUITY AND REMUNERATION TO SHAREHOLDERS

a) Share capital

On December 31, 2023 the Company's issued and outstanding share capital is R$5,473,724 (R$5,473,724 on December 31, 2022), represented by 2,896,785,358 (2,896,785,358 on December 31, 2022) nominal common shares, fully subscribed, without nominal value, wholly owned by Cemig (Companhia Energética de Minas Gerais).

b) Earnings basic and diluted per share

Earnings (per share has been calculated based on the weighted average number of the company's shares (it has only common shares) in each of the periods referred to, as follows:

	2023	2022
Number of shares (A)	2,896,785,358	2,896,785,358
Earnings for the year (B)	2.402.666	2.085.456
Earnings per share - Basic and diluted - in R$ (B/A)	**0.83**	**0.72**

The Company does not have any dilutive instruments. For this reason its diluted profit or loss per common share is the same as its basic profit or loss per common share.

c) Remuneration to shareholders

The obligation to pay dividends is recognized when the distribution is authorized, or at the point in time specified by law or the by-laws. In light of the applicable legislation and the Company's bylaws, which require a minimum dividend payment of 50% of the net profit for the year, this is considered as a present obligation on the date when the business year ends, and is recognized as a liability.

Dividends declared, whether mandatory or extraordinary, are paid in 2 (two) equal installments, by June 30 and December 31 of the year following the generation of the profit. The Executive Board decides the location and processes of payment, subject to these periods.

Article 204 of the Corporate Law states that the by-laws may authorize the management bodies to declare interim dividends, from retained earnings or profit reserves existing in the last annual or six-monthly balance sheet.

The Company's by-laws enable the Board of Directors to declare extraordinary dividends, additional dividends, interim dividends or inter-period dividends, which may include total or partial anticipation of the Minimum Mandatory Dividend for the current year, from retained earnings, profit reserves, or profits ascertained in six-monthly or interim financial statements.

On March 16, 2023 the Board of Directors authorized the periodic declaration by the Executive Board of Interest on Equity, on account of the minimum mandatory dividend for the 2023 business year, at the limit permitted by the legislation and by the Company's by-laws.

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Declaration	Amount	Income tax withholding (1)
March 22,2023	163,256	(24,488)
June 20, 2023	164,096	(24,614)
September 19, 2023	160,686	(24,103)
December 12, 2023	157,167	(22,975)
	641,205	**(96,180)**

(1) Withholding of 15% income tax at source in accordance with current legislation.

The calculation of the dividends for the 2023 and 2022 business years and as follows:

	2023	2022
Mandatory dividend		
Net income for the year	2,402,666	2,085,456
Mandatory dividend - 50% of Net income	1,201,333	1,042,728
Realization of unrealized reserve	-	222,935
Income tax withheld at source on Interest on Equity	96,181	-
	1,297,514	**1,265,663**
Dividends declared		
Interest on capital	641,205	-
Interim dividends	-	600,000
Dividends under the by-laws	656,309	442,728
Additional dividends proposed	49,693	222,935
	1,347,207	**1,265,663**
Dividends and interest on capital per share		
Mandatory minimum dividend (in R$)	0.45	0.44
Dividends proposed (in R$)	0.47	0.44

This table provides the changes on dividends and interest on capital payable:

	Consolidated and Parent Company
Balance at December 31, 2021	**799,947**
Dividends proposed	422,728
Interim dividends	600,000
Payment	(435,717)
Balance at December 31, 2022	**1,406,958**
Dividends proposed	656,309
Interest on Equity declared	641,205
Income tax on Interest on Equity	(96,181)
Payment	(1,042,728)
Balance at December 31, 2023	**1,565,563**

d) Allocation of net income for 2023 - Management's proposal

The Board of Directors decided to propose to the Annual General Meeting to be held in April, 2024 that the income for 2023, in the amount of R$2,402,666, and of the credit balance of the deemed cost of PP&E of R$4:

- R$118,544 to be allocated to the Legal Reserve;
- R$1,347,207 for payment of dividends, as follows:
    - R$641,205 through interest on equity; and
    - R$706,002 as mandatory minimum dividends.
- R$31,796 to be recorded as Incentives Tax Incentives Reserve, in reference to the tax incentive amounts obtained in relation to the investments made in the region of Sudene.
- R$905,115 to be held in Shareholders' Equity in the Retained Earnings Reserve, to guarantee execution of the Company's Investment Program.

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The dividends will be paid in two equal installments, by June 30 and December 30, 2024.

e) Reserves

<u>Profit reserves</u>

The composition of the profit reserves account is as follows:

	2023	2022
Profit reserves		
Legal reserve	530,625	412,081
Tax Incentives reserve - Sudene	86,921	55,125
Retained earnings reserve	4,115,687	3,160,879
	4,733,233	**3,628,085**

<u>Legal reserve</u>

Constitution of the Legal reserve is mandatory, up to the limits established by law. The purpose of the reserve is to ensure security of the share capital, its use being allowed only for offsetting of losses or increase in the share capital.

<u>Incentives tax reserve</u>

The Company's has a right to 75% reduction in income tax, including the tax paid at the additional rate, calculated on the basis of the operating profit, when earned in the region of Sudene (the Development Agency for the Northeast), for 10 years starting in 2014. In 2023 renewal of this benefit was obtained, with validity for another 10 years.

<u>Retained earnings reserve</u>

This refers to profits not distributed in prior years, to guarantee execution of the Company's Investment Program, and amortizations of loans and financings. The retentions are supported by capital budgets approved by the Board of Directors in the year in question.

f) Equity valuation adjustments

	2023	2022
Adjustments to actuarial liabilities - Employee benefits	(427,462)	(476,146)
Deemed cost of PP&E	267,151	267,147
Equity valuation adjustment	**(160,311)**	**(208,999)**

The amounts recorded as deemed cost of the generation assets represents its fair value determined using the replacement cost at initial adoption of IFRS on January 1, 2009. The valuation of the generation assets resulted in an increase in their book value, recorded in a specific line in Equity, net of the tax effects. These values are being realized based on the depreciation of the assets.

The curtailment event that was recognized in the first quarter of 2023 affected the actuarial assumptions, in that it altered the discount rates applied to the plans. Since the new discount rate was higher, there was a reduction of the liability, and as a result actuarial gains of R$12,890 for the health plan, and R$ 193 for the dental plan.

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25. NET REVENUE

	Consolidated		Parent Company	
	2023	2022	2023	2022
Total revenue from supply of energy (a) (1)	6,190,495	7,629,058	5,422,226	6,689,101
Transmission revenue (b)				
Transmission operation and maintenance revenue	740,084	722,670	741,422	726,624
Transmission construction revenue (Note 12) (2)	226,880	407,193	216,553	407,193
Interest revenue arising from the financing component in the transmission contract asset (Note 12)	515,130	561,044	505,431	538,988
Revenue from updating of the concession grant fee (nota 12.2)	411,722	466,857	139,599	-
Transactions on CCEE	69,000	185,785	55,505	167,650
Generation indemnity revenue (Note 12.1)	92,595	47,028	92,595	47,028
Other revenues (c)	124,195	118,532	141,022	163,608
Sector / regulatory charges - Deductions from revenue (d)	(1,609,359)	(1,989,715)	(1,455,163)	(1,787,680)
	6,760,742	**8,148,452**	**5,859,190**	**6,952,512**

(1) The lower figure is due to a lower volume of energy sold, mainly due to continuing transfers of the Energy Trading activity from Cemig GT to the holding company (Companhia Energética de Minas Gerais – CEMIG).
(2) The variation in construction revenue reflects the amounts planned for the projects that are in the final phase of execution, resulting in lower amounts invested in 2023. Also, the new projects are at the initial phase, with disbursements associated with the stages of planning and decision, which have lower costs.

(a) Revenue from energy supply

	Consolidated				Parent Company			
	2023		2022		2023		2022	
	MWh²	R$	MWh²	R$	MWh²	R$	MWh²	R$
Industrial	10,198,825	3,062,927	14,453,048	4,229,249	9,608,957	2,741,618	13,462,896	3,830,879
Commercial	3,865,766	993,044	4,127,836	1,050,713	3,713,443	955,128	4,122,122	1,048,301
Rural	18,723	5,192	15,959	4,656	18,723	5,192	15,959	4,656
Subtotal	**14,083,314**	**4,061,163**	**18,596,843**	**5,284,618**	**13,341,123**	**3,701,938**	**17,600,977**	**4,883,836**
Net unbilled retail supply	-	(57,000)	-	61,752	-	(75,970)	-	43,298
	14,083,314	**4,004,163**	**18,596,843**	**5,346,370**	**13,341,123**	**3,625,968**	**17,600,977**	**4,927,134**
Wholesale supply to other concession holders (1)	10,311,213	2,149,259	11,376,243	2,290,997	7,978,748	1,783,957	8,072,008	1,769,716
Wholesale supply unbilled, net	-	37,073	-	(8,309)	-	12,301	-	(7,749)
	24,394,527	**6,190,495**	**29,973,086**	**7,629,058**	**21,319,871**	**5,422,226**	**25,672,985**	**6,689,101**

(1) This revenue includes sales contracts in the Regulated Market to distribution companies, sales on the Free Market to traders and generation companies, '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.
(2) Information not audditted by independent auditors.

