CONTENTS

STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2021 AND DECEMBER 31, 2020
ASSETS
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
CURRENT					
Cash and cash equivalents	5	827,784	1,680,397	73,591	422,647
Marketable securities	6	2,338,481	3,360,270	701,105	116,861
Receivables from customers, traders and power transport concession holders	7	4,989,132	4,373,075	194,389	-
Concession financial and sector assets	13	959,191	258,588	-	-
Concession contract assets	14	559,885	737,110	-	-
Recoverable taxes	8	1,939,671	1,850,057	1,075	1,341
Income tax and social contribution tax credits	9a	709,414	597,610	-	-
Dividends receivables	15	87,301	188,327	873,200	1,272,878
Public Lighting Contribution		237,019	179,401	-	-
Reimbursement of tariff subsidies payments	12	85,400	88,349	-	-
Derivative financial instruments	30b	152,802	522,579	-	-
Others		370,821	362,326	9,416	9,616
		13,256,901	**14,198,089**	**1,852,776**	**1,823,343**
Assets classified as held for sale	32	-	1,258,111	-	1,258,111
TOTAL CURRENT		**13,256,901**	**15,456,200**	**1,852,776**	**3,081,454**
NON-CURRENT					
Marketable securities	6	688,998	764,793	203,638	26,127
Receivables from customers, traders and power transport concession holders	7	70,027	160,969	-	-
Recoverable taxes	8	2,416,545	3,442,071	499,672	497,386
Income tax and social contribution tax recoverable	9a	286,386	346,523	217,420	279,856
Deferred income tax and social contribution tax	9c	2,435,285	2,452,860	634,305	690,895
Escrow deposits	11	1,150,331	1,055,797	309,442	304,676
Derivative financial instruments	30b	1,149,837	2,426,351	-	-
Accounts receivable from the State of Minas Gerais	10	13,366	11,614	13,366	11,614
Concession financial and sector assets	13	5,168,068	3,798,734	-	-
Concession contract assets	14	5,216,007	4,242,962	-	-
Investments – Equity method	15	5,613,565	5,415,293	18,411,485	15,139,383
Property, plant and equipment	16	2,390,117	2,407,143	931	1,192
Intangible assets	17	12,947,049	11,809,928	1,670	2,655
Leasing – rights of use	18a	237,863	212,074	2,072	2,058
Others		76,321	79,768	22,090	25,187
TOTAL NON-CURRENT		**39,859,765**	**38,626,880**	**20,316,091**	**16,981,029**
TOTAL ASSETS		**53,116,666**	**54,083,080**	**22,168,867**	**20,062,483**

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

STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2021 AND DECEMBER 31, 2020
LIABILITIES
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
CURRENT					
Suppliers	19	3,370,554	2,358,320	58,346	2,045
Regulatory charges	22	659,433	445,807	-	4,624
Profit sharing		109,903	121,865	8,380	12,626
Taxes payable	20	491,421	505,739	25,119	88,768
Income tax and social contribution tax	9b	191,182	140,058	-	3,634
Interest on equity and dividends payable		747,757	1,448,846	745,921	1,446,945
Loans, financing and debentures	21	1,569,440	2,059,315	51,388	49,953
Payroll and related charges		233,151	212,755	12,242	10,713
Public lighting contribution		334,804	304,869	-	-
Post-employment obligations	23	333,587	304,551	26,270	25,062
Sector financial liabilities	13	98,537	231,322	-	-
PIS/Pasep and Cofins taxes to be refunded to customers	20	1,145,019	448,019	-	-
Put Option – SAAG	30b	572,490	536,155	-	-
Leasing liabilities	18b	71,752	47,799	280	241
Others		565,454	524,795	4,465	5,249
TOTAL CURRENT		**10,494,484**	**9,690,215**	**932,411**	**1,649,860**
NON-CURRENT					
Regulatory charges	22	183,297	291,189	4,624	-
Loans, financing and debentures	21	9,781,813	12,961,243	-	-
Taxes payable	20	313,918	262,745	-	-
Deferred income tax and social contribution tax	9c	940,300	1,040,003	-	-
Provisions	24	1,879,114	1,892,437	230,074	222,385
Post-employment obligations	23	6,583,022	6,538,496	735,653	713,718
PIS/Pasep and Cofins taxes to be refunded to customers	20	2,262,966	3,569,837	-	-
Leasing liabilities	18b	183,064	178,704	1,979	1,873
Other obligations		227,333	180,863	1,971	1,981
TOTAL NON-CURRENT		**22,354,827**	**26,915,517**	**974,301**	**939,957**
TOTAL LIABILITIES		**32,849,311**	**36,605,732**	**1,906,712**	**2,589,817**
EQUITY	25				
Share capital		8,466,810	7,593,763	8,466,810	7,593,763
Capital reserves		2,249,721	2,249,721	2,249,721	2,249,721
Profit reserves		9,187,558	10,060,605	9,187,558	10,060,605
Equity valuation adjustments		(2,442,246)	(2,431,423)	(2,442,246)	(2,431,423)
Retained earnings		2,800,312	-	2,800,312	-
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**20,262,155**	**17,472,666**	**20,262,155**	**17,472,666**
NON-CONTROLLING INTERESTS		**5,200**	**4,682**	**-**	**-**
TOTAL EQUITY		**20,267,355**	**17,477,348**	**20,262,155**	**17,472,666**
TOTAL LIABILITIES AND EQUITY		**53,116,666**	**54,083,080**	**22,168,867**	**20,062,483**

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

STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
(In thousands of Brazilian Reais, except earnings per share)

	Note	Consolidated		Parent company	
		Jan to Sep, 2021	Jan to Sep, 2020 (restated)	Jan to Sep, 2021	Jan to Sep, 2020 (restated)
CONTINUING OPERATIONS					
NET REVENUE	26	**23,989,390**	**17,963,284**	**176,060**	**16**
OPERATING COSTS					
COST OF ENERGY AND GAS	27				
Energy purchased for resale		(11,719,653)	(8,528,412)	(51,017)	-
Charges for use of the national grid		(2,101,761)	(1,157,241)	-	-
Gas purchased for resale		(1,428,052)	(750,664)	-	-
		(15,249,466)	**(10,436,317)**	**(51,017)**	**-**
OTHER COSTS	27				
Personnel		(715,609)	(744,354)	-	-
Materials		(53,406)	(46,331)	-	-
Outsourced services		(916,294)	(796,419)	-	-
Depreciation and amortization		(689,261)	(640,172)	-	-
Operating provisions, net		(51,032)	(109,747)	-	-
Infrastructure construction cost		(1,338,097)	(1,122,636)	-	-
Others		(68,803)	(64,817)	-	-
		(3,832,502)	**(3,524,476)**	**-**	**-**
TOTAL COST		**(19,081,968)**	**(13,960,793)**	**(51,017)**	**-**
GROSS PROFIT		**4,907,422**	**4,002,491**	**125,043**	**16**
OPERATING EXPENSES	27				
Selling expenses		(79,463)	(58,271)	-	-
General and administrative expenses		(426,126)	(404,629)	(43,046)	(42,709)
Operating provisions		(39,001)	(87,105)	(13,666)	(54,059)
Other operating expenses		(577,020)	(577,397)	(36,399)	(52,133)
		(1,121,610)	**(1,127,402)**	**(93,111)**	**(148,901)**
Periodic tariff review, net		217,063	479,703	-	-
Renegotiation of hydrological risk (Law 14,052/20), net		1,031,809	-	-	-
Gains arising from the sale of non-current asset held for sale	32	108,550	-	108,550	-
Result of business combination	15d	-	51,736	-	51,736
Impairment (reversals) of assets held for sale	32	-	(270,267)	-	(270,267)
Share of profit, net, of affiliates, subsidiaries and joint ventures	15	438,798	262,298	2,710,985	1,837,611
Operating income before financial revenue (expenses) and taxes		**5,582,032**	**3,398,559**	**2,851,467**	**1,470,195**
Finance income	28	610,833	2,318,181	18,872	15,624
Finance expenses	28	(2,553,015)	(3,576,863)	(4,360)	(3,340)
Income before income tax and social contribution tax		**3,639,850**	**2,139,877**	**2,865,979**	**1,482,479**
Current income tax and social contribution tax	9d	(936,479)	(567,095)	(20,069)	(19)
Deferred income tax and social contribution tax	9d	87,096	20,034	(56,590)	109,587
NET INCOME FOR THE PERIOD		**2,790,467**	**1,592,816**	**2,789,320**	**1,592,047**
Total of net income for the period attributed to:					
Equity holders of the parent		2,789,320	1,592,047	2,789,320	1,592,047
Non-controlling interests		1,147	769	-	-
		2,790,467	**1,592,816**	**2,789,320**	**1,592,047**
Basic and diluted earnings per preferred share – R$	25	**1.65**	**0.94**	**1.65**	**0.94**
Basic and diluted earnings per common share – R$	25	**1.65**	**0.94**	**1.65**	**0.94**

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

STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
(In thousands of Brazilian Reais, except earnings per share)