(b) Transmission concession revenue

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

Consolidated	2023			2022		
	Construction and upgrades	Operation and maintenance	Total	Construction and upgrades	Operation and maintenance	Total
Annual Permitted Revenue (RAP)	226,880	740,084	966,964	407,193	722,670	1,129,863
Transmission infrastructure construction cost	(163,467)	(290,755)	(454,222)	(290,750)	(284,460)	(575,210)
Margin	**63,413**	**449,329**	**512,742**	**116,443**	**438,210**	**554,653**
Mark-up (%)	**38,79%**	**154,54%**	**112,88%**	**40.05%**	**154.05%**	**96.43%**

(c) Other revenue

	Consolidated		Parent Company	
	2023	2022	2023	2022
Charged service	52,468	38,879	68,156	88,218
Tariff subsidies	47,333	30,603	47,333	30,603
Rental and leasing	2,329	1,194	1,177	1,194
Reimbursement	17,259	41,714	17,259	41,714
Others	4,806	6,142	7,097	1,879
	124,195	**118,532**	**141,022**	**163,608**

(d) Deductions on revenue

	Consolidated		Parent Company	
	2023	2022	2023	2022
Taxes on revenue				
ICMS tax	473,418	633,155	411,033	561,804
Cofins tax	573,925	699,086	518,277	619,565
PIS and Pasep taxes	124,643	151,767	112,520	134,511
ISS tax on services	3,867	4,410	3,198	4,241
	1,175,853	**1,488,418**	**1,045,028**	**1,320,121**
Charges to the customer				
Global Reversion Reserve (RGR)	11,564	14,005	8,951	11,198
Energy Development Account (CDE)	259,059	314,435	259,059	314,435
CDE on P&D	4,381	3,712	3,688	2,786
Proinfa	62,874	77,287	62,874	77,287
Research and Development (P&D)	10,345	9,131	8,607	6,501
National Scientific and Technological Development Fund (FNDCT)	14,727	12,843	12,295	9,287
Energy System Expansion Research (EPE)	7,363	6,421	6,148	4,644
Electricity Services Inspection Charge (TFSEE)	10,629	9,067	9,254	8,144
Royalties for use of water resources (CFURH)	52,564	54,396	39,259	33,277
	433,506	**501,297**	**410,135**	**467,559**
	1,609,359	**1,989,715**	**1,455,163**	**1,787,680**

Accounting policy

In general, for the business of the Company and its subsidiaries in the energy sector, revenues are recognized when a performance obligation is satisfied, at the value that is expected to be received in exchange for the goods or services transferred, this value being allocated to that performance obligation. The Entity records the revenue only when it is probable that it will receive the consideration in exchange for the goods or services transferred, taking into account the client’s capacity and intention to comply with the payment obligation. Follow the material accounting policies linked to the Company's revenues.

Revenue from energy supply

Revenues from the sale of energy are recorded based on the energy supplied and the tariffs specified in the terms of the contract or in effect in the market. Revenues from retail supply of energy to final customers are recorded monthly basis, when the energy is supplied, based on measured and invoiced energy.

The wind power plants are subject to a minimum amount of energy generation being marketed through Proinfa. When the difference between the energy actually generated and the energy contracted is positive, the Company recognizes a receivable that will be settled during the subsequent business year. When the difference is negative, the Company constitutes a provision for non-performance, deducting it from the revenue for the period.

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Transmission concession revenue

Transmission concession revenues are recognized in income on a monthly basis and include:

- Construction revenue corresponds to the performance obligation to build the transmission infrastructure. Are recognized based on the satisfaction of obligation performance over time (construction phase). They are measured based on the cost incurred, including PIS/Pasep and Cofins taxes over the total revenues and the profit margin of the project. More details in note n. 13;
- Operation and maintenance revenue corresponds to the performance obligation of operation and maintenance specified in the transmission concession contract, after termination of the construction phase. They are recognized when the services are rendered and he invoices for the RAPs are issued; and
- Interest revenue in the contract asset recognized, recorded as transmission concession gross revenue in statement income. Revenue corresponds to the significant financing component in the contract asset and is recognized by the linear effective interest rate method based on the rate determined at the start of the investments, which is not subsequently changed. The average of the implicit rates is 6.86%. The rates are determined for each authorization and are applied on the amount to be received (future cash flow) over the contract duration. This includes financial updating by the inflation index specified for each transmission contract.

The services provided include charges for connection and other related services; the revenues are accounted when the services are provided.

The Resolution Aneel 729/2016 regulates the Variable Portion ('Parcela Variável' or 'PV'), which is the pecuniary penalty applied by the grantor as a result of any unavailability's or operational restrictions on facilities that are part of the National Grid and the surcharge corresponding to the pecuniary bonuses provided to concessionaries as an incentive to improve the transmissions facilities availability.

Revenue from updating of the concession grant fee

Represents the inflation adjustment using the IPCA inflation index, plus interest, on the Concession Grant Fee for the concession awarded as Lot D of Auction 12/2015. More details in Note 12.

Transactions on the CCEE (Power Trading Chamber)

Corresponds to the monthly calculation of the positive net balance of settlements of transactions for purchase and sale of energy in the Spot Market, through the CCEE, for which the consideration corresponds to the product of (i) the volume of energy sold, and (ii) the Spot Price.

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Other revenue

Government subsidies

The Company receives amounts from the Energy Development Account (EDA) as reimbursement for subsidies on tariffs granted to users of the public energy distribution service - TUSD and EUST (charges for use of the transmission system). These amounts are recognized as revenue in the income statement in a monthly basis, at the moment that the Company acquire the right of receive them, as a counterpart to “Other assets” in current assets.

Estimates and judgments

The Company recognizes revenue corresponding to unbilled retail supply of electricity, from the period between the last billing and the end of each month, estimated on the basis of the supply contracted. Historically, the differences between the estimated amounts so far not billed and the actual revenues realized in the following month have not been significant. They are accounted in the subsequent month.

The margin is defined based on the Company’s best estimates of profitability at the initial moment of conception of the investment projects. Alterations in the initial measurement of the transaction price, which might give rise to a change in the profitability originally determined, and remeasurement of the contractual asset, are dealt with at the moment of the Periodic Tariff Review.

The profit margin on operation and maintenance of transmission infrastructure is determined based on the individual sale price of the service, based on available information and the costs incurred for the provision of services of operation and maintenance on the value of the consideration that the entity expects to have the right, and the value of the consideration that the entity expects to have the right to, in exchange for the services promised to the client, in cases where the Company’s transmission subsidiaries have the right, separately, to the remuneration for the activity of operation and maintenance, as per CPC 47/IFRS 15.

The Company assessed the PV effects, based on historical data, and concluded that the variable compensation estimated with the PV is not material. Therefore, for both situations described, there is the recognition of an increase and/or reduction of operation and maintenance revenue in the period in which they occur.

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26. COSTS AND EXPENSES

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

a) Cost of energy

	Consolidated		Parent Company	
	2023	2022	2023	2022
Energy purchase for resale				
Spot market – CCEE	106,336	71,510	88,594	55,156
Acquired in free market	2,636,732	4,495,137	2,648,971	4,499,639
PIS/Pasep and Cofins credits	(253,737)	(420,547)	(252,668)	(419,382)
	2,489,331	**4,146,100**	**2,484,897**	**4,135,413**
Charges for use of the national grid				
Transmission charges - Basic network	248,548	225,120	226,759	183,141
Distribution charges	40,613	42,319	11,358	10,076
PIS/Pasep and Cofins credits	(24,353)	(22,007)	(21,973)	(17,791)
	264,808	**245,432**	**216,144**	**175,426**
Total	**2,754,139**	**4,391,532**	**2,701,041**	**4,310,839**

b) Transmission infrastructure construction cost

	Consolidated		Parent Company	
	2023	2022	2023	2022
Personnel	11,554	12,419	11,554	12,419
Materials	97,887	215,653	97,883	215,653
Outsourced services	55,322	64,552	46,474	64,552
Other (recovery of expenses)	(1,296)	(1,874)	(1,833)	(1,874)
	163,467	**290,750**	**154,078**	**290,750**

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c) Other operating costs and expenses

	Consolidated									
	Operating costs		Expected credit losses of accounts receivable		General and administrative expenses		Other operating expenses (revenue)		Total 2023	TOtal 2022
	2023	2022	2023	2022	2023	2022	2023	2022		
Personnel	269,767	283,538	-	-	59,929	56,433	-	1	329,696	339,972
Employee profit shares	-	-	-	-	-	778	37,622	32,944	37,622	33,722
Post-employment obligation(1)	-	-	-	-	-	-	114,795	131,395	114,795	131,395
Materials	19,132	24,305	-	-	2,772	3,700	-	-	21,904	28,005
Outsourced services	169,569	174,666	-	-	54,730	51,001	-	-	224,299	225,667
Depreciation and amortization (2)	328,227	321,383	-	-	514	7,004	-	-	328,741	328,387
Provision for contingency	48,990	9,869	-	-	-	-	-	-	48,990	9,869
Expected credit losses	-	-	4,666	531	-	-	-	-	4,666	531
Reversal of provision for doubtful with related party – Renova	-	-	-	-	-	-	-	(53,356)	-	(53,356)
Put option – SAAG	-	-	-	-	-	-	57,801	36,124	57,801	36,124
Impairment	-	-	-	-	-	-	-	7,412	-	7,412
Adjustment to fair value of financial asset (3)	-	-	-	-	-	-	-	171,770	-	171,770
Other costs and expenses	12,703	22,195	-	-	28,626	5,667	10,722	24,159	52,051	52,021
Gain on disposal of investment (4)	-	-	-	-	-	-	(318,795)	(6,644)	(318,795)	(6,644)
	848,388	**835,956**	**4,666**	**531**	**146,571**	**124,583**	**(97,855)**	**343,805**	**901,770**	**1,304,875**

(1) In the first quarter of 2023 an accounting gain of R$20,823 was recognized for the remeasurement of post-employment liabilities, as a result of acceptance of the new Health Plan by part of the active employees. For more details please see Note 22.

(2) Net of PIS, Pasep and Cofins taxes on the amortization of the right of use, in the amounts of R$128 in the consolidated financial statements, and R$ 125 in the Parent Company statements, in 2023 (compared, respectively, to R$117, and R$116, in 2022).

(3) With the conclusion of the Valuation Opinion, the Company wrote off R$171,770 from Financial assets in the second quarter of 2022. See more details in Note 10. These amounts are presented in the Income Statement under the heading "Other expenses, net".

(4) This refers to the gains obtained on sales of investments in the 2023 financial year: R$261,344 on the sale of **Baguari Energia**, R$26,964 on the sale of **Retiro Baixo** and R$30,487 on the sale of the direct holding in **Mesa**. There are more details on these transactions in Note 14. These amounts are presented in the Income Statement under the heading "Other expenses, net".

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	Parent Company								Total 2023	Total 2022
	Operating costs		Expected credit losses of accounts receivable		General and administrative expenses		Other operating expenses (revenue)			
	2023	2022	2023	2022	2023	2022	2023	2022		
Personnel	254.435	257.512	-	-	59.929	56.433	-	1	314.364	313.946
Employee profit shares	-	-	-	-	-	605	37.368	32.564	37.368	33.169
Post-employment obligation (1)	-	-	-	-	-	-	114.795	131.395	114.795	131.395
Materials	13.584	13.506	-	-	2.772	3.700	-	-	16.356	17.206
Outsourced services	96.588	109.091	-	-	54.730	51.001	-	-	151.318	160.092
Depreciation and amortization (2)	254.236	246.801	-	-	514	7.004	-	-	254.750	253.805
Provisions	47.672	9.622	-	-	-	-	-	-	47.672	9.622
Expected credit losses	-	-	5.650	1.302	-	-	-	-	5.650	1.302
Reversal of provision for doubtful with related party – Renova	-	-	-	-	-	-	-	(53.356)	-	(53.356)
Put option - SAAG	-	-	-	-	-	-	57.801	36.124	57.801	36.124
Impairment	-	-	-	-	-	-	-	7.412	-	7.412
Adjustment to fair value of financial asset (3)	-	-	-	-	-	-	-	171.770	-	171.770
Other operating costs and expenses	5.404	11.799	-	-	28.626	6.114	6.454	23.048	40.484	40.961
Gain on disposal of investment (4)	-	-	-	-	-	-	(318.795)	(6.644)	(318.795)	(6.644)
	671.919	**648.331**	**5.650**	**1.302**	**146.571**	**124.857**	**(102.377)**	**342.314**	**721.763**	**1.116.804**

(1) In 1Q23 an accounting gain of R$20,823 was recognized for the remeasurement of post-employment liabilities, as a result of acceptance of the new Health Plan by part of the active employees. More details in Note 22.

(2) Net of PIS/Pasep and Cofins taxes on the amortization of the right of use, in the amounts of R$128 in the consolidated interim financial information, and R$125 in the financial statements of the parent company, for 2023 (these compare, respectively, to R$117, and R$116, for 2022).

(3) With the conclusion of the Valuation Opinion, the Company wrote off R$171,770 from Financial assets in June 2022. More details in note n. 10. These amounts are presented in the Income Statement under the heading “Other expenses, net”.

(4) This refers to the gains obtained on sales of investments in the 2023 financial year: R$261,344 on the sale of Baguari Energia, R$26,964 on the sale of Retiro Baixo and R$30,487 on the sale of the direct holding in Mesa. There are more details on these transactions in Note 14. These amounts are presented in the Income Statement under the heading “Other expenses, net”.

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c.1) Outsourced services

	Consolidado		Controladora	
	2023	2022	2023	2022
Communication	3,848	3,807	3,237	3,312
Maintenance and conservation of electrical facilities and equipment	74,393	64,789	26,238	29,728
Building conservation and cleaning	27,373	23,620	23,772	19,867
Contracted labor	3,592	4,581	5,345	3,697
Freight and airfares	1,676	1,212	1,676	1,216
Accommodation and meals	6,266	4,282	6,254	4,261
Security services	7,755	7,071	4,632	3,588
Consultancy	9,339	8,819	9,122	7,442
External audit	1,166	4,640	629	3,938
Information technology	32,652	31,002	29,808	26,676
Energy	2,048	2,701	1,226	1,999
Environment services	17,971	16,593	10,153	10,888
Cleaning of power line pathways	10,250	10,383	9,939	9,722
Reprography services	1,341	1,404	771	936
Legal services and procedural costs	4,989	5,438	4,939	5,477
Others	19,640	35,325	13,577	27,345
	224,299	**225,667**	**151,318**	**160,092**

c.2) Other expenses (revenues)

	Consolidado		Controladora	
	2023	2022	2023	2022
Leasing and rentals	2,663	6,712	13	2,837
Advertising	4,383	2,490	4,383	2,490
Subsidies and donations	14,809	4,437	13,113	-
Paid concessions	4,340	4,072	4,330	4,062
Taxes (IPTU, IPVA and others)	3,554	1,979	1,935	1,136
CCEE annual charge	2,698	2,832	2,417	2,440
Insurance	10,571	11,187	9,237	9,947
Net loss (gain) on deactivation and disposal of assets	2,862	3,431	2,853	3,431
Forluz – Administrative running cost	8,669	7,910	8,667	7,909
Obligations deriving from investment contracts	2,930	2,408	2,930	2,408
Other (reversals)	(5,428)	4,563	(9,394)	4,301
	52,051	**52,021**	**40,484**	**40,961**

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27. FINANCE INCOME AND EXPENSES

	Consolidated		Parent Company	
	2023	2022	2023	2022
FINANCE INCOME				
Income from cash investments	214,638	210,165	138,995	133,912
Arrears fees on sale of energy	11,214	11,775	9,551	8,396
Monetary updating	135,367	39,606	134,514	38,945
Monetary updating on escrow deposits	11,179	13,266	10,960	13,174
FX variation from loans (Note 20)	276,687	338,265	276,687	338,265
Other finance income (1)	25,339	14,776	23,392	10,956
Pasep and Cofins taxes on financial revenues	(16,053)	(23,821)	(14,738)	(22,430)
	658,371	**604,032**	**579,361**	**521,218**
DESPESAS FINANCEIRAS				
Costs of loans and debentures (Note 20)	(529,238)	(548,186)	(529,238)	(548,186)
Amortization of transaction cost (Note 20)	(5,845)	(2,514)	(5,845)	(2,514)
Monetary updating – Forluz	(4,494)	(8,996)	(4,494)	(8,996)
Inflation adjustment - Loans and debentures (Note 20)	(13,613)	(4,569)	(13,613)	(4,569)
Monetary updating	(3,492)	(18,788)	(413)	(3,431)
Premium on repurchase of debt securities (Note 20)	-	(46,763)	-	(46,763)
Losses on financial instruments (Note 29)	(177,326)	(437,887)	(177,326)	(437,887)
Leasing - Monetary variation (Note 17)	(7,112)	(5,246)	(6,805)	(5,021)
Other finance expenses	(13,088)	(8,374)	(9,441)	(4,866)
	(754,208)	**(1,081,323)**	**(747,175)**	**(1,062,233)**
NET FINANCE EXPENSES	**(95,837)**	**(477,291)**	**(167,814)**	**(541,015)**

(1) This includes inflation correction, in the amount of R$14,203, on the court escrow deposits received by the Company as ordered in the arbitration proceedings. More details in note 21 – Provision: Dispute on billing of electricity.

Accounting policy

Financial revenues refer principally to the revenue from cash investments, late fees on energy invoices to customers, updating of tax credits, updating of concession financial assets, updating of Court escrow deposits, and change in the fair value of, or interest on, other financial assets. Interest income is recognized in the income using the effective interest method.

Finance expenses include: interest expense on borrowings, and foreign exchange and monetary adjustments on borrowing costs of debt, debentures and other financial liabilities. They also include the negative variation of the fair value on other financial assets and liabilities. Interest expense on the Company's borrowings that is not capitalized is recognized in the Statements of income using the effective interest method.

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28. RELATED PARTY TRANSACTIONS

The relationships between the Company and its investees are described in Note 14. The main principal balances and transactions with related parties are as follows (consolidated):

ENTITIES	ASSETS		LIABILITIES		REVENUE		EXPENSE	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Jan to Dec, 2023	Jan to Dec, 2022	Jan to Dec, 2023	Jan to Dec, 2022
Transactions in energy								
Companhia Energética de Minas Gerais	-	-	-	-	-	-	(45,674)	-
Aliança Geração	-	-	10,306	7,201	-	-	(105,521)	(99,750)
Paracambi	-	-	2,211	2,476	-	-	(29,584)	(33,058)
Hidrelétrica Pipoca	-	-	3,286	3,491	-	-	(46,856)	(45,618)
Cemig Distribuição	8,862	27,733	8	8	67,731	85,161	(2,417)	(3,467)

The transactions in energy between generators and distributors are made in auctions in the Regulated Market (ACR) organized by the federal government. The transactions in sale and purchase of energy between generators and distributors are made through auctions in the Regulated Market, organized by the federal government. In the Free Market they are carried out through auctions or by direct contracting, in accordance with applicable legislation. The transactions for transport of energy, are by transmission companies, arise from the centralized operation of the National Grid carried out by the National System Operator (ONS).

ENTITIES	ASSETS		LIABILITIES		REVENUE		EXPENSE	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Jan to Dec, 2023	Jan to Dec, 2022	Jan to Dec, 2023	Jan to Dec, 2022
Charges								
Connection charges								
Cemig Distribuição	13,483	11,049	-	-	106,063	88,360	-	-
Transmission charges								
Cemig Distribuição	19,789	-	1,819	2,782	254,926	217,857	(30,107)	(30,499)
Aliança	-	-	-	-	970	711	-	-
Norte Energia	2,668	2,352	-	-	29,771	26,350	-	-
Taesa	-	-	1,356	1,335	-	-	(15,720)	(15,924)

Connection charges are financial amounts set and approved by Aneel for use of connection facilities and/or connection points in the transmission system, payable by the accessing party to the connected agent.

Transmission charges are monthly amounts payable by users to holders of transmission concessions for the provision of transmission services, calculated according to the tariffs and the contracted amounts for use of the transmission system, in accordance with regulations set by Aneel.