	Note	Consolidated		Parent company	
		Jul to Sep, 2021	Jul to Sep, 2020 (restated)	Jul to Sep, 2021	Jul to Sep, 2020 (restated)
CONTINUING OPERATIONS					
NET REVENUE	26	**9,524,667**	**6,421,183**	**175,902**	**10**
OPERATING COSTS					
COST OF ENERGY AND GAS	27				
Energy purchased for resale		(5,302,305)	(2,958,679)	(51,017)	-
Charges for use of the national grid		(653,534)	(534,788)	-	-
Gas purchased for resale		(560,010)	(207,361)	-	-
		(6,515,849)	**(3,700,828)**	**(51,017)**	**-**
OTHER COSTS	27				
Personnel		(194,379)	(223,575)	-	-
Materials		(15,818)	(18,718)	-	-
Outsourced services		(295,182)	(261,604)	-	-
Depreciation and amortization		(257,357)	(214,691)	-	-
Operating provisions, net		(11,318)	(39,904)	-	-
Infrastructure construction cost		(552,536)	(438,960)	-	-
Others		(14,425)	(19,275)	-	-
		(1,341,015)	**(1,216,727)**	**-**	**-**
TOTAL COST		**(7,856,864)**	**(4,917,555)**	**(51,017)**	**-**
GROSS PROFIT		**1,667,803**	**1,503,628**	**124,885**	**10**
OPERATING EXPENSES (REVENUE)	27				
Selling expenses (reversals)		(37,295)	156,829	-	-
General and administrative expenses		(167,452)	(141,539)	(17,795)	(14,153)
Operating provisions		(27,504)	(15,319)	(4,527)	(5,073)
Other operating expenses		(218,402)	(235,338)	(10,675)	(16,573)
		(450,653)	**(235,367)**	**(32,997)**	**(35,799)**
Renegotiation of hydrological risk (Law 14,052/20), net		122,208	-	-	-
Impairment (reversals) of assets held for sale	32	-	(136,244)	-	(136,244)
Share of profit, net, of affiliates, subsidiaries and joint ventures	15	287,319	97,822	396,528	704,835
Operating income before financial revenue (expenses) and taxes		**1,626,677**	**1,229,839**	**488,416**	**532,802**
Finance income	28	278,827	165,368	15,034	231
Finance expenses	28	(1,434,317)	(661,987)	(1,558)	(1,068)
Income before income tax and social contribution tax		**471,187**	**733,220**	**501,892**	**531,965**
Current income tax and social contribution tax	9d	(71,213)	(172,776)	(20,069)	-
Deferred income tax and social contribution tax	9d	21,503	18,855	(60,772)	47,022
NET INCOME FOR THE PERIOD		**421,477**	**579,299**	**421,051**	**578,987**
Total of net income for the period attributed to:					
Equity holders of the parent		421,051	578,987	421,051	578,987
Non-controlling interests		426	312	-	-
		421,477	**579,299**	**421,051**	**578,987**
Basic and diluted earnings per preferred share – R$	25	**0.25**	**0.34**	**0.25**	**0.34**
Basic and diluted earnings per common share – R$	25	**0.25**	**0.34**	**0.25**	**0.34**

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
(In thousands of Brazilian Reais)

	Consolidated		Parent company	
	Jan to Sep, 2021	Jan to Sep, 2020 (restated)	Jan to Sep, 2021	Jan to Sep, 2020 (restated)
NET INCOME FOR THE PERIOD	**2,790,467**	**1,592,816**	**2,789,320**	**1,592,047**
OTHER COMPREHENSIVE INCOME				
Items not to be reclassified to profit or loss in subsequent periods				
Others	169	(702)	169	(702)
	169	**(702)**	**169**	**(702)**
COMPREHENSIVE INCOME FOR THE PERIOD	**2,790,636**	**1,592,114**	**2,789,489**	**1,591,345**
Total of comprehensive income for the period attributed to:				
Equity holders of the parent	2,789,489	1,591,345	2,789,489	1,591,345
Non-controlling interests	1,147	769	-	-
	2,790,636	**1,592,114**	**2,789,489**	**1,591,345**

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
(In thousands of Brazilian Reais)

	Consolidated		Parent company	
	Jul to Sep, 2021	Jul to Sep, 2020 (restated)	Jul to Sep, 2021	Jul to Sep, 2020 (restated)
NET INCOME FOR THE PERIOD	**421,477**	**579,299**	**421,051**	**578,987**
COMPREHENSIVE INCOME FOR THE PERIOD	**421,477**	**579,299**	**421,051**	**578,987**
Total of comprehensive income for the period attributed to:				
Equity holders of the parent	421,051	578,987	421,051	578,987
Non-controlling interests	426	312	-	-
	421,477	**579,299**	**421,051**	**578,987**

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

STATEMENTS OF CHANGES IN CONSOLIDATED EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
(In thousands of Brazilian Reais, except where otherwise indicated)

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

	Share capital	Capital reserves	Profit reserves	Equity valuation adjustments	Retained earnings	Total	Non-controlling interests	Total Equity
AS OF DECEMBER 31, 2019	**7,293,763**	**2,249,721**	**8,750,051**	**(2,406,920)**	**211,640**	**16,098,255**	**4,250**	**16,102,505**
Net income for the period	-	-	-	-	1,592,047	1,592,047	769	1,592,816
Subscription of capital	300,000	-	(300,000)	-	-	-	-	-
Other Comprehensive Income	-	-	-	(702)	-	(702)	-	(702)
Realization of PP&E deemed cost	-	-	-	(12,557)	12,557	-	-	-
Tax incentives reserve	-	-	877	-	(877)	-	-	-
Proposed dividends	-	-	-	-	(120,000)	(120,000)	-	(120,000)
Non-controlling Interests	-	-	-	-	-	-	(446)	(446)
AS OF SEPTEMBER 30, 2020 (Restated)	**7,593,763**	**2,249,721**	**8,450,928**	**(2,420,179)**	**1,695,367**	**17,569,600**	**4,573**	**17,574,173**

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

STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Jan to Sep, 2021	Jan to Sep, 2020 (restated)	Jan to Sep, 2021	Jan to Sep, 2020 (restated)
CASH FLOW FROM OPERATIONS					
Net income for the period		2,790,467	1,592,816	2,789,320	1,592,047
Expenses (revenues) not affecting cash and cash equivalents:					
Deferred income tax and social contribution tax	9d	(87,096)	(20,034)	56,590	(109,587)
Depreciation and amortization	27	763,482	733,538	1,334	2,308
Loss on write-off of net residual value of unrecoverable concession financial assets, concessional contract asset, PP&E and Intangible assets	13, 14, 16 and 17	32,088	23,450	-	157
Result of business combination	15d	-	(51,736)	-	(51,736)
Impairment (reversals) of assets held for sale	32	-	270,267	-	270,267
Renegotiation of hydrological risk costs (Law 14,052/20), net		(1,031,809)	-	-	-
Impairment (reversals) for contract assets		(3,722)	(7,942)	-	-
Discount and premium on repurchase of debt securities	21	491,036	-	-	-
Share of loss, net, of subsidiaries and joint ventures	15	(438,798)	(262,298)	(2,710,985)	(1,837,611)
Remeasuring of concession financial and concession contract assets	13 and 14	(905,323)	(520,248)	-	-
Periodic tariff reset adjustments		(238,815)	(528,598)	-	-
Interest and monetary variation		1,053,980	835,735	(7,157)	(43,620)
Exchange variation on loans	21	212,221	2,409,658	-	-
Refunded of PIS/Pasep and Cofins over ICMS credits to customers – realization	26	(876,000)	(83,346)	-	-
Gains arising from the sale of non-current asset held for sale	32	(108,550)	-	(108,550)	-
Appropriation of transaction costs	21	18,870	10,910	55	161
Provisions for operating losses	27c	169,496	255,123	13,666	54,059
Net gain on derivative instruments at fair value through profit or loss	30	577,129	(1,803,611)	-	-
CVA (Parcel A items Compensation) Account and Other financial components in tariff adjustments	13	(1,908,899)	(98,844)	-	-
Post-employment obligations	23	375,177	368,216	38,994	37,583
Others		(33,546)	56,500	-	1,531
		851,388	**3,179,556**	**73,267**	**(84,441)**
Increase (decrease) in assets					
Receivables from customers, traders and power transport concession holders		(604,578)	(54,932)	(194,389)	194
CVA and Other financial components in tariff adjustments	13	15,121	1,343,115	-	-
Recoverable taxes		(55,073)	(35,086)	2,061	-
Income tax and social contribution tax credits		(35,954)	5,706	109,607	34,053
Escrow deposits		(79,400)	1,506,112	(2,458)	10,580
Dividends received from investees	15	354,136	247,212	1,132,719	122,419
Contract assets and concession financial assets	13 and 14	593,776	536,179	-	-
Other		(68,860)	150,521	3,965	20,907
		119,168	**3,698,827**	**1,051,505**	**188,153**
Increase (decrease) in liabilities					
Suppliers		1,012,234	(88,887)	56,301	(989)
Taxes payable		928,248	468,922	(63,630)	(73,966)
Income tax and social contribution tax payable		987,603	533,851	20,069	19
Payroll and related charges		20,396	37,952	1,529	1,262
Regulatory charges		105,734	59,563	-	-
Post-employment obligations	23	(301,615)	(266,683)	(15,851)	(14,498)
Other		26,387	(72,203)	(11,017)	(12,110)
		2,778,987	**672,515**	**(12,599)**	**(100,282)**
Cash generated by operating activities		**3,749,543**	**7,550,898**	**1,112,173**	**3,430**
Interest paid on loans, financing and debentures	21	(1,142,930)	(669,538)	-	-
Interest paid on leasing contracts	18	(2,167)	(3,950)	(11)	(76)
Income tax and social contribution tax paid		(456,653)	(221,502)	(815)	-
Cash inflows from settlement of derivatives instruments		912,342	177,086	-	-
NET CASH FROM OPERATING ACTIVITIES		**3,060,135**	**6,832,994**	**1,111,347**	**3,354**
INVESTING ACTIVITIES					
Marketable securities		1,097,584	(3,341,925)	(761,755)	48,589
Restricted cash		20,802	(35,810)	(9)	129
Investments					
Acquisition of equity investees	15	(15,338)	(64,355)	(1,363,979)	(64,328)
Arising from the sale of equity interest, net of costs of sales	32	1,366,592	-	1,366,592	-
Cash arising from business combination		-	27,110	-	-
Loans from related parties		-	(26,500)	-	(26,500)
Property, plant and equipment	16	(104,901)	(94,684)	-	-

	Note	Consolidated		Parent company	
		Jan to Sep, 2021	Jan to Sep, 2020 (restated)	Jan to Sep, 2021	Jan to Sep, 2020 (restated)
Intangible assets	17	(23,009)	(28,474)	(30)	(2)
Contract assets – distribution of gas and energy infrastructure		(1,216,244)	(957,164)	-	-
NET CASH USED IN INVESTING ACTIVITIES		**1,125,486**	**(4,521,802)**	**(759,181)**	**(42,112)**
FINANCING ACTIVITIES					
Proceeds from loans,financing and debentures, net		-	825,375	-	-
Interest on capital and dividends paid		(701,655)	(170)	(701,024)	(170)
Payment of loans, financing and debentures	21	(4,284,754)	(2,187,264)	-	-
Leasing liabilities paid	18	(51,825)	(64,139)	(198)	(1,295)
NET CASH USED IN FINANCING ACTIVITIES		**(5,038,234)**	**(1,426,198)**	**(701,222)**	**(1,465)**
Net (decrease) increase in cash and cash equivalents for the period		(852,613)	884,994	(349,056)	(40,223)
Cash and cash equivalents at the beginning of the period	5	1,680,397	535,757	422,647	64,356
Cash and cash equivalents at the end of the period	**5**	**827,784**	**1,420,751**	**73,591**	**24,133**

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

STATEMENTS OF ADDED VALUE

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
(In thousands of Brazilian Reais)

	Consolidated				Parent company			
	Jan to Sep, 2021		Jan to Sep, 2020 (restated)		Jan to Sep, 2021		Jan to Sep, 2020 (restated)	
REVENUES								
Sales of energy, gas and services	31,731,984		24,884,192		194,031		21	
Distribution construction revenue	1,236,369		1,006,927		-		-	
Transmission construction revenue	137,828		167,419		-		-	
Interest revenue arising from the financing component in the transmission contract asset	462,422		231,529		-		-	
Gain on financial updating of the Concession Grant Free	368,842		228,293		-		-	
Adjustment to expectation of cash flow from reimbursement of distribution concession financial assets	37,959		(1,652)		-		-	
Periodic Tariff Reset adjustments	238,815		528,598		-		-	
Investment in PP&E (reversion)	(8,725)		48,167		-		-	
Other revenues	10,477		6,251		-		-	
Allowance for doubtful receivables	(68,463)		(58,271)		-		-	
	34,147,508		**27,041,453**		**194,031**		**21**	
INPUTS ACQUIRED FROM THIRD PARTIES								
Energy bought for resale	(11,746,397)		(9,302,789)		(56,217)		-	
Charges for use of national grid	(2,336,035)		(1,292,349)		-		-	
Outsourced services	(1,518,328)		(1,362,901)		(18,485)		(22,498)	
Gas bought for resale	(1,813,399)		(953,224)		-		-	
Materials	(815,899)		(617,973)		(38)		(167)	
Other operating costs	(243,445)		(718,007)		90,879		(329,825)	
	(18,473,503)		**(14,247,243)**		**16,139**		**(352,490)**	
GROSS VALUE ADDED	**15,674,005**		**12,794,210**		**210,170**		**(352,469)**	
RETENTIONS								
Depreciation and amortization	(763,482)		(733,538)		(1,334)		(2,308)	
NET ADDED VALUE PRODUCED BY THE COMPANY	**14,910,523**		**12,060,672**		**208,836**		**(354,777)**	
ADDED VALUE RECEIVED BY TRANSFER								
Share of profit, net, of associates and joint ventures	438,798		262,296		2,710,985		1,837,609	
Renegotiation of hydrological risk costs (Law 14,052/20), net	1,031,809		-		-		-	
Result of business combinations	-		51,736		-		51,736	
Financial revenues	610,833		2,318,181		18,872		15,624	
ADDED VALUE TO BE DISTRIBUTED	**16,991,963**		**14,692,885**		**2,938,693**		**1,550,192**	
DISTRIBUTION OF ADDED VALUE								
		%		%		%		%
Employees	**1,280,402**	**7.54**	**1,324,683**	**9.02**	**47,364**	**1.61**	**58,911**	**3.79**
Direct remuneration	760,030	4.47	765,125	5.21	6,776	0.23	16,788	1.08
Post-employment obligations and other benefits	439,680	2.59	456,552	3.11	39,147	1.33	38,962	2.51
FGTS fund	45,454	0.27	44,156	0.30	1,441	0.05	1,244	0.08
Voluntary retirement program	35,238	0.21	58,850	0.40	-	-	1,917	0.12
Taxes	**9,323,244**	**54.87**	**8,167,635**	**55.59**	**97,633**	**3.32**	**(104,744)**	**(6.75)**
Federal	4,427,823	26.06	3,775,205	25.69	93,779	3.19	(105,537)	(6.80)
State	4,879,038	28.71	4,382,596	29.83	714	0.02	428	0.03
Municipal	16,383	0.10	9,834	0.07	3,140	0.11	365	0.02
Remuneration of external capital	**2,566,041**	**15.10**	**3,607,751**	**24.55**	**4,376**	**0.15**	**3,978**	**0.26**
Interest	2,557,258	15.05	3,598,337	24.49	4,360	0.15	3,340	0.22
Rentals	8,783	0.05	9,414	0.06	16	-	638	0.04
Remuneration of own capital	**3,822,276**	**22.49**	**1,592,816**	**10.84**	**2,789,320**	**94.92**	**1,592,047**	**102.70**
Interest on capital	-	-	120,000	0.82	-	-	120,000	7.74
Retained Earnings	3,821,129	22.48	1,472,047	10.02	2,789,320	94.92	1,472,047	94.96
Non-controlling interest in retained earnings	1,147	0.01	769	-	-	-	-	-
	16,991,963	**100.00**	**14,692,885**	**100.00**	**2,938,693**	**100.00**	**1,550,192**	**100.00**

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

NOTES TO THE CONSOLIDATES INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED AS OF SEPTEMBER 30, 2021
(In thousands of Brazilian Reais, except where otherwise indicated)

1. OPERATING CONTEXT

a) The Company

Companhia Energética de Minas Gerais ('Cemig', ´Parent company' or 'Company') is a listed corporation registered in the Brazilian Registry of Corporate Taxpayers (CNPJ) under number 17.155.730/0001-64, with shares traded on the São Paulo Stock Exchange ('B3') at Corporate Governance Level 1; on the New York Stock Exchange ('NYSE'); and on the stock exchange of Madrid ('Latibex'). The Company is an entity domiciled in Brazil, with head office in Belo Horizonte/MG. Constituted to operate exclusively as a holding company, with interests in subsidiaries or jointly controlled entities, whose objects are: construction and operation of systems for generation, transformation, transmission, distribution and sale of energy, and also activities in the various fields of energy sector and gas distribution, for the purpose of commercial operation. Since the third quarter of 2021, the Company has begun to segregate its business activity of power sale, partially transferring it to the Company from the subsidiary Cemig GT, maintaining its corporate strategy.

Management has assessed the capacity of the Company to continue as a going concern, and believes that its operations will generate sufficient future cash flows to enable continuity of its businesses. 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 interim financial information has been prepared on a going concern basis.

b) Covid-19

General Context

On March 11, 2020, the World Health Organization characterized Covid-19 as a pandemic, reinforcing the restrictive measures recommendations to prevent the virus dissemination worldwide. These measures are based, mainly, on social distancing, which have been causing major negative impact on entities, affecting their production process, interrupting their supply chains, causing workforce shortages and closing of stores and facilities. The economies around the world are developing measures to handle the economic crisis and reduce any possible effect.

On March 23, 2020, the Company established the Coronavirus Crisis Management Committee ('Comitê Diretor de Gestão da Crise do Coronavírus') to ensure its readiness to making decisions because of the fast-changing situation, which became more widespread, complex and systemic.

Also, in connection with recommendations of the World Health Organization (WHO) and the Ministry of Health, aiming to contribute to the population and Brazilian authorities' efforts to prevent the disease outbreak, the Company has implemented an operational contingency plan and several precautionary measures to keep its employees healthy and safe, including: security and health technicians contacting operational staff on a daily basis; interacting daily with subcontractors Social Service department to monitor the evolution of suspicious cases; changing the schedule to prevent gatherings; restricting national and international travel; suspending technical visits and events at Company's facilities; using remote means of communication; adopting work-from-home policies for a substantial number of employees, which are gradually returning to work in-person until January, 2022, providing face masks for employees in external service or in service into its facilities, and requiring outsourcings providers to put the same procedures in place.

The Company also adopted the follow measures in order to contribute with society:

- Flexible terms for the flow of payments and installments of amounts collected from clients, under the programs launched by the Company during 2020;
- Launch, on April 20, 2021, of a campaign for negotiation enabling payment by low-voltage commercial customers in default in up to 12 monthly installments without interest, including exemption for 45 days from inflation updating not yet posted on invoices, aiming to keep the payment flow from small traders and services sector, to ensure their sustainability and contribute to their survival in the most critical period of the pandemic;
- Joining of the civil society movement named 'Unidos Pela Vacina' ('United for the Vaccine'), in order to collaborate effectively with the process of vaccination in the State of Minas Gerais, providing direct support to 425 municipalities. The Company's participation took the form of voluntary involvement by its employees in support for transport and professional traveling to various municipalities to deliver vaccines to rural regions, including people who were bedridden, as well as the donation of R$2,783, to promote access to the vaccine to combat Covid-19 in municipalities of the State.

The Company's management continues to be committed to strengthening its resilience, and decided on a series of measures to preserve and increase liquidity, including:

- Comfortable cash position to meet commitments assumed and face the economic uncertainties of the current scenario;
- Continuous reduction of net indebtedness;
- Strengthening of Cemig D's Investment Program;
- Optimization of capital allocation.

Impact of Covid-19 on Financial Information

Since March, 2020, the Company has been monitoring the Covid-19 pandemic impact on its business and the market in which it operates. The Company has implemented a series of precautionary measures to protect the health of its employees and to prevent the spread of the novel coronavirus in its operational and administrative facilities. The measures are in accordance with the recommendations of World Health Organization (WHO) and Brazilian Ministry of Health and aim to contribute with the populations and Brazilian authorities efforts, in order to prevent the virus outbreak.

Facing great challenges because of the pandemic, Cemig has shown operational resilience and sustainability, enabling quality energy supply to society, ensuring the provision of uninterrupted service to hospitals and other public services. As an integrated Company, coordinated by diversified business in the energy generation, transmission, sale and distribution sectors, the Company maintains its solidity, with stable financial performance, allowing for risk reduction in negative scenarios.