ENTITIES	ASSETS		LIABILITIES		REVENUE		EXPENSE	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Jan to Dec, 2023	Jan to Dec, 2022	Jan to Dec, 2023	Jan to Dec, 2022
Cooperation Working Agreement								
Cemig Distribuição	203	2,565	-	-	134	431	-	-
Companhia Energética de Minas Gerais	2,277	-	-	-	58,137	-	-	-

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An Administrative and Human Resources Sharing Agreement between Cemig, Cemig Distribuição, Cemig Geração e Transmissão and other subsidiaries of the Group, consented to by Aneel Dispatch 3,208/2016. This principally includes reimbursement of expenses related to sharing of infrastructure, personnel, transport, telecoms and IT.

ENTITIES	ASSETS		LIABILITIES		REVENUE		EXPENSE	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Jan to Dec, 2023	Jan to Dec, 2022	Jan to Dec, 2023	Jan to Dec, 2022
Provision of services								
Aliança Geração	539	673	-	-	6,238	4,920	-	-
Taesa	435	149	-	-	1,814	1,593	-	-
Other credits								
FIP Melbourne (note 14e)	-	160,644	-	-	-	-	-	-

The balances for services rendered refer to contracts for the provision of operation and maintenance services for power plants and transmission networks.

ENTITIES	ASSETS		LIABILITIES		REVENUE		EXPENSE	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Jan to Dec, 2023	Jan to Dec, 2022	Jan to Dec, 2023	Jan to Dec, 2022
Provision of legal services								
Aliança Geração	-	-	57,835	54,905	-	-	(2,930)	(3,066)

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$166 million at December 31, 2023 (R$156 million at December 31, 2022), of which R$58 million at December 31, 2023 (R$55 million at December 31, 2022) is attributable to Cemig.

ENTITIES	ASSETS		LIABILITIES		REVENUE		EXPENSE	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Jan to Dec, 2023	Jan to Dec, 2022	Jan to Dec, 2023	Jan to Dec, 2022
Interest on Equity, and dividends								
Companhia Energética de Minas Gerais	-	-	1,550,152	1,406,958	-	-	-	-
Retiro Baixo	-	5,867	-	-	-	-	-	-
Hidrelétrica Pipoca	-	3,882	-	-	-	-	-	-
Hidrelétrica Cachoeirão	-	3,867	-	-	-	-	-	-

The table above indicates the Company's liability with the Cemig H in relation to the Interest on Equity - JCP and Dividends account and in relation to the assets of balances of dividends receivable from investees presented in "Others" in the "Dividends receivables".

In relation to the passive position, the Executive Board, upon authorization from the Board of Directors, approved the declaration of Interest on Equity - JCP and Dividends totaling R$1,550,152. The details about the composition and movement of JCP and Dividends are in note n. 24.

ENTITIES	ASSETS		LIABILITIES		REVENUE		EXPENSE	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Jan to Dec, 2023	Jan to Dec, 2022	Jan to Dec, 2023	Jan to Dec, 2022
FIC Pampulha								
Current								
Cash and cash equivalents	261,859	227,884	-	-	-	-	-	-
Marketable securities	574,822	1,352,076	-	-	20,012	67,304	-	-
Non-current								
Marketable securities	-	5,105	-	-	-	-	-	-

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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.

ENTITIES	ASSETS		LIABILITIES		REVENUE		EXPENSE	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Jan to Dec, 2023	Jan to Dec, 2022	Jan to Dec, 2023	Jan to Dec, 2022
Current								
Leasign	-	-	5,657	5,418	-	-	(7,208)	(6,742)
Non-current								
Leasing	39,823	38,838	40,434	38,323	-	-	-	-

This is a contract for rental of the Company's administrative headquarters, valid until August 2024 (the Júlio Soares Building), which can be extended every 5 years, up to 2034), with rental adjusted annually by the IPCA inflation index and subject to a price review every 60 months. On September 19, 2023 the rental contract was adjusted upward by 4.61%, corresponding to accumulated IPCA inflation over the prior 12 months.

ENTITIES	ASSETS		LIABILITIES		REVENUE		EXPENSE	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Jan to Dec, 2023	Jan to Dec, 2022	Jan to Dec, 2023	Jan to Dec, 2022
Post-employment benefit								
FORLUZ								
Current								
Post-employment obligations (1)	-	-	28,954	44,936	-	-	(57,256)	(58,544)
Supplementary pension contributions - Defined contribution plan (2)	-	-	-	-	-	-	(21,589)	(21,827)
Administrative running costs (3)	-	-	-	-	-	-	(8,667)	(7,909)
Non-current								
Post-employment obligations (1)	-	-	442,909	424,124	-	-	-	-
Cemig Saúde								
Current								
Health Plan and Dental Plan (4)	-	-	48,874	46,243	-	-	(82,856)	(83,089)
Non-current								
Health Plan and Dental Plan (4)	-	-	601,133	681,143	-	-	-	-

The Company has contractual obligations to a group of retired former employees in which it is responsible for ensuring funds for the cost of a supplementary pension plan, called Forluz, and for the running costs of a health plan, called Cemig Saúde. The main conditions related to the post-employment benefits are as follows:

(1) Forluz's contracts are adjusted by the Broad National Consumer Price Index - IPCA of the Brazilian Institute of Geography and Statistics - IBGE, and will be amortized until 2024 (see note 20);
(2) 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;
(3) 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;

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(4) Post-employment obligations related to the employees' health and dental plan (see note 20).

Details of post-employment benefits can be found in note 22.

Dividends receivables

	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Sá Carvalho S.A.	-	-	-	691
Cemig Geração Três Marias S.A.	-	-	-	88,841
Cemig Geração Salto Grande S.A.	-	-	-	28,845
Cemig Geração Sul S.A. (1)	-	-	9,719	-
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	-	-	1,627	-
Cemig Trading S.A.	-	-	2,459	479
Aliança Geração de Energia S.A.	-	126,634	-	126,634
Others (2)	-	13,616	-	13,616
	-	**140,250**	**13,805**	**259,106**

(1) At the Extraordinary General Meeting (AGE) of Cemig Geração Sul, held on December 7, 2023, the payment of half of the minimum mandatory dividends for 2023 was approved, and the postponement of the payment of the other half, until the 31st of December 2024, depending on cash availability and at the discretion of the Board.
(2) The subsidiaries grouped in 'Others' are identified in the table above under "Interest on Equity, and Dividends".

The movements of Interest on Equity and dividends to be paid to Cemig are given in Note 24.

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 financial statements for 2023 and 2022, are as follows:

	2023	2022
Remuneration	5,063	4,449
Profit shares	1,170	1,162
Private pension	460	391
Health and dental plans	32	48
Life insurance	6	10
Total (1)	**6,731**	**6,060**

(1) The Company does not directly remunerate the members of the key management personnel, being remunerated by the controlling shareholder. The reimbursement of these expenses is carried out through an agreement for sharing human resources and infrastructure between Cemig, Cemig Distribuição, Cemig Geração e Transmissão and other subsidiaries of the Group, approved by Dispatch Aneel 3,208 / 2016.

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments classification and fair value

The main financial instruments by the Company and its subsidiaries, are as follows:

	Level	Dec. 31, 2023		Dec. 31, 2022	
		Book value	Fair value	Book value	Fair value
Financial assets					
Amortized cost (1)					
Marketable securities		742	742	186,753	186,753
Customers and traders concession holders (transmission service)		792,155	792,155	1,095,412	1,095,412
Restricted cash		17,500	17,500	14,488	14,488
Concession grant fee - Generation concessions		3,031,033	3,031,033	2,950,415	2,950,415
Accounts receivable - FIP Melbourne		-	-	160,643	160,643
		3,841,430	**3,841,430**	**4,407,711**	**4,407,711**
Fair value through income or loss					
Cash equivalents – Investments		359,651	359,651	287,207	287,207
Marketable securities					
Bank certificates of deposit (CDBs)	1	54,880	54,880	148,466	148,466
Financial notes (LF's) - Banks	2	354,305	354,305	702,838	702,838
Treasury financial notes (LFT's)	1	159,759	159,759	311,663	311,663
Debentures	2	5,878	5,878	7,744	7,744
		934,473	**934,473**	**1,457,918**	**1,457,918**
Derivative financial instruments	2	368,051	368,051	702,734	702,734
Indemnifiable receivable – Generation	3	784,055	784,055	691,460	691,460
		1,152,106	**1,152,106**	**1,394,194**	**1,394,194**
		5,928,009	**5,928,009**	**7,259,823**	**7,259,823**
Financial Liabilities					
Amortized cost (1)					
Loans and debentures		(2,868,093)	(2,868,093)	(4,959,066)	(4,959,066)
Debt with pension fund (Forluz)		(20,433)	(20,433)	(56,892)	(56,892)
Deficit of pension fund (Forluz)		(117,879)	(117,879)	(123,843)	(123,843)
Concessions payable		(27,602)	(27,602)	(27,291)	(27,291)
Suppliers		(474,756)	(474,756)	(503,110)	(503,110)
Leasing		(83,215)	(83,215)	(62,367)	(62,367)
		(3,591,978)	**(3,591,978)**	**(5,732,569)**	**(5,732,569)**
Fair value through income or loss					
Derivative financial instruments	2	-	-	(90,526)	(90,526)
Put Option (SAAG)	3	-	-	(672,416)	(672,416)
		(3,591,978)	**(3,591,978)**	**(6,495,511)**	**(6,495,511)**

(1) The book value represents the approximate fair value amount.

At initial recognition the Company measures its financial assets and liabilities at fair value and classifies them according to the accounting standards currently in effect. Fair value is a measurement based on assumptions that market participants would use in pricing an asset or liability, assuming that market participants act in their economic best interest. The Information applied in the fair value valuation techniques is classified in three levels of fair value hierarchy, as follows:

- Level 1. Active market - Quoted prices: A financial instrument is considered to be quoted in an active market if the prices quoted are promptly and regularly made available by an exchange or organized over-the-counter market, by operators, by brokers or by a market association, by entities whose purpose is to publish prices, or by regulatory agencies, and if those prices represent regular arm's length market transactions made without any preference.
- Level 2. No active market - Valuation technique: For an instrument that does not have an active market, fair value should be found by using a method of valuation/pricing. Criteria

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such as data on the current fair value of another instrument that is substantially similar, or discounted cash flow analysis or option pricing models, may be used. Level 2 is based on information that is observable, either directly or indirectly. The objective of the valuation technique is to establish what would be the transaction price on the measurement date in an arm's-length transaction motivated by business model.