As of September 30, 2021, from the observation of the pandemic's economic effects, the Company assessed the assumptions used for calculating fair value and recoverable amount of certain financial and non-financial assets, as follows:

- The subsidiary Cemig GT assessed whether the greater pressure on the exchange rate, combined with a lack of financial market liquidity, will have a negative impact on debt and on derivative financial instruments hired to protect its operations against the risks arising from foreign exchange rate changes. At this point, given the current market conditions, the exposure to the exchange variation of the debt principal and the change in derivative instrument's fair value, based on the forecasts of future interest and exchanges rates, and the semiannual settlement of derivatives instruments, resulting in a net loss of R$790 million in the nine months period ended on September 30, 2021. The long-term projections carried out for the foreign exchange rate are lower than the current dollar quotation, which may represent a decrease in Company's foreign exchange variation expense, if the projected scenario occurs. Seeking to diligent managing its liabilities, and reducing its liquidity risk and exposure to the US dollar, on August 05, 2021, Cemig GT launched its Cash Tender Offer to acquire its debt securities issued in the external market, maturing in 2024, with 9.25% annual coupon, until an amount of US$500 million. Additionally, on June 7 and 8, 2021 the hedge transactions contracted were partially undone, for a volume of US$500 million. This resulted in a reported gain in favor of the Company of US$774 million. For more details, see note 30 (b).

- In measuring the expected loss from doubtful receivables, the Company assessed the circumstances of the Covid-19 pandemic, and the measures taken to reduce the impact of the economic retraction on default. The Company has intensified measures to mitigate risks of default, with a specific campaign of negotiation with clients, individual collections through the courts, expansions of the channels for negotiation, and diversification of means of payment. The company believes that the measures adopted mitigated the effects of the economic crisis on collection of receivables. Aneel Resolution 928 and 936 extended the rule on suspension of supply of energy to the low-income sub-category of residential users, and certain other customers until September 30, 2021.

- The management's assumptions applied to determine the recoverable amount of the relevant investments in subsidiaries, joint-controlled entities and associates were not influenced significantly by the Covid-19 situation, since these investees' cash flows are mainly related to long-term rights to commercial operation of the regulated activity. Therefore, no impairment losses were recognized to its investments in subsidiaries, joint-controlled entities and associates due to the economic crisis.

- Despite the uncertainties related to the crisis unfolding and its potential long-term effects, the Company does not expect that the negative impact on its projections of likely future taxable profits might compromise the recoverability of its deferred tax assets.

- The Company has assessed the behavior of the interest rates and discount rates that are the basis for calculation of Post-employment obligations, and believes that these are not significantly affected by macroeconomic issues in the short and medium term, since the main assumptions used are long-term.

- The Company's management reviewed the financial assets and liabilities measured at fair value to reflect the conditions and current rates projected, which impacts are presented in Note 30.

- In the energy market, the volume of energy sold to captive customers, and transported for Free Clients and distributors with access to Cemig D's networks, was up 6.8% from January to September of 2021, compared to the same period of 2020, reflecting the easing of social isolation requirements. This increase has two components: consumption by the captive market 1.5% higher, and use of the network by Free Clients 13.4% higher.

The impacts of the Covid-19 pandemic disclosed in this interim financial information were based on the Company's best estimates and significant long-term effects are not expected.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

This interim financial information has been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the financial statements on December 31, 2020.

Thus, this interim financial information should be read in conjunction with the said financial statements, approved by the Company's management on March 26, 2021.

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

The Company's Board of Directors authorized the issuance of this Interim financial information on November 11, 2021.

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

Number of the Note		Title of the Note
Dec. 31, 2020	Sep. 30, 2021	
1	1	Operational context
2	2	Basis of preparation
3	3	Consolidation principles
4	4	Concessions and authorizations
5	31	Operational segments
6	5	Cash and cash equivalents
7	6	Marketable Securities
8	7	Customers and traders; Concession holders (power transport)
9	8	Recoverable taxes
10	9	Income tax and social contribution tax
11	10	Accounts receivable from the State of Minas Gerais
12	11	Escrow deposits
13	12	Reimbursement of tariff subsidies
14	13	Concession financial assets and liabilities
15	14	Contract assets
16	15	Investments
17	16	Property, plant and equipment
18	17	Intangible assets
19	18	Leasing – Right of Use
20	19	Suppliers
21	20	Taxes and social security
22	21	Loans, financings and debentures
23	22	Regulatory charges
24	23	Post-employment obligations
25	24	Provisions
26	25	Equity and remuneration to shareholders
27	26	Revenue
28	27	Operating costs and expenses
29	28	Financial revenue and expenses
30	29	Related party transactions
31	30	Financial instruments and risk management
32	32	Assets and liabilities classified as held for sale; profit (loss) from discontinued operations
35	33	Transactions not involving cash
-	34	Parliamentary Committee of Inquiry (CPI)
36	35	Subsequent events

The Notes to the 2020 financial statements that have not been included in this consolidated interim financial information because they had no material changes, and/or were not applicable to the interim financial information, are as follows:

Number	Title of the Note
33	Insurance
34	Commitments

2.3 Retrospective application of accounting policy and reclassification of items in interim financial information

On June 30, 2020, Aneel ratified the results of the Periodic Tariff Review (RTP), resetting the amount of the Permitted Annual Revenue (RAP) to be applied to the revenue in effect on July 1, 2018. In this tariff review, were considered the results and criteria applied by the grantor in the formulation of the regulations to be applied for the National Grid assets – which among other factors include subjection of the amounts of the National Grid assets to operational efficiency measurement mechanisms, no longer having indemnity nature, clarifying certain elements for determination of accounting policy, which were not evident in 2018, when the Company adopted CPC 47/IFRS 15 for the first timae and when RTP should have occurred. The Company decided to retrospective application the following items, in connection with the clarifications, the CVM issued CVM/SNC/SEP Circular Nº 04/2020, issued on December 01, 2020 and the procedures also to be adopted by the other companies of the Brazilian power transmission sector: (i) classification of the National Grid assets as contract assets, relating to the renewal of the concession under Law 12,783/14; (ii) allocation of the margin to performance obligations under the concession contract; and (iii) determination of the discount rate to be used for recognition of the financial component in the contract asset.

Thus, the Company used the retrospective method, with cumulative effect recognized on December 31, 2020 financial statements, in accordance with items 14 and 22 of CPC 23 / IAS 08 – *Accounting policies, changes in accounting estimates and errors,* as well as in the interim financial information as of September 30, 2020, as presented below.

The adjustments made to the restated interim financial information, due to the change in accounting policy, were related to:

- Allocation of margin to the performance obligation for construction of transmission infrastructure, based on the expected cost plus margin approach;
- Standardization of the criteria for definition of the implicit rate used in the calculation of the financing component of the contract;
- Reclassification of the financial component of the national grid (‘BNES’ - Basic Network of the Existing System) assets to contract assets, due to the inclusion of the consideration associated with these assets in the regulatory remuneration base, subjecting them to efficiency mechanisms for the performance obligations to operate and maintain the transmission infrastructure.
- Inclusion of current and deferred PIS/Pasep and Cofins taxes in the calculation of the revenues under the contracts.

The main effects in the restated interim financial information to comparative effect due to the changing in accounting policy are as follows:

STATEMENT OF INCOME	Consolidated			Parent company		
	Jan to Sep, 2020			Jan to Sep, 2020		
	As presented	Adjustment	Restated	As presented	Adjustment	Restated
CONTINUING OPERATIONS						
NET REVENUE (1)	**18,363,057**	**(399,773)**	**17,963,284**	**16**	**-**	**16**
TOTAL COST	**(13,960,793)**	**-**	**(13,960,793)**	**-**	**-**	**-**
GROSS PROFIT	**4,402,264**	**(399,773)**	**4,002,491**	**16**	**-**	**16**
OPERATING EXPENSES (2)	**(1,138,823)**	**11,421**	**(1,127,402)**	**(148,901)**	**-**	**(148,901)**
Periodic tariff review, net (3)	-	479,703	479,703	-	-	-
Share of profit, net, of affiliates and jointly-controlled entities	262,298	-	262,298	1,777,319	60,292	1,837,611
Result of business combinations	51,736	-	51,736	51,736	-	51,736
Impairment of assets held for sale	(270,267)	-	(270,267)	(270,267)	-	(270,267)
Net finance income	(1,258,682)	-	(1,258,682)	12,284	-	12,284
Income before income tax and social contribution tax	**2,048,526**	**91,351**	**2,139,877**	**1,422,187**	**60,292**	**1,482,479**
Current income tax and social contribution tax	(567,095)	-	(567,095)	(19)	-	(19)
Deferred income tax and social contribution tax (4)	51,093	(31,059)	20,034	109,587	-	109,587
NET INCOME FOR THE PERIOD	**1,532,524**	**60,292**	**1,592,816**	**1,531,755**	**60,292**	**1,592,047**
Total net income for the period attributed to:						
Equity holders of the parent						
Net income for the period attributed to equity holders of the parent	1,531,755	60,292	1,592,047	1,531,755	60,292	1,592,047
Non-controlling interests	**769**	**-**	**769**	**-**	**-**	**-**
Net income from the period	**1,532,524**	**60,292**	**1,592,816**	**1,531,755**	**60,292**	**1,592,047**
Basic and diluted earnings (loss) per preferred share – R$ (5)	**1.01**	**(0.07)**	**0.94**	**1.01**	**(0.07)**	**0.94**
Basic and diluted earnings (loss) per common share – R$ (5)	**1.01**	**(0.07)**	**0.94**	**1.01**	**(0.07)**	**0.94**

(1) Recognition of the profit margin associated to the performance obligation to construct and upgrade the transmission infrastructure, as well as the interest revenue resulting from the financing component and the result of the periodic tariff review, which had been taken into account in operational revenue in 3Q20.
(2) Reversal of expected losses recorded in others expenses in prior periods.
(3) Adjustments due to changes in the calculation methodology of the periodic tariff review.
(4) Deferral of income tax and social contribution tax over the adjustments.
(5) The basic and diluted earnings per share for the period ended in September 30, 2020 was also adjusted retrospectively in order to reflect the increase in the number of shares in 2020 and 2021. For more information, see Note 25.

STATEMENT OF INCOME	Consolidated			Parent company		
	Jul to Sep, 2020			Jul to Sep, 2020		
	As presented	Adjustment	Restated	As presented	Adjustment	Restated
CONTINUING OPERATIONS						
NET REVENUE (1)	**6,369,428**	**51,755**	**6,421,183**	**10**	**-**	**10**
TOTAL COST	**(4,917,555)**	**-**	**(4,917,555)**	**-**	**-**	**-**
GROSS PROFIT	**1,451,873**	**51,755**	**1,503,628**	**10**	**-**	**10**
OPERATING EXPENSES (2)	**(235,010)**	**(357)**	**(235,367)**	**(35,799)**	**-**	**(35,799)**
Share of profit (loss), net, of affiliates and jointly-controlled entities	97,822	-	97,822	670,912	33,923	704,835
Impairment of assets held for sale	(136,244)	-	(136,244)	(136,244)	-	(136,244)
Net finance income	(496,619)	-	(496,619)	(837)	-	(837)
Income before income tax and social contribution tax	**681,822**	**51,398**	**733,220**	**498,042**	**33,923**	**531,965**
Current income tax and social contribution tax	(172,776)	-	(172,776)	-	-	-
Deferred income tax and social contribution tax (3)	36,330	(17,475)	18,855	47,022	-	47,022
NET INCOME FOR THE PERIOD	**545,376**	**33,923**	**579,299**	**545,064**	**33,923**	**578,987**
Total net income for the period attributed to:						
Equity holders of the parent						
Net income for the period attributed to equity holders of the parent	545,064	33,923	578,987	545,064	33,923	578,987
Non-controlling interests	**312**	**-**	**312**	**-**	**-**	**-**
Net income from the period	**545,376**	**33,923**	**579,299**	**545,064**	**33,923**	**578,987**
Basic and diluted earnings (loss) per preferred share – R$ (4)	**0.33**	**0.01**	**0.34**	**0.33**	**0.01**	**0.34**
Basic and diluted earnings (loss) per common share – R$ (4)	**0.33**	**0.01**	**0.34**	**0.33**	**0.01**	**0.34**

(1) Recognition of the profit margin associated to the performance obligation to construct and upgrade the transmission infrastructure, as well as the interest revenue resulting from the financing component and the result of the periodic tariff review, which had been taken into account in operational revenue in 3Q20.
(2) Reversal of expected losses recorded in others expenses in prior periods.
(3) Deferral of income tax and social contribution tax over the adjustments.
(4) The basic and diluted earnings per share for the period ended in September 30, 2020 was also adjusted retrospectively in order to reflect the increase in the number of shares in 2020 and 2021. For more information, see Note 25.

STATEMENTS OF COMPREHENSIVE INCOME	Consolidated			Parent company		
	Jan to Sep, 2020 As presented	Adjustment	Jan to Sep, 2020 Restated	Jan to Sep, 2020 As presented	Adjustment	Jan to Sep, 2020 Restated
NET INCOME FOR THE PERIOD	**1,532,524**	**60,292**	**1,592,816**	**1,531,755**	**60,292**	**1,592,047**
OTHER COMPREHENSIVE INCOME						
Items not to be reclassified to profit or loss in subsequent periods	**(702)**	**-**	**(702)**	**(702)**	**-**	**(702)**
COMPREHENSIVE INCOME FOR THE PERIOD	**1,531,822**	**60,292**	**1,592,114**	**1,531,053**	**60,292**	**1,591,345**
Total of comprehensive income for the period attributed to:						
Equity holders of the parent	1,531,053	60,292	1,591,345	1,531,053	60,292	1,591,345
Non-controlling interests	769	-	769	-	-	-
Total of comprehensive income for the period attributed to:	**1,531,822**	**60,292**	**1,592,114**	**1,531,053**	**60,292**	**1,591,345**

STATEMENTS OF COMPREHENSIVE INCOME	Consolidated			Parent company		
	Jul to Sep, 2020 As presented	Adjustment	Jul to Sep, 2020 Restated	Jul to Sep, 2020 As presented	Adjustment	Jul to Sep, 2020 Restated
NET INCOME FOR THE PERIOD	**545,376**	**33,923**	**579,299**	**545,064**	**33,923**	**578,987**
COMPREHENSIVE INCOME FOR THE PERIOD	**545,376**	**33,923**	**579,299**	**545,064**	**33,923**	**578,987**
Total of comprehensive income for the period attributed to:						
Equity holders of the parent	545,064	33,923	578,987	545,064	33,923	**578,987**
Non-controlling interests	312	-	312	-	-	-
Total of comprehensive income for the period attributed to:	**545,376**	**33,923**	**579,299**	**545,064**	**33,923**	**578,987**

STATEMENT OF CASH FLOWS - Consolidated	Jan to Sep, 2020 As presented	Adjustment	Jan to Sep, 2020 Restated
CASH FLOW FROM OPERATIONS			
Net income for the period (1)	1,532,524	60,292	1,592,816
Adjustments to reconcile net income to net cash flows:			
Deferred income tax and social contribution tax (2)	(51,093)	31,059	(20,034)
Loss on write-off of net residual value of unrecoverable concession financial assets, concessional contract asset, PP&E and Intangible assets (3)	26,929	(11,421)	15,508
Adjustment to expectation of contract asset and financial concession asset (4)	(379,389)	(140,859)	(520,248)
Periodic tariff reset adjustments (5)	(429,840)	(98,758)	(528,598)
Deferred PIS/Pasep and Cofins over contract revenues (6)	-	44,400	44,400
Others	2,595,712	-	2,595,712
TOTAL	**3,294,843**	**(115,287)**	**3,179,556**
Increase in assets			
Concession contract and financial assets (7)	420,892	115,287	536,179
Others	3,162,648	-	3,162,648
TOTAL	**3,583,540**	**115,287**	**3,698,827**
Increase (decrease) in liabilities	**672,515**	-	**672,515**
Cash generated by operating activities	**7,550,898**	-	**7,550,898**

(1) Effects of retrospective application of accounting policy, recorded as retained earnings, for the period ended on September 30, 2020.
(2) Deferral of income tax and social contribution tax over the adjustments;
(3) Others immaterial adjustments referring to impairment losses and others expected losses.
(4) Recognition of the profit margin associated to the performance obligation to construct and upgrade the transmission infrastructure, as well as the interest revenue resulting from the financing component and the result of the periodic tariff revision;
(5) Adjustments due to changes in the calculation methodology of the periodic tariff review.
(6) Effects of PIS/Pasep and Cofins over contract revenues, including the taxes deferral;
(7) Adjustments in the amounts of the contract assets that were received, due to the reallocation of the consideration to performance obligation to construct and upgrade.

STATEMENT OF CASH FLOWS	Parent company		
	Jan to Sep, 2020 As presented	Adjustment	Jan to Sep, 2020 Restated
CASH FLOW FROM OPERATIONS			
Net income for the period (1)	1,531,755	60,292	1,592,047
Expenses (revenues) not affecting cash and cash equivalents			
Share of loss, net, of subsidiaries and joint ventures (2)	(1,777,319)	(60,292)	(1,837,611)
Others	161,123	-	161,123
TOTAL	**(84,441)**	-	**(84,441)**

(1) Effects of retrospective application of accounting policy, recorded as retained earnings, for the period ended on September 30, 2020.
(2) This refers to the adjustment to the equity income (gain on interests in non-consolidated investees) of Cemig GT, due to backdated application of an accounting policy.

STATEMENTS OF ADDED VALUE	Consolidated			Parent company		
	Jan to Sep, 2020 As presented	Adjustment	Jan to Sep, 2020 Restated	Jan to Sep, 2020 As presented	Adjustment	Jan to Sep, 2020 Restated
REVENUES (1)	**26,917,123**	**124,330**	**27,041,453**	**21**	-	**21**
INPUTS ACQUIRED FROM THIRD PARTIES (2)	**(14,258,664)**	**11,421**	**(14,247,243)**	**(352,490)**	**-**	**(352,490)**
GROSS VALUE ADDED	**12,658,459**	**135,751**	**12,794,210**	**(352,469)**	**-**	**(352,469)**
RETENTIONS	(733,538)	-	(733,538)	(2,308)	-	(2,308)
NET ADDED VALUE PRODUCED BY THE COMPANY FROM CONTINUING OPERATIONS	**11,924,921**	**135,751**	**12,060,672**	**(354,777)**	**-**	**(354,777)**
ADDED VALUE RECEIVED BY TRANSFER	2,632,213	-	2,632,213	1,844,677	60,292	1,904,969
ADDED VALUE TO BE DISTRIBUTED	**14,557,134**	**135,751**	**14,692,885**	**1,489,900**	**60,292**	**1,550,192**
DISTRIBUTION OF ADDED VALUE						
Employees	1,324,683	-	1,324,683	58,911	-	58,911
Taxes (3)	8,092,176	75,459	8,167,635	(104,744)	-	(104,744)
Remuneration of external capital	3,607,751	-	3,607,751	3,978	-	3,978
Remuneration of own capital (4)	1,532,524	60,292	1,592,816	1,531,755	60,292	1,592,047
	14,557,134	**135,751**	**14,692,885**	**1,489,900**	**60,292**	**1,550,192**

(1) Recognition of the profit margin associated to the performance obligation to construct and upgrade the transmission infrastructure, as well as the interest revenue resulting from the financing component and the result of the periodic tariff revision;
(2) Others immaterial adjustments referring to impairment losses and others expected losses.
(3) Effects of PIS/Pasep and Cofins over contract revenues, including the taxes deferral.
(4) Retained earnings adjustments

The income tax and social contribution tax over the adjustments were recognized.

The adjustment did not have an impact on the Company's operating, investing and financing cash flows for the period ended on September 30, 2020. The retrospective application only affected the transmission segment, presented in Note 31.

3. PRINCIPLES OF CONSOLIDATION

The reporting dates of interim financial information of the subsidiaries used for the purposes of calculation of consolidation and jointly-controlled entities and affiliates used for calculation of this equity method contribution are prepared in the same reporting date of the Company. Accounting practices are applied uniformly in line with those used by the parent company.

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

Subsidiary	Sep. 30, 2021			Sep. 30, 2020		
	Form of valuation	Direct interest, %	Indirect interest, %	Form of valuation	Direct interest, %	Indirect interest, %
Cemig Geração e Transmissão	Consolidation	100.00	-	Consolidation	100.00	-
Cemig Distribuição	Consolidation	100.00	-	Consolidation	100.00	-
Gasmig	Consolidation	99.57	-	Consolidation	99.57	-
Cemig Geração Distribuída (1)	-	-	-	Consolidation	100.00	-
Cemig Sim	Consolidation	100.00	-	Consolidation	100.00	-
Cetroeste	Consolidation	100.00	-	Consolidation	100.00	-

(1) On October 19, 2020, an Extraordinary General Meeting of Shareholders approved the merger of this wholly-owned subsidiary, at book value, and as a result the investee ceased to exist and the Company took over of all its rights and liabilities.