- Level 3. No active market - Valuation techniques: Fair value is determined based on generally accepted valuation techniques, such as on discounted cash flow analysis or other valuation techniques such as, including non-observable data, such as the measurement at new replacement value (Valor novo de reposição, or VNR). Non-observable data should be used to measure fair value where significant observable data is not available, admitting situations in which there is little or no market activity at the measurement date. Non-observable data are developed using the best possible information available in the circumstances, which may include the entity's own data.

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

Fair value calculation of financial positions

Indemnifiable receivable - Generation: Measured at New Replacement Value (VNR), as per criteria set by regulations of the grantor power, based on the fair value of the assets to be indemnify at the end of the concession. More details in note n. 12.1.

Cash investments: Fair value of cash investments is determined taking into consideration the market prices of the investment, or market information that makes such calculation possible, considering future interest rates in the fixed income and FX markets applicable to similar securities. The market value of the security is deemed to be its maturity value discounted to present value by the discount rate obtained from the market yield curve in Reais.

Swap transactions: Fair value was calculated based on the market value of the security at its maturity adjusted to present value by the discount rate from the market yield curve.

Call Spread Options: To price the Call Spread (options), the Black & Scholes model is used, which has as a parameter, among others, the volatility of the dollar, measured based on its 2-year history.

Other financial liabilities

Fair value of its loans and debentures were determined using 137.73% of the CDI rate - based on its most recent funding. For the following, the Company considered fair value to be substantially

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equal to book value: Loans and debentures, and debt renegotiated with Forluz, with annual rates between IPCA + 6.00% to 7.62% and CDI + 3.48% to 6.89%.

b) Financial instruments

Put SAAG option

Early liquidation of Funds, and early maturity of put option

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

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

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

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

	Consolidated and Parent Company
Balance on December 31, 2022	**672,416**
Adjustment to fair value	57,801
Related assets (1)	50,131
Liquidation	(780,348)
Balance on December, 31, 2023	-

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

Swap transactions, currency options and NDF

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

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

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The gains and losses realized in 2023 and 2022 are shown below:

Assets (1)	Liability (1)	Maturity period	Product	Trade market	Notional amount (2)	Realized gain (loss) 2023	Realized gain (loss) 2022
US$ exchange variation + Rate (9.25% p.y.)	R$ + 149.99% of CDI	Interest: Half-yearly Principal: Dec. 2024	Swap + Opções	Over the counter	US$120,000	96,820	184,548
US$ exchange variation + Rate (9.25% p.y.)	R$ + 125.54% of CDI	Interest: Half-yearly Principal: Dec. 2024	Swap + Opções	Over the counter	US$261,110	87,316	(53,613)
US$ exchange variation higher R$5.0984	US$ exchange variation lower R$5.0954	August 03, 2021 December 16, 2022	NDF	Over the counter	US$280,000	-	32,016
US$ exchange variation higher than R$5.1110	US$ exchange variation of less than R$5.1110	April 13, 2023 December 05, 2023	NDF	Over the counter	US$392,344	(79,197)	-
US$ exchange variation higher than R$4.9675	US$ exchange variation of less than R$4.9675	December 05, 2023 December 19, 2023	NDF	Over the counter	US$376,550	(38,108)	-
					US$1,430,004	**66,831**	**162,951**

The 6-monthly interest payments on the swap were paid in 2023, resulting in a negative item of R$98,815, and cash outflow of the same amount (this compares to a negative amount of R$94,580 in 2022, with a net cash outflow of the same amount). In June 2023, a part of the hedge was undone, in the amount of US$368,890 mil, resulting in a gain of R$282,951, and net cash inflow of R$240,508.

The Company contracted, on April 13,2023 and June 14, 2023, a short-term hedge against variation in the US dollar exchange rate for a volume of US$392 million, locking in the exchange rate at R$5.1110/US$, due on December 5, 2023. On this same date, a new short-term transaction was contracted for a volume of US$376 million maturing on December 19, 2023. The instrument contracted was a non-deliverable forward (NDF), without physical delivery of currency, guaranteeing the Company a pre-agreed rate at the moment of maturity. The settlement of the NDFs resulted in a cash outflow of R$117,305.

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 December 31, 2023 was a negative adjustment of R$117,326 (negative adjustment of R$437,887 on December 31, 2022), which was posted in finance income (expenses).

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

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This table presents the derivative instruments contracted by the Company as of December 31, 2023 and December 31, 2022:

Assets	Liability	Maturity period	Product	Trade market	Notional amount (2)	Carrying amount on December 31, 2023	Fair value on December 31, 2023	Carrying amount on December 31, 2022	Fair value on December 31, 2022
US$ exchange variation + Rate (9.25% p.y.) (1)	R$ + 149.99% of CDI	Interest: Half-yearly Principal: Dec, 2024	Swap + Option	Over the counter	US$120,000	190,876	161,465	428,134	272,846
US$ exchange variation + Rate (9.25% p.y.) (1)	R$ + 125.54% of CDI	Interest: Half-yearly Principal: Dec, 2024	Swap + Option	Over the counter	US$261,110	254,239	206,586	568,487	339,362
					US$381,110	**445,115**	**368,051**	**996,621**	**612,208**
Current assets							**368,051**		**-**
Non-current assets							**-**		**702,734**
Current liabilities							**-**		**(90,526)**

(1) For the US$1 billion Eurobond issued on December 2017: (i) for the principal, a call spread was contracted, with floor at R$3.25/US$ and ceiling at R$5.00/US$; and (ii) a swap was contracted for the total interest, for a coupon of 9.25% p.a. at an average rate equivalent to 150.49% of the CDI. For the additional US$500 issuance of the same Eurobond issued on July 2018 a call spread was contracted for the principal, with floor at R$3.85/US$ and ceiling at R$5.00/US$, and a swap was contracted for the interest, resulting in a coupon of 9.25% p.a., with an average rate equivalent to 125.52% of the CDI rate. The upper limit for the exchange rate in the hedge instrument contracted by the Company for the principal of the Eurobonds is R$5.00/US$. The instrument matures in December 2024. If the USD/BRL exchange rate is still over R$5.00 in December 2024, the company will disburse, on that date, the difference between the upper limit of the protection range and the spot dollar on that date. The Company is monitoring the possible risks and impacts associated with the dollar being valued above R$5.00 and assessing various strategies for mitigating the foreign exchange risk up to the maturity date of the transaction. The hedge instrument fully protects the payment of six-monthly interest, independently of the USD/BRL exchange rate. This does not, however, protect the amount of Income tax withheld at source (Imposto de Renda Retida na Fonte - IRRF) on the payment of interest.

(2) In thousands of US$.

In accordance with market practice, the Company 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 December 31, 2023 was R$368,051 (R$612,208 on December 31, 2022), which would be the reference if the Company would liquidate the financial instrument on December 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$445,115 at December 31, 2023 (R$996,621 on December 31, 2022).

Market risk and sensitivity analysis

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 dollar, the Company prepare a sensitivity analysis and estimates that in a probable scenario, its results would be positively affected by the call spread, on December 31, 2024, in the amount of R$129,033. The fair value of the financial instrument was estimated in R$497,084, refers to the option (call spread).

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c) Financial risk management

Corporate risk management is a management tool that is part of the Company's corporate governance practices and is aligned with the process of planning, which sets the Company's strategic business objectives.

Risk of an economic-financial nature is associated with ineffective management and control of the organization's financial resources and market fluctuations, such as credit availability, exchange rates and interest rate movements.

The Company monitor the financial risk of transactions that could negatively affect the Company's liquidity or profitability, recommending hedge protection strategies to minimize its exposure to foreign exchange rate, interest rate and inflation risks, which are effective, in alignment with the Company's business strategy.

The main exposure risks of the Company and its subsidiaries are listed below in this note. The scenarios for sensitivity analysis were prepared using market sources and specialized sources.

Exchange rate risk

For the debt denominated in foreign currency, the Company 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 Company exposure to market risk associated to this instrument is described in the topic "Swap transaction" of this Note.

The Company is exposed to risk of increase in exchange rates, with effect on loans and cash flow.

Exposure to exchange rates	Consolidated and Parent Company			
	Dec. 31, 2023		Dec. 31, 2022	
	Foreign currency	R$	Foreign currency	R$
US dollar				
Loans (Note 20)	(383,558)	(1,856,920)	(761,824)	(3,974,971)
Net (liabilities) exposed		**(1,856,920)**		**(3,974,971)**

<u>Sensitivity analysis</u>

The Company estimates, based on finance information from its financial consultants, that in a probable scenario, on December 31, 2024 the exchange rates of foreign currencies in relation to the Real will be as follows: appreciation of the dollar exchange rate by 2.86%, to R$4.98/US$. The Company has made a sensitivity analysis of the effects on profit arising from depreciation of the Real exchange rate considering an adverse scenario.

Risk: Exposure to exchange rates	Dec. 31, 2023	Dec. 31, 2024	
	Book value	'Probable' scenario Dollar 4.98	'Adverse' scenario Dollar 6,00
US dollar			
Loans (Note 20)	(1,856,920)	(1,910,120)	(2,301,349)
Net liabilities exposed	**(1,856,920)**	**(1,910,120)**	**(2,301,349)**
Net effect of exchange rate variation		**(53,200)**	**(444,429)**

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Interest rate risk

This risk arises from the effect of variations in Brazilian interest rates on the net financial result composed of financial expenses associated to loans and debentures in Brazilian currency, and also on financial revenues from cash investments made by the Company and its subsidiaries. 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.