4. CONCESSIONS AND AUTHORIZATIONS

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

	Company holding concession or authorization	Concession or authorization contract	Expiration date
POWER GENERATION			
Hydroelectric plants			
Emborcação (1) (2)	Cemig GT	07/1997	07/2025
Nova Ponte (1) (2)	Cemig GT	07/1997	07/2025
Santa Luzia (1)	Cemig GT	07/1997	02/2026
Sá Carvalho (1)	Sá Carvalho	01/2004	12/2024
Rosal (1)	Rosal Energia	01/1997	05/2032
Machado Mineiro (1) Salto Voltão (1) Salto Paraopeba (1) Salto do Passo Velho (1)	Horizontes Energia	Resolution 331/2002	07/2025 10/2030 10/2030 10/2030
PCH Pai Joaquim (1)	Cemig PCH	Authorizing Resolution 377/2005	04/2032
Irapé (1)	Cemig GT	14/2000	02/2035
Queimado (Consortium) (1)	Cemig GT	06/1997	01/2033
Rio de Pedras (1)	Cemig GT	02/2013	09/2024
Poço Fundo (1) (7)	Cemig Geração Poço Fundo	01/2021	08/2045
São Bernardo (1)	Cemig GT	02/2013	08/2025
Três Marias (3)	Cemig Geração Três Marias	08/2016	01/2046
Salto Grande (3)	Cemig Geração Salto Grande	09/2016	01/2046
Itutinga (3)	Cemig Geração Itutinga	10/2016	01/2046
Camargos (3)	Cemig Geração Camargos	11/2016	01/2046
Coronel Domiciano, Joasal, Marmelos, Paciência and Piau (3)	Cemig Geração Sul	12/2016 and 13/2016	01/2046
Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras (3)	Cemig Geração Leste	14/2016 and 15/2016	01/2046
Cajurú, Gafanhoto and Martins (3)	Cemig Geração Oeste	16/2016	01/2046
Wind power plants			
Central Geradora Eólica Praias de Parajuru (4)	Parajuru	Resolution 526/2002	09/2032
Central Geradora Eólica Volta do Rio (4)	Volta do Rio	Resolution 660/2001	01/2031
POWER TRANSMISSION			
National grid (5)	Cemig GT	006/1997	01/2043
Itajubá Substation (5)	Cemig GT	79/2000	10/2030
Furnas – Pimenta - Transmission line (5)	Centroeste	004/2005	03/2035
ENERGY DISTRIBUTION (6)	Cemig D	002/1997 003/1997 004/1997 005/1997	12/2045
GAS DISTRIBUTION (6)	Gasmig	State Law 11,021/1993	01/2053

(1) Generation concession contracts that are not within the scope of 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, Cemig GT 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 Cemig's governance bodies at the due time.

(3) Generation concession contracts within the scope of IFRIC 12, under which Cemig has the right to receive cash and therefore, recognizes a concession financial assets.

(4) This refers to concessions, given by the process of authorization, for generation, as an independent power producer, of wind power, sold under the Proinfa program. The assets tied to the right of commercial operation are recorded in PP&E. The rights of authorization of commercial operation that are classified as an Intangible.

(5) These refer to transmission concession contracts, for which a contract asset was recognized upon the application of IFRS 15/CPC 47, are recognized as contract asset for being subject to satisfaction of performance obligations.

(6) Concession contracts that are within the scope of IFRIC 12/ICPC 01 and under which the concession infrastructure assets are recorded under the intangible and financial assets bifurcation model, and in compliance with IFRS 15, the infrastructure under construction has been classified as a contract asset. On August 5, 2021, Gasmig was informed by an Official Letter from the Minas Gerais State Economic Development Department: (i) that the date of closing of the present tariff cycle had been brought forward to December, 31, 2021; and (ii) of the start of the process of Periodic Tariff Review, which will take into account previously decided methodology, based on fundamental criteria such as clients' profile, costs of operation and investments.

(7) By its Authorizing Resolution 9,735 of February 23, 2021, Aneel authorized transfer of ownership of the concession of the Poço Fundo Small Hydro Plant from Cemig Geração e Transmissão S.A. to Cemig Geração Poço Fundo S.A. The transfer was formalized by signature of a new concession contract, Nº. 01/2021, on April 16, 2021.

On December 6, 2019, Aneel suspended Igarapé Plant commercial operation upon Cemig GT's claim for early termination of its concession contract, and, as a result, the corresponding assets were written-off from Cemig GT's financial statement position. In February, 2021, the Thermal Plant Igarapé concession of was extinct by the Brazilian Mining and Energy Ministry, in consideration of the termination request submitted by Cemig GT.

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

5. CASH AND CASH EQUIVALENTS

	Consolidated		Parent company	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
Bank accounts	53,757	93,060	4,251	4,577
Cash equivalents				
Bank certificates of deposit (CDBs) (1)	546,373	1,415,964	1,825	412,136
Overnight (2)	225,410	171,373	67,515	5,934
Others	2,244	-	-	-
	774,027	1,587,337	69,340	418,070
	827,784	**1,680,397**	**73,591**	**422,647**

(1) *Bank Certificates of Deposit* (*Certificados de Depósito Bancário*, or CBDs), accrued interest at 50% to 109%, of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or *Certificados de Depósito Inter-bancário* – CDIs) published by the Custody and Settlement Chamber (*Câmara de Custódia e Liquidação*, or Cetip) on September 30, 2021 (50% to 108% on December 31, 2020). For these CDBs, the Company and its subsidiaries have repo transactions which state, on their trading notes, the bank's commitment to repurchase the security, on demand, on the maturity date of the transaction, or earlier.

(2) *Overnight* transactions are repos available for redemption on the following day. They are usually backed by Treasury Bills, Notes or Bonds and referenced to a pre-fixed rate of 6.12% to 6.14% on September 30, 2021 (1.89% on December 31, 2020). Their purpose is to settle the short-term obligations of the Company and its subsidiaries, or to be used in the acquisition of other assets with better return to replenish the portfolio.

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

6. MARKETABLE SECURITIES

	Consolidated		Parent company	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
Investments				
Current				
Bank certificates of deposit (CDBs) (1)	99,165	545,366	29,702	18,884
Financial Notes (LFs) – Banks (2)	1,814,438	2,073,551	543,463	71,799
Treasury Financial Notes (LFTs) (3)	400,684	730,806	120,013	25,305
Others	24,194	10,547	7,927	873
	2,338,481	**3,360,270**	**701,105**	**116,861**
Non-current				
Financial Notes (LFs) – Banks (2)	676,821	729,767	202,722	25,269
Debentures (4)	3,058	24,789	916	858
Others	9,119	10,237	-	-
	688,998	**764,793**	**203,638**	**26,127**
	3,027,479	**4,125,063**	**904,743**	**142,988**

(1) Bank Certificates of Deposit (Certificados de Depósito Bancário, or CBDs), accrued interest at 110.78% of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or Certificados de Depósito Inter-bancário – CDIs) published by the Custody and Settlement Chamber (Câmara de Custódia e Liquidação, or Cetip) on September 30, 2021.

(2) Bank Financial Notes (*Letras Financeiras*, or LFs) are fixed-rate fixed-income securities, issued by banks and that accrued interest a percentage of the CDI rate published by Cetip. The LFs had remuneration rates varying between 104% and 130% of the CDI rate on September 30, 2021 (99.50% and 130% on December 31, 2020).

(3) Treasury Financial Notes (LFTs) are fixed-rate securities, their yield follows the daily changes in the Selic rate between the date of purchase and the date of maturity. The LFTs had remuneration rates varying between 6.03% and 6.40 on September 30, 2021 (1.86% and 1.90% on December 31, 2020).

(4) *Debentures* are medium and long term debt securities, which give their holders a right of credit against the issuing company. The debentures have remuneration varying from TR+1% to 109% of the CDI Rate on September 30, 2021 and December 31, 2020.

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

7. CUSTOMERS, TRADERS AND POWER TRANSPORT CONCESSION HOLDERS

	Consolidated					
	Balances not yet due	Up to 90 days past due	More than 91 up to 360 days past due	More than 361 days past due	Sep. 30, 2021	Dec. 31, 2020
Billed supply	1,866,898	714,422	443,069	529,377	3,553,766	3,124,555
Unbilled supply	1,086,165	-	-	-	1,086,165	1,144,906
Other concession holders – wholesale supply	29,029	20,484	922	903	51,338	50,086
Other concession holders – wholesale supply, unbilled	262,380	-	-	-	262,380	260,521
CCEE (Power Trading Chamber)	321,729	122,198	913	-	444,840	210,271
Concession Holders – power transport	48,054	14,119	23,481	89,658	175,312	161,340
Concession Holders – power transport, unbilled	287,750	-	-	-	287,750	294,734
(–) Provision for doubtful receivables	(194,832)	(12,474)	(23,796)	(571,290)	(802,392)	(712,369)
	3,707,173	**858,749**	**444,589**	**48,648**	**5,059,159**	**4,534,044**
Current assets					**4,989,132**	**4,373,075**
Non-current assets					**70,027**	**160,969**

	CONTROLADORA					
	Balances not yet due	Up to 90 days past due	More than 91 up to 360 days past due	More than 361 days past due	Sep. 30, 2021	Dec. 31, 2020
Billed supply	-	-	-	23,002	23,002	22,284
CCEE (Power Trading Chamber)	193,671	-	-	-	193,671	-
(–) Provision for doubtful receivables	-	-	-	(22,284)	(22,284)	(22,284)
	193,671	**-**	**-**	**718**	**194,389**	**-**
Current assets					**194,389**	**-**

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

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

Consolidated	Sep. 30, 2021	Dec. 31, 2020
Residential	148,205	110,149
Industrial	183,618	187,927
Commercial, services and others	216,964	189,769
Rural	32,936	30,355
Public authorities	95,141	82,715
Public lighting	2,896	2,434
Public services	35,046	34,803
Charges for use of the network (TUSD)	87,586	74,217
	802,392	**712,369**

Considering the pandemic effects on levels of delinquency, and the emergence of new factors such as the vaccination progress in the country, mutations of the virus, and changes in government support policy, the Company, taking into account the changes in 2020 and in the first semester of 2021, believes that the current assumptions represent its best estimate, at this moment, for expected losses on doubtful receivables for the period ended on September 30, 2021.