The Company and its subsidiaries were exposed to the risk of reduction in Brazilian interest rates, since it has assets indexed to variation in interest rates:

Exposure to Brazilian domestic interest rates	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Assets				
Cash equivalents (Note 6) - CDI rate	359,651	287,207	296,623	190,733
Securities (Note 7) - CDI and Selic rates	575,564	1,357,464	454,710	791,344
Indemnities receivable - Generation (Note 12.1)- CDI and Selic rates	784,055	691,460	784,055	691,460
Restricted cash – CDI	17,500	14,488	15,413	6,405
	1,736,770	**2,350,619**	**1,550,801**	**1,679,942**
Liabilities				
Loans and debentures - CDI (Note 20)	(703,092)	(703,185)	(703,092)	(703,185)
	(703,092)	**(703,185)**	**(703,092)**	**(703,185)**
Net assets exposed	**1,033,678**	**1,647,434**	**847,709**	**976,757**

Sensitivity analysis

The Company and its subsidiaries estimate that in a probable scenario, the Selic rate on December 31, 2024 will be 9.25%. The Company and its subsidiaries carried out a sensitivity analysis of the effects on results considering an adverse scenario. Variation in the CDI rate accompanies the variation in the Selic rate.

Risk: Reduction in Brazilian interest rates - Consolidated	Dec. 31, 2023	Dec. 31, 2024	
	Amount Book value	'Probable' scenario: Selic 9.25%	'Adverse' scenario Selic 7,75%
Assets			
Cash equivalents - Cash investments (Note 6)	359,651	392,919	387,524
Marketable securities (Note 6)	575,564	628,804	620,170
Indemnities receivable - Generation (Note 12.1)	784,055	856,580	844,819
Restricted cash	17,500	19,119	18,856
	1,736,770	**1,897,422**	**1,871,369**
Liabilities			
Loans and debentures - CDI (Note 20)	(703,092)	(768,128)	(757,582)
	(703,092)	**(768,128)**	**(757,582)**
Net assets	**1,033,678**	**1,129,294**	**1,113,787**
Net effect of variation in interest rates		**95,616**	**80,109**

Inflation risk

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

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The Company and its subsidiaries are exposed to risk of reduction of inflation, due to their having more assets than liabilities indexed to the variation of inflation indicators, as follows:

Exposure to inflation	Consolidated		Parent Company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Assets				
Generation - Concession grant fee - IPCA (Note 12)	3,031,033	2,950,415	2,253,919	-
Liabilities				
Loans and debentures - IPCA (Note 20)	(315,950)	(302,216)	(315,950)	(302,216)
Debt agreed with pension fund (Forluz) - (Note 22)	(20,433)	(56,892)	(20,433)	(56,892)
Solution for Forluz pension fund deficit (Note 22)	(117,879)	(123,843)	(117,879)	(123,843)
Leasing liabilities (Note 17)	(83,215)	(62,367)	(78,786)	(60,501)
	(537,477)	**(545,318)**	**(533,048)**	**(543,452)**
Net assets (liabilities) exposed	**2,493,556**	**2,405,097**	**1,720,871**	**(543,452)**

Sensitivity analysis

The Company and its subsidiaries estimate that in a probable scenario, the IPCA inflation index on December 31, 2024 will be 4.23%. For the risk of reduction in inflation they have made a sensitivity analysis of the effects on profit arising from reductions in rates in an adverse scenario.

Risk: reduction in inflation Consolidated	Dec. 31, 2023	Dec. 31, 2024	
	Book value	'Probable' scenario: IPCA 4.23%	'Adverse' scenario IPCA 3.16%
Assets			
Generation - Concession Grant Fee - IPCA (Note 12)	3,031,033	3,159,246	3,126,814
Liabilities			
Loans and debentures - IPCA (Note 20)	(315,950)	(329,315)	(325,934)
Debt agreed with pension fund (Forluz) (Note 22)	(20,433)	(21,297)	(21,079)
Solution for Forluz pension fund deficit (Note 22)	(117,879)	(122,865)	(121,604)
Leasing liabilities (Note 17)	(83,215)	(86,735)	(85,845)
	(537,477)	**(560,212)**	**(554,462)**
Net assets exposed	**2,493,556**	**2,599,034**	**2,572,352**
Net effect of variation in inflation		**105,478**	**78,796**

Liquidity risk

The Company 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.

The Company 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.

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

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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's 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's 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
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
Financial instruments at (interest rates):											
Floating rates											
Loans and debentures	-	-	-	-	1,899,639	288,775	700,000	271,451	315,122	23,299	3,498,286
Onerous concessions	355	-	692	-	2,916	-	12,866	-	15,892	-	32,721
Debt agreed with pension fund (Forluz)	3,366	100	6,856	151	10,495	102	-	-	-	-	21,070
Solution for deficit of pension fund (Forluz)	957	576	1,944	1,147	9,166	5,025	61,244	20,929	64,940	6,495	172,423
	4,678	**676**	**9,492**	**1,298**	**1,922,216**	**293,902**	**774,110**	**292,380**	**395,954**	**29,794**	**3,724,500**
Fixed rate											
Suppliers	473,287	-	1,469	-	-	-	-	-	-	-	474,756
	477,965	**676**	**10,961**	**1,298**	**1,922,216**	**293,902**	**774,110**	**292,380**	**395,954**	**29,794**	**4,199,256**

(*) The lease payment flow is presented in note 17.

Parent Company	Up to 1 month		1 to 3 months		3 months to 1 year		1 to 5 years		Over 5 years		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
Financial instruments at (interest rates):											
Floating rates											
Loans and debentures	-	-	-	-	1,899,639	288,775	700,000	271,451	315,122	23,299	3,498,286
Onerous concessions	355	-	692	-	2,916	-	12,866	-	15,892	-	32,721
Debt agreed with pension fund (Forluz)	3,366	100	6,856	151	10,495	102	-	-	-	-	21,070
Solution for deficit of pension fund (Forluz)	957	576	1,944	1,147	9,166	5,025	61,244	20,929	64,940	6,495	172,423
	4,678	**676**	**9,492**	**1,298**	**1,922,216**	**293,902**	**774,110**	**292,380**	**395,954**	**29,794**	**3,724,500**
Fixed rate											
Suppliers	441,388	-	347	-	-	-	-	-	-	-	441,735
	446,066	**676**	**9,839**	**1,298**	**1,922,216**	**293,902**	**774,110**	**292,380**	**395,954**	**29,794**	**4,166,235**

(*) The lease payment flow is presented in note 17.

Risk of debt early maturity

The Company has loans and debentures contracts with covenants relating to financial index of the Company and its parent company, and cross-default clauses. Non-compliance with these covenants could result in earlier maturity of debts. More details in Note 20.

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Credit Risk

The Company's risk of losses due to difficulty in receipt of amounts invoiced to customers is considered to be low. The Company carries out monitoring for the purpose of reducing default, on an individual basis, with its customers. Negotiations are also entered into for receipt of any receivables in arrears.

The balance of expected credit losses on December 31, 2023, considered to be adequate in relation to the credits receivable and in arrears, was R$35,080 (R$30,414 in December 31, 2022).

The Company manages counterparty risk of financial institutions based on an internal policy, which is constantly updated.

This Policy assesses and scales the credit risks of the institutions, the liquidity risk, systemic risk related to macroeconomic and regulatory conditions, the market risk of the investment portfolio and the treasury operational risk.

All investments are made in financial securities that have fixed-income characteristics, always indexed to the CDI rate, and may be of public or private capital as well as financial or non-financial entities. The Company does not carry out any transactions in variable income securities or that would bring volatility risk into its financial statements.

As a management instrument, the Company divide the investment of its funds into direct purchases of securities (own portfolio) and investment funds. The investment funds invest the funds exclusively in fixed income products, having companies of the Group as the only unit holders. They obey the same policy adopted in the investments for the Company's directly-held own portfolio.

The minimum requirements for concession of credit to financial institutions are centered on three items:

1. Minimum Brazilian long-term rating of 'BBB'(bra), 'brBBB' or 'Baa2' by any of the agencies: Fitch Ratings, Moody's or Standard & Poor's;
2. Equity greater than R$800 million;
3. Basel ratio one percentage point above the minimum set by the Brazilian Central Bank.

The quality of the financial institutions' credit portfolio is another indicator that is monitored, and may result in reduction of the institution's limit.

Banks that exceed these thresholds are classified in three groups, in accordance with their equity value, plus a specific segment comprising those whose credit risk is associated only with federal government, and within this classification, limits of concentration by group and by institution are set:

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Group	Equity	Limit per bank (% of equity) (1) (2)			
		AAA	AA	A	BBB
Federal Risk	-	10%	10%	10%	10%
A1	Equal or over R$10 billion	9%	8%	7%	6%
A2	Between R$5 billion and R$10 billion	8%	7%	6%	5%
A3	Between R$2 billion and R$5 billion	7%	6%	5%	4%
A4	Between R$800 million and R$2 billion	6%	5%	4%	-

(1) The percentage assigned to each bank depends on an individual assessment of indicators such as liquidity and quality of the credit portfolio.
(2) When the institution has different ratings from different risk rating agencies, the rating that is most favorable for the institution is taken into account.

The Company also sets two concentration limits:

1. No bank may have more than 30% of the Cemig group's portfolio;
2. The banks in the 'Federal risk', 'A1' and 'A2' groups must concentrate at least 50% of the total of the funds available, comprising investments held in the Investment Funds and in the own portfolio, excluding public securities.

Hydrological risk

The greater part of the energy sold by the Company is generated by hydroelectric plants. A prolonged period of drought can result in lower water volumes in the reservoirs of these plants, which can lead to an increase in the cost of acquisition of energy, due to replacement by thermoelectric generation, or reduction of revenues due to reduction in consumption caused by implementation of wide-ranging programs for saving of energy.