On July 31, 2020 Cemig D filed an application to the tax authority of State of Minas Gerais to offset debts for energy consumption and service owed by the direct and indirect administrations of Minas Gerais State, using amounts of ICMS tax payable, under Article 3 of Minas Gerais State Decree 47,908/2020, which regulated State Law 47,891/2020. The debts from the State of Minas Gerais that qualify for offset are those past due at June 30, 2019, an amount of R$222,266. Following ratification by the State Finance Secretary and formalization of the Debt Recognition Agreement, occurred on March, 31, 2021, offsetting began in April 2021. Up to September 30, 2021, 6 (six) out of 21 (twenty one) installments, in the amount of R$10,584 each were offset, remaining outstanding R$158,76. The offsetting is expected to occur on monthly basis, in this amount, up to December 2022.

Changes in the allowance for doubtful accounts are as follows:

	Consolidated
Balance at December 31, 2020	**712,369**
Additions, net (Note 27)	79,463
Reversals of disposals	10,560
Balance at September 30, 2021	**802,392**

8. RECOVERABLE TAXES

	Consolidated		Parent company	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
Current				
ICMS (VAT)	103,988	97,272	-	-
PIS/Pasep (a) (b)	324,993	310,927	24	219
Cofins (a) (b)	1,491,228	1,425,796	121	1,018
Others	19,462	16,062	930	104
	1,939,671	**1,850,057**	**1,075**	**1,341**
Non-current				
ICMS (VAT) (b)	297,816	257,160	-	-
PIS/Pasep (a)	398,633	588,257	109,769	108,878
Cofins (a)	1,720,096	2,594,428	389,903	386,713
Others	-	2,226	-	1,795
	2,416,545	**3,442,071**	**499,672**	**497,386**
	4,356,216	**5,292,128**	**500,747**	**498,727**

a) Pis/Pasep and Cofins taxes credits over ICMS

On May 8, 2019 the Regional Federal Appeal Court of the First Region gave final judgment – against which there is no appeal – on the Ordinary Action, deciding in favor of the Company and its subsidiaries, Cemig D and Cemig GT, and recognizing their right to exclude the ICMS amounts from the calculation basis of PIS/Pasep and Cofins taxes, backdated as from five years prior to the action initial filing– that is, from July 2003.

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

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

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

Cemig D and Cemig GT, prioritized the credits offsetting, to accelerate recovery. For the Company itself, priority will be given to receipt of the credits through *precatório* letters of credit, since the Company does not make enough monthly payments of PIS/Pasep and Cofins taxes to enable offsetting.

On May 12, 2020, the Brazilian tax authority (*Receita Federal*) granted the Company's request for ratification of the credits of PIS/Pasep and Cofins taxes arising from the legal action on which final judgment, subject to no further appeal, was given in favor of Cemig D and Cemig GT in 2019 and the subsidiaries are offsetting the amount receivable against amounts of federal taxes payable on a monthly basis, starting in May, 2020, within the five-year period specified by the relevant law of limitation.

On May 13, 2021 the Brazilian Federal Supreme Court ('STF') ruled on the motion for clarification filed by the federal government, modulating the effects of the decision that ICMS tax (paid or payable) is not part of the base amount for calculation of the PIS, Pasep and Cofins taxes. The court ruled that only those who filed legal actions claiming this judgment on or before March 15, 2017 (date on which the argument was established) should have the right to reimbursement of the tax unduly paid, excluding legal and administrative actions filed after that date and before the date on which the judgment was given. Thus the changes made by the Supreme Court in the effects of the judgment do not affect the credits recognized by the Company. Further, the new ruling decided that the amounts of ICMS tax to be excluded from the basis for calculation of PIS/Pasep and Cofins taxes should be the ICMS tax stated on invoices this is in agreement with the criterion adopted by the Company for the actions which there is no further appeal. The Company recognized an increase of R$18,213 in the PIS/Pasep and Cofins recoverable amount, referring to the periods in which the Company excluded the ICMS tax paid from these taxes basis of calculation, instead of the ICMS tax stated on invoices.

Based on the opinion of its legal advisers, the Company's management believes that a portion of the tax credits to be received by Cemig D should be refunded to its customers, considering a maximum period for calculation of the reimbursement of 10 years. Thus, Cemig D has constituted a liability corresponding to the total amount of the tax credits comprising the period of the last 10 years, from June 2009 to May 2019, net of PIS/Pasep and Cofins taxes over monetary updating.

Considering the modulation of effects derived from STF, the subsidiary Gasmig recognized, in the second quarter of 2021, the PIS/Pasep and Cofins taxes credits totaling R$219,753 related to exclusion of ICMS from the basis of computation of these taxes from the periods included in the legal action on that matter. In the absence of a final judgment by the courts, Gasmig recorded a liability corresponding to the amounts to be reimbursed to its customers considering a 10 years period, from the date of the end of the quarter.

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

The Company recorded in current asset and non-current asset the amounts of R$1,805,558 and R$2,092,404, respectively, corresponding to the tax credits of PIS/Pasep and Cofins over ICMS, with updating by the Selic rate to the date of their actual offsetting.

In the third quarter 2021, credits of PIS/Pasep and Cofins taxes were offset against payable federal taxes in the amount of R$1,301,901 (R$1,274,636 on 2020).

b) Other recoverable taxes

The ICMS (VAT) credits that are 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 interim financial information reporting date.

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

9. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Income tax and social contribution tax recoverable

The balances of income tax and social contribution tax refer to tax credits in the corporate income tax returns of previous years and to advance payments which will be offset against federal taxes eventually payable. Current tax assets and current tax liabilities related to income tax and social contribution tax are offset in the statement of financial position subject to criteria established in CPC 32/IAS 12.

	Consolidated		Parent company	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
Income tax	744,310	697,923	193,345	245,996
Social contribution tax	251,490	246,210	24,075	33,860
	995,800	**944,133**	**217,420**	**279,856**
Current	**709,414**	**597,610**	-	-
Non-current	**286,386**	**346,523**	**217,420**	**279,856**

The balances of income tax and social contribution tax posted in non-current assets arise from advanced payments required by tax law and withholding taxes, which the expectation of offsetting is greater than 12 months.

On September 24, 2021, the Brazilian Federal Supreme Court decided, unanimously, that the incidence of income tax and social contribution tax on the indexation charges applying Selic interest rate over undue paid taxes is unconstitutional. Since this is a constitutional decision with general repercussion, the Company and its subsidiaries is awaiting the final judgment, which is pending on eventual motions for clarification, and the result of any modulation, before assessing and recognizing the potential effects of the decision.

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 subsidiaries which report by the Real Profit method and have opted to make monthly payments based on estimated revenue, and also by the subsidiaries that have opted for the Presumed Profit method, in which payments are made quarterly.

	Consolidated	
	Sep. 30, 2021	Dec. 31, 2020
Current		
Income tax	149,323	108,262
Social contribution tax	41,859	31,796
	191,182	**140,058**

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), as follows:

	Consolidated		Parent company	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
Deferred tax assets				
Tax loss carryforwards	626,544	400,758	407,089	114,666
Provisions for contingencies	540,304	537,661	68,686	66,362
Impairment on investments	303,637	639,739	1,495	382,904
Provision PUT SAAG	194,647	182,293	-	-
Post-employment obligations	2,215,426	2,167,566	252,259	243,280
Estimated provision for doubtful receivables	293,480	256,130	8,477	7,578
Others	65,858	138,599	2,005	4,055
Total	**4,239,896**	**4,322,746**	**740,011**	**818,845**
Deferred tax liabilities				
Deemed cost	(220,621)	(224,610)	-	-
Acquisition costs of equity interests	(452,881)	(486,335)	(104,467)	(126,934)
Borrowing costs capitalized	(163,900)	(168,909)	-	-
Adjustment to expectation of cash flow – Concession assets	(242,702)	(242,424)	-	-
Adjustment of contract assets	(862,754)	(768,126)	-	-
Adjustment to fair value: Swap/Gains	(442,897)	(1,002,636)	-	-
Updating on escrow deposits	(6,473)	(6,129)	-	-
Reimbursement of costs – GSF	(330,500)	-	-	-
Others	(22,183)	(10,720)	(1,239)	(1,016)
Total	**(2,744,911)**	**(2,909,889)**	**(105,706)**	**(127,950)**
Total, net	**1,494,985**	**1,412,857**	**634,305**	**690,895**
Total assets	**2,435,285**	**2,452,860**	**634,305**	**690,895**
Total liabilities	**(940,300)**	**(1,040,003)**	**-**	**-**

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

	Consolidated	Parent company
Balance at December 31, 2020	**1,412,857**	**690,895**
Effects allocated to net profit from continuing operations	87,096	(56,590)
Others	(4,968)	-
Balance at September 30, 2021	**1,494,985**	**634,305**

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	
	Jan to Sep, 2021	Jan to Sep, 2020 Restated	Jan to Sep, 2021	Jan to Sep, 2020 Restated
Profit before income tax and social contribution tax	3,639,850	2,139,877	2,865,979	1,482,479
Income tax and social contribution tax – nominal expense (34%)	(1,237,549)	(727,558)	(974,433)	(504,043)
Tax effects applicable to:				
Gain in subsidiaries by equity method (net of effects of Interest on Equity)	122,276	76,520	765,601	588,332
Tax incentives	36,827	27,785	-	-
Difference between Presumed Profit and Real Profit	114,716	71,834	-	-
Non-deductible penalties	(14,138)	(15,662)	(290)	(441)
Income arising from the Light sale	154,326	-	154,326	-
Estimated losses on doubtful accounts receivable from related parties	-	(12,703)	-	(12,703)
Interest on equity declared	-	40,800	-	40,800
Others	(25,841)	(8,077)	(21,863)	(2,377)
Income tax and Social Contribution – effective gain (expense)	**(849,383)**	**(547,061)**	**(76,659)**	**109,568**
Current tax	**(936,479)**	**(567,095)**	**(20,069)**	**(19)**
Deferred tax	**87,096**	**20,034**	**(56,590)**	**109,587**
	(849,383)	**(547,061)**	**(76,659)**	**109,568**
Effective rate	**(23.34)%**	**(25.57)%**	**(2.67)%**	**7.39%**