The Company continuously monitors the position of its energy balance and the risk position of power purchase contracting, in order to ensure that transactions are consistent with its objectives and corporate strategy.

d) Capital management

The Company has a policy of maintaining a solid capital base to maintain the confidence of investors, creditors and the market and to enable implementation of its investment program and maintenance of its credit quality, with consequent access to the capital market, seeking to invest in projects that offer minimum real internal rates of return that are equal to or better than those specified in the Long Term Policy, having as reference the cost of capital for its various businesses.

The Company monitors its capital situation using as a leverage index the ratio Net Debt / Adjusted Ebitda. Net debt is calculated as the total of loans and debentures, less cash and cash equivalents, securities and derivative hedge instrument. The Company has as a target the intention to keep consolidated net debt lower than 2.5 times Ebitda.

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	Consolidated	
	Dec. 31, 2023	Dec. 31, 2022
Loans and debentures (Note 20)	2,868,093	4,959,066
(-) Cash and cash equivalents (Note 6)	(361,954)	(292,980)
(-) Marketable securities (Note 7)	(575,564)	(1,357,464)
(-) Derivative hedge instrument (Note 29)	(368,051)	(612,208)
Net debt	**1,562,524**	**2,696,414**
	-	-
Ebtida adjusted (1)	3,046,939	2,734,805
Net debt / Ebtida adjusted	0.51	0.99

(1) The reconciliation of the adjusted Ebitda with the Ebitda calculated in accordance with CVM Resolution No. 156/2022 is presented in the Consolidated Financial Results.

The comparisons of the Company's consolidated net liabilities and its equity are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Total liabilities	**8,417,967**	**11,096,184**	**8,229,336**	**10,644,364**
Cash and cash equivalents (Note 6)	(361,954)	(292,980)	(297,060)	(194,482)
Marketable securities (Note 7)	(575,564)	(1,352,359)	(454,710)	(788,368)
Net liabilities	**7,480,449**	**9,450,845**	**7,477,566**	**9,661,514**
Total equity	**10,046,646**	**8,892,810**	**10,046,646**	**8,892,810**
Net liabilities / equity	**0.74**	**1.06**	**0.74**	**1.09**

Accounting policy

Financial instruments are classified, at initial recognition, as measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss, depending on the financial asset's contractual cash flow characteristics and the Company's and its subsidiaries business model for managing them. The Company and its subsidiaries do not have financial instruments measured at fair value through Other comprehensive income.

The disclosures about the main assumptions used in fair value measurement are summarized in the respective notes.

Measured at amortized cost

Financial assets in this category: (i) are maintained within the Company's business model with the objective of receiving contractual cash flows; and (ii) the contractual terms of these assets give rise to known cash flows that constitute, exclusively, payment of principal and interest, as follows:

- credits owed by consumers, traders, and energy transport concession holders;
- restricted cash;
- securities for which there is a positive intention to keep them until maturity and their contractual terms originate known cash flows that exclusively comprise payments of principal and interest;

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- financial assets of the concession related to the Concession Grant Fee on energy generation contracts; and
- amounts receivable from related parties.

The following financial liabilities are in this category:

- suppliers;
- leasing;
- loans and debentures;
- debt agreed with pension fund (Forluz);
- concessions payable and other credits.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Gains and losses are recognized in the Income statement when an asset is settled, modified or impaired.

Estimates and judgments

Fair value through profit or loss

In this category are: Cash equivalents, Securities not classified as at amortized cost, Derivative financial instruments, and Reimbursements receivable for generation assets.

The Company holds derivative instruments to regulate its exposures to risk of changes in foreign exchange rates. These are recognized initially at fair value. The attributable transaction costs are recognized in the income statement when incurred. After initial recognition, derivatives are measured at fair value and changes in fair value are recorded in the income statement.

The corresponding disclosures of the principal assumptions used in assessing fair value are summarized in the related Notes.

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30. ASSETS CLASSIFIED AS HELD FOR SALE

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. These assets are part of the electricity generation segment.

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 Generation: 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 Generation: 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.

In March 2023 the assets were transferred to Current assets held for sale, in accordance with the terms of CPC 31 / IFRS 5. There are no accumulated gains or losses included in other comprehensive income relating to this held for sale group and there are no liabilities associated with the held for sale asset.

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

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

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The carrying value of the plants in the asset group held for sale on December 31, 2023 is as follows:

Plant	Net book value Fixed assets and Intangible assets on Dec. 31, 2023
Cemig GT (1) (2)	**45,663**
CGH Bom Jesus do Galho	110
CGH Xicão	8,200
CGH Sumidouro	1,906
PCH São Bernardo	5,959
CGH Santa Marta	249
CGH Santa Luzia	1,050
CGH Salto Morais	810
PCH Rio de Pedras	21,640
CGH Pissarrão	1,474
CGH Lages	948
CGH Jacutinga	1,603
CGH Anil	1,714
Horizontes (2)	**12,203**
CGH Salto do Paraopeba	-
CGH Salto Passo Velho	2,827
PCH Salto Voltão	9,376
Total	**57,866**

Cemig GT and its wholly owned subsidiary Horizontes signed the sale agreement with the winning bidder, Mang Participações e Agropecuária Ltda. ('Mang'), on September 13, 2023. The sale was completed on February 29, 2024, after all the conditions precedent of the CCVA had been met. The amount received for the sale was R$101 million. The accounting effects of this transaction will be reflected in the first quarter of 2024.

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

Accounting policy

Fixed assets (PP&E) and Intangible assets are not depreciated or amortized while they are classified as held for sale. Dividends received from jointly-controlled subsidiaries and affiliates that are classified as held for sale are recognized in the Income statement, in view of the discontinuation of measurement by the equity method.

Estimates and judgments

They are measured at the lower of: their book value; and the fair value net of expenses of sale. Expenses of sale are the incremental expenses directly attributable to the sale, excluding financial expenses and taxes on profit. Assets and liabilities classified as held for sale are presented separately as current, in the Statement of financial position (Balance sheet).

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31. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has contractual obligations and commitments not yet incurred, therefore not recognized in these financial statements. These mainly include long-term energy purchase contracts, as shown in this table:

	2024	2025	2026	2027	2028	2029 ONWARDS	Total
Purchase of energy (1)	1,812,697	1,807,078	1,609,474	1,518,697	370,550	1,661,316	**8,779,812**

(1) Amounts presented at present value on December 31, 2023.

32. PARLIAMENTARY COMMITTEE OF INQUIRY ('CPI')

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

On February 18, 2022 the CPI approved its final report, to be submitted to the Public Attorneys' Office of Minas Gerais State, and other control bodies, for assessment of what further referrals of it should be made.

In August 2023, the prosecutors of the Public Attorneys' Office of Minas Gerais decided to set aside the Public Civil Inquiries that were investigating events referred to in the CPI. The decisions stated that all acts of Cemig's management were regular. On the other hand, the approval of the promotion of archiving by the Superior Council of the Public Ministry of Minas Gerais and the conclusion of the investigation in relation to the IBM contract by the Civil Police-MG are pending.

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

33. SUBSEQUENT EVENTS

Interest on Equity

On March 21, 2024, the Board of Directors approved declaration of Interest on Equity for the 2024 business year, in the amount of R$161,319, to be paid in two equal installments, by June 30 and by December 30, 2025.

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****

Reynaldo Passanezi Filho
President

Dimas Costa
Vice President Trading

Leonardo George de Magalhães
Vice President Finance and Investor Relations

Paulo Mota Henriques
Vice president Generation and Transmission

Marco da Camino Ancona Lopez Soligo
Vice president for Management of Holdings

Marney Tadeu Antunes
Interim Vice President without portfolio

Cristiana Maria Fortini Pinto e Silva
Vice President Regulation and Legal

Mário Lúcio Braga
Controller

José Guilherme Grigolli Martins
Accounting Manager
Accountant - CRC-1SP/242451-O4

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Independent auditors' report on the individual and consolidated financial statements

To the Stockholders, Board of Directors and Management

Cemig Geração e Transmissão S.A.

Belo Horizonte - MG

Opinion

We have audited the individual and consolidated financial statements of Cemig Geração e Transmissão S.A. (the "Company"), identified as the parent company and consolidated, respectively, which comprise the statement of financial position as of December 31, 2023 and the respective statements of income, comprehensive income, changes in shareholder´s equity and cash flows for the year then ended, and the corresponding notes comprising material accounting policies and other explanatory information.

In our opinion, the aforementioned financial statements present fairly, in all material aspects, the individual and consolidated financial position of Cemig Geração e Transmissão S.A. as of December 31, 2023, and of its individual and consolidated operations and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements of Ethics Standards Boards for Accountants and Professional Standard issued by Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of the post-employment obligations	
Note 22 to the individual and consolidated financial statements	
Key audit matter	**How this matter has been conducted in our audit**
The Company and its subsidiaries sponsor defined benefit pension plans and health plans that ensure supplementary retirement benefits and medical assistance to their employees. The measurement of the actuarial obligation of defined benefit pension and health plans involves management's judgments for the choice of actuarial assumptions that are used, mainly: (i) the discount rate; (ii) life expectancy; and (iii) real growth in contributions and wages. The Company and its subsidiaries hire external actuaries to assist in the process of evaluating actuarial assumptions and calculating the obligation of pension and health plans. We consider this matter to be a key audit matter, due to the uncertainties related to the assumptions for estimating the actuarial obligation of defined benefit pension and health plans, which have a risk of resulting in a material adjustment to the balances of the individual and consolidated financial statements.	Our audit procedures included, but were not limited to: - We evaluated the design, implementation and effectiveness of certain internal controls associated with the actuarial liability measurement process, including controls related to the preparation, review and approval of discount rate assumptions, life expectancy and actual growth of contributions and salary; - We assess the scope, independence, competence, professional qualifications, experiences and objectivity of the external actuary hired, to assist in estimating the actuarial obligation of pension and health plans; - We evaluated, with the help of our specialists in actuarial calculations, the reasonableness and consistency of the assumptions used, such as the discount rate, life expectancy and the real growth of contributions and salaries, including comparison with data obtained from external sources. - We assess whether the disclosures made in the individual and consolidated financial statements are in accordance with applicable standards and whether all relevant information is considered. Based on the evidence obtained through the procedures summarized above, we consider acceptable the measurement of the actuarial obligation of defined benefit pension and health plans, as well as the respective disclosures, in the context of the individual and consolidated financial statements, related to the year ended in December 31, 2023.

Other matters – Statements of Value Added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2023, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted for the auditing procedures jointly with audit of the Company's financial statements. For the purposes of forming our opinion, we evaluate whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria as defined in Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, this statement of value added have been properly prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and is consistent with the individual and consolidated financial statements taken as a whole.

Other information that accompanies the individual and consolidated financial statements and the auditor's report

Management is responsible for the other information, which comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of the financial statements are free from material misstatement, due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the group entities or business activities within the Company to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, and therefore, responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or, when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Belo Horizonte, March 21, 2024.

KPMG Auditores Independentes Ltda.

CRC (Regional Accounting Council) SP-014428/O-6 F-MG

(Original in Portuguese signed by)

Thiago Rodrigues de Oliveira

Contador CRC 1SP259468/O-7

OPINION OF THE AUDIT BOARD

The members of the Audit Board of Cemig Geração e Transmissão S.A., undersigned, in performance of their function under the law and the Company's by-laws, have examined the financial statements for the business year ended December 31, 2023 and the related complementary documents, approved by the Company's Board of Directors, on March 21, 2024. After verifying these documents, and considering the examinations carried out by this Board and the explanations provided by the Company's Management in relation to acts of management and the related records in the 2023 financial year, and also based on the unqualified Opinion of KPMG Auditores Independentes Ltda. issued on March 21, 2024, hereby express the following favorable opinion, namely that these statements are adequately presented in all material aspects, and thus merit approval by the stockholders in the Annual General Meeting to be held in 2024.

Belo Horizonte, March 21, 2024.

Gustavo de Oliveira Barbosa – President

Pedro Bruno Barros de Souza – Board Member

Michele da Silva Gonsales Torres – Board Member

Lucas de Vasconcelos Gonzalez – Board Member

João Vicente Silva Machado – Board Member

DIRECTORS’ STATEMENT OF REVIEW OF THE FINANCIAL STATEMENTS

STATEMENT

We hereby state, for the due purposes, under the responsibility of our positions, that in meeting of the Executive Board of Companhia Energética de Minas Gerais – CEMIG, da Cemig Distribuição S.A. e da Cemig Geração e Transmissão S.A., held on March 19, 2024, we approved the conclusion, on that date, of the Company’s financial statements for the business year 2023; and also submission to the Board of Directors, for decision and submission to the Annual General Meeting, of the Report of Management, the Financial Statements for 2023 and the related complementary documents. In relation to those documents, we declare that we have reviewed, discussed and agree with the said Financial Statements.

Belo Horizonte, March 19, 2024.

Reynaldo Passanezi Filho – President

Dimas Costa – Vice President Trading

Leonardo George de Magalhães – Vice President Finance and Investor Relations

Thadeu Carneiro da Silva – Vice president Generation and Transmission

Marco da Camino Ancona Lopez Soligo – Vice president Cemigpar

Marney Tadeu Antunes - Vice-president of Distribution

Cristiana Maria Fortini Pinto e Silva - Vice-presidente of Regulation and Legal

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

STATEMENT

We hereby state, for the due purposes, under the responsibility of our positions, that in meeting of the Executive Board of Companhia Energética de Minas Gerais (Cemig), Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A), held on March 19, 2024, we approved the conclusion, on that date, of the Company's financial statements for the business year 2023; and also submission to the Board of Directors, for decision and submission to the Annual General Meeting, of the Report of Management, the Financial Statements for 2023 and the related complementary documents. In relation to those documents, we declare that we have reviewed, discussed and agree with the opinions expressed by the representatives of the Independent External Auditors.

Belo Horizonte, March 19, 2024.

Reynaldo Passanezi Filho – President

Dimas Costa – Vice President Trading

Leonardo George de Magalhães – Vice President Finance and Investor Relations

Thadeu Carneiro da Silva – Vice president Generation and Transmission

Marco da Camino Ancona Lopez Soligo – Vice president Cemigpar

Marney Tadeu Antunes – Vice president of Distribution

Cristiana Maria Fortini Pinto e Silva – Vice president of Regulation and Legal

REPORT OF THE AUDIT COMMITTEE

SUMMARY OF THE REPORT OF THE AUDIT COMMITTEE - March 21, 2024

INTRODUCTION

The purpose of the Audit Committee, a statutory body of Cemig Geração e Transmissão S.A. ('Cemig GT'), is to advise the Board of Directors on the exercise of its functions of audit and inspection, and, among other duties specified in its Internal Regulations, evaluate and state opinions on: the quality and integrity of the accounting statements; adherence to the rules of law, the bylaws and regulations; and the effectiveness of the systems of internal control, and of independent and external auditing. The assessments made by the Committee are based (i) on information received from Management, from the external auditors, from internal audits, and from those responsible for management of risk and internal controls; and (ii) on its own analyses arising from direct observation. It is a function of the Committee, with the technical and operational support of the Company's Compliance area, to carry out analysis of the appropriateness of nominations to the post of Manager or member of the Audit Board by carrying out background checks of integrity and compliance.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is made up of the coordinator Pedro Carlos de Mello, the members Roberto Tommasetti, and Roberto Cesar Guindalini, the latter from February 6, 2024. The members of the Statutory Audit Committee in 2023 were Afonso Henriques Moreira Santos (until January 31, 2024) and Márcio de Lima Leite (until May 4, 2023).

ACTIVITIES CARRIED OUT IN THE SCOPE OF ITS DUTIES IN YEAR OF 2023

In 2023 the Committee met 30 times. At the beginning of the first quarter of 2024 it has met 5 times. It has taken part in meetings of the Board of Directors 11 times in 2023 and one in 2024. Five meetings were held jointly with the Audit Board in 2023, and one so far in the first half of 2024. The Committee has maintained permanent contact with the managers of the various areas of the Company, aiming to accompany the work carried out, and obtain input information on which to base its assessments. 12 meetings were held with participation by the external auditors, KPMG Auditores Independentes Ltda., to become aware of methodology, planning and results of the work, with a view to preparation of the Financial Statements at December, 31, 2023. The Committee met with members of the Executive Board of the Company to deal with subjects related to general aspects of the management of the institution, in particular those relating to accounting, internal controls, internal auditing, management of capital, financial management and management of risks. The Committee has presented recommendations for enhancement of processes, and accompanied the implementations of improvements that it has recommended and recommendations in relation to internal and external audits, indicated in the course of its work. The Committee has maintained regular contacts with the Company's Board of Directors, and has also issued opinions of aspects related to its duties under regulations, and provided information to that Board on its activities.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The work carried out by Director of Compliance, were the subject of accompaniment by the Committee. The Audit Committee considers that the activity of the Company's management in ensuring the effectiveness of the institution's systems of internal controls and risk management is positive (although in its opinion some points require more attention).

INTERNAL AUDITING

Several meetings have been held with the General Manager and the Managers of Internal Auditing (AI), with a view to accompanying the work carried out by these units. The Committee has made an assessment of the scope and quality of the audits carried out, and the level of independence of the area - assessing it to be positive. In the work carried out by internal auditing, no failures to comply with the legislation in effect and/or the internal rules were found of which the degree of severity could put the solidity and continuity of the Company at risk.

EXTERNAL AUDITING

The Committee met with the external auditors, KPMG Auditores Independentes Ltda., to ascertain the principal events in the works carried out in the preparation of the financial statements for 2023, and in their assessment of the Company's present internal controls. The Committee considers the work carried out to be satisfactory, and has not identified any situations that could affect the objectivity and independence of the external auditors.

THE FINANCIAL STATEMENTS

The Committee has accompanied the process of preparation of the financial statements for 2023, examining trial balances, balance sheets and explanatory notes, and has considered the financial statements, the Report of Management, the Report of the External Auditors and other documents destined for publication. It has taken cognizance of the accounting practices used in the preparation of the financial statements, which are aligned with the fundamental principles of accounting and with Brazilian corporate legislation, and which adequately portray the institution's equity situation.

CONCLUSION

By the closing date of this report the Audit Committee had not received any reports of any accusation of non-compliance with rules, or absence of controls, or any act or omission by the Company's Management, that might indicate the existence of fraud, failings or errors that might put at risk the continuity of the institution or the fidelity of its accounting statements. Based on the considerations above, the Audit Committee, having duly weighed and considered its responsibilities and the natural limitations arising from the scope of its activity, recommends to the Board of Directors that the Financial Statements of Cemig for 2023 should be approved.

Belo Horizonte, March 21, 2024.

THE AUDIT COMMITTEE

PEDRO CARLOS DE MELLO – Coordinator

ROBERTO TOMMASETTI – Member

ROBERTO CESAR GUINDALINI – Member

CAPITAL BUDGET

In accordance with Clause 196 of the Corporate Law and Article 27, § 1, Sub-item IV of CVM (‘*Comissão de Valores Mobiliários*’) Instruction 80, we present for analysis and subsequent approval of submission to the Ordinary General Meeting of Shareholders to be held on April, 2024, the proposal for the consolidated Capital Budget for the 2024 business year. The planned amount of capital budget will be achieved exclusively by allocating resources from Company’s operations, through the retained earnings for the period of 2023, of R$905,115.

Investments planned for 2024	R$
Transmission	
Improvement/reinforcement	269,068
Subsidiaries	35,970
Infrastructure	26,608
	331,646
Generation	
Electrical system	100,666
Expansion	116,220
Subsidiaries	321,130
Infrastructure	35,453
	573,469
	905,115