	Consolidated		Parent company	
	Jul to Sep, 2021	Jul to Sep, 2020 Restated	Jul to Sep, 2021	Jul to Sep, 2020 Restated
Profit before income tax and social contribution tax	471,187	733,220	501,892	531,965
Income tax and social contribution tax – nominal expense (34%)	(160,204)	(249,295)	(170,643)	(180,869)
Tax effects applicable to:				
Gain in subsidiaries by equity method (net of effects of Interest on Equity)	79,661	27,657	89,657	188,440
Tax incentives	5,531	10,031	-	-
Difference between Presumed Profit and Real Profit	23,081	26,350	-	-
Non-deductible penalties	(3,530)	(3,517)	(36)	(159)
Income arising from the Light sale	20,663	-	20,663	-
Interest on equity declared	-	40,800	-	40,800
Others	(14,912)	(5,947)	(20,482)	(1,190)
Income tax and Social Contribution – effective gain (expense)	**(49,710)**	**(153,921)**	**(80,841)**	**47,022**
Current tax	**(71,213)**	**(172,776)**	**(20,069)**	**-**
Deferred tax	**21,503**	**18,855**	**(60,772)**	**47,022**
	(49,710)	**(153,921)**	**(80,841)**	**47,022**
Effective rate	**(10.55)%**	**(20.99)%**	**(16.11)%**	**8.84%**

10. ACCOUNTS RECEIVABLE FROM THE STATE OF MINAS GERAIS

The Company has accounts receivable from the State of Minas Gerais, arising from return of an administrative deposit made for a dispute on the rate of inflation and other adjustment to be applied to an advance for future capital increase ('AFAC'), made in prior years, which was the subject of a debt recognition agreement. The agreement provided for payment by the Minas Gerais State in 12 consecutive monthly installments, each updated by the IGP–M index up to the date of actual payment, the first to become due on November 10, 2017. The agreement states that, in the event of arrears or default by the State in payment of the agreed consecutive monthly installments, Cemig is authorized to retain dividends or Interest on Equity distributable to the State in proportion to the State's equity interest, for as long as the arrears and/or default continues.

However, the State of Minas Gerais government is contesting the Debt Recognition Agreement (‘TARD’) signed, in the previous years, once it believes that it was signed without obeying the legal requirements for validity of administrative acts, and has notified Cemig to reimburse the 2 installments previously settled, and also the dividends retained, totaling R$299,005.

To solve the issue through a negotiated solution for impasses, the dispute on the TARD was submitted to the Chamber of Administrative Prevention and Resolution of Conflicts (‘Câmara de Prevenção e Resolução Administrativa de Conflitos’ – CPRAC) of State of Minas Gerais, which is currently in the initial stages.

The balance receivable on September 30, 2021, amounts R$13,366 (R$11,614 on December 31, 2020). On June 30, 2021, the Company retained the remaining portion of dividends to be paid to State of Minas Gerais, and awaits development of the issue with CPRAC for the definitive write-off from accounts receivable of this remaining balance.

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

11. ESCROW DEPOSITS

	Consolidated		Parent company	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
Labor claims	**273,816**	**277,980**	**28,520**	**29,859**
Tax contingencies				
Income tax on Interest on Equity	29,333	29,045	296	290
PIS/Pasep and Cofins taxes (1)	67,525	66,452	-	-
Donations and legacy tax (ITCD)	55,242	54,497	54,282	53,547
Urban property tax (IPTU)	85,987	84,248	61,572	60,872
Finsocial tax	40,770	40,349	40,770	40,349
Income and Social Contr. Tax on indemnity for employees’ ‘Anuênio’ benefit (2)	288,346	285,836	13,847	13,727
Income tax withheld at source on inflationary profit	8,704	8,652	8,704	8,652
Income tax and contribution tax effective rate (3)	76,155	18,062	-	-
Others (4)	100,865	97,508	66,899	67,050
	752,927	**684,649**	**246,370**	**244,487**
Others				
Regulatory	52,056	51,605	19,899	19,690
Third party	10,898	9,105	5,151	3,469
Customer relations	8,187	7,595	1,203	1,214
Court embargo	16,052	12,881	4,959	2,583
Others	36,395	11,982	3,340	3,374
	123,588	**93,168**	**34,552**	**30,330**
	1,150,331	**1,055,797**	**309,442**	**304,676**

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

12. REIMBURSEMENT OF TARIFF SUBSIDIES

Subsidies on tariffs charged to users of distribution services – TUSD and EUST (Charges for Use of the Transmission System) are reimbursed to distributors through the funds from the Energy Development Account (CDE).

On September 30, 2021, the amount recognized as subsidies revenues was R$740,367 (R$787,769 on September 30, 2020). Of such amounts, Cemig D has a receivable of R$81,981, as of September 30, 2021 (R$82,616 on December 31, 2020) and Cemig GT has a receivable of R$3,419 (R$5,733 on December 31, 2020) in current assets.

13. CONCESSION FINANCIAL AND SECTOR ASSETS AND LIABILITIES

Consolidated	Sep. 30, 2021	Dec. 31, 2020
Concession financial assets		
Energy distribution concessions (13.1)	644,510	530,058
Gas distribution concessions (13.1)	33,852	29,183
Indemnifiable receivable – Generation (13.2)	816,202	816,202
Concession grant fee – Generation concessions (13.3)	2,710,769	2,549,198
	4,205,333	**3,924,641**
Sector financial assets		
Amounts receivable from Parcel A (CVA) and Other Financial Components (13.4)	1,921,926	132,681
Total	**6,127,259**	**4,057,322**
Current assets	**959,191**	**258,588**
Non-current assets	**5,168,068**	**3,798,734**

Consolidated	Sep. 30, 2021	Dec. 31, 2020
Sector financial liabilities		
Amounts receivable from Parcel A (CVA) and Other Financial Components (13.4)	98,537	231,322
Total	**98,537**	**231,322**
Current liabilities	**98,537**	**231,322**

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

	Generation	Distribution	Gas	Total
Balances at December 31, 2020	**3,365,400**	**530,058**	**29,183**	**3,924,641**
Transfers of contract assets	-	76,882	-	76,882
Additions	-	-	15	15
Monetary updating	368,842	37,959	4,654	411,455
Disposals	-	(389)	-	(389)
Amounts received	(207,271)	-	-	(207,271)
Balances at September 30, 2021	**3,526,971**	**644,510**	**33,852**	**4,205,333**

13.1 Distribution - Financial assets

The energy and gas distribution concession contracts are within the scope of ICPC 01 (IFRIC 12). The financial assets under these contracts refer to the investments made in infrastructure that will paid by grantor at the end of the concession period and they are measured at fair value through profit or loss, in accordance with regulation of the energy segment and concession contracts executed by Cemig and its subsidiaries and the granting authorities.

13.2 Generation – Indemnity receivable

As from August 2013, with the extinction of the concession for various plants operated by Cemig GT under Concession Contract 007/1997, the subsidiary has a right to receive an amount corresponding to the residual value of the infrastructure assets, as specified in the concession contract. These balances are recognized in financial assets, at fair value through profit or loss, and totaled R$816,202 on September 30, 2021 and December 31, 2020.

Generation plant	Concession expiration date	Installed capacity (MW)	Net balance of assets based on historical cost	Net balance of assets based on fair value (replacement cost)
Lot D				
UHE Três Marias	July 2015	396	71,694	413,450
UHE Salto Grande	July 2015	102	10,835	39,379
UHE Itutinga	July 2015	52	3,671	6,589
UHE Camargos	July 2015	46	7,818	23,095
PCH Piau	July 2015	18.01	1,531	9,005
PCH Gafanhoto	July 2015	14	1,232	10,262
PCH Peti	July 2015	9.4	1,346	7,871
PCH Dona Rita	Sep. 2013	2.41	534	534
PCH Tronqueiras	July 2015	8.5	1,908	12,323
PCH Joasal	July 2015	8.4	1,379	7,622
PCH Martins	July 2015	7.7	2,132	4,041
PCH Cajuru	July 2015	7.2	3,576	4,252
PCH Paciência	July 2015	4.08	728	3,936
PCH Marmelos	July 2015	4	616	4,265
Others				
UHE Volta Grande	Feb. 2017	380	25,621	70,118
UHE Miranda	Dec. 2016	408	26,710	22,546
UHE Jaguara	Aug. 2013	424	40,452	174,203
UHE São Simão	Jan. 2015	1,710	1,762	2,711
		3,601.70	**203,545**	**816,202**

As specified by the grantor (Aneel) in Normative Resolution 615/2014, the valuation reports that support the amounts in relation to the residual value of the plants, previously operated by Cemig GT, that were included in Lot D and for the *Volta Grande* plant have been submitted to the grantor. The Company does not expect any losses in the realization of these amounts.

On September 30, 2021, investments made after the Jaguara, São Simão and Miranda plants came into operation, in the amounts of R$174,203, R$2,711 and R$22,546, respectively, are recorded as concession financial assets, and the determination of the final amounts to be paid to the Company is in a process of discussion with Aneel (the grantor). The Company does not expect losses in realization of these amounts.

In 2019, Plubic Hearing 003/2019 was opened to obtain inputs on improvement of the regulation of criteria and procedures for calculation of investments in revertible assets, not yet amortized or not depreciated, of generation concessions (whether extended or not), under Law 12,783/2013, which resulted in the publication, on July 13, 2021, of Normative Resolution 942, by Aneel.

Under Normative Resolution 942, concession holders must attest the respective investments linked to reimbursable assets, based on an evaluation report, by July 12, 2022, – this period may be extended by Aneel for an equal period. According to Grantor's rules, the evaluation report must be prepared by a company accredited by Aneel, to be hired by the concession holder. Additionaly, the concession holders were required to state interest in receipt of the complementary amount until August 20, 2021. Cemig GT complied with this requirement within the specified period.

Appendix I of the said Resolution details the methodology and general criteria for calculation of investment portion linked to reversible assets, which must be based on the New Replacement Value – which is calculated, preferably, based on the reference database of prices, then, if it is not possible, by the concession holder's prices database, and, as the last alternative, by the updated inspected accounting cost.

The Company is assessing the effects of this resolution, and does not expect losses in its financial assets as a result of application of these new requirements.

13.3 Concession grant fee – Generation concessions

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

The changes in concession financial assets are as follows:

SPC	Plants	Dec. 31, 2020	Monetary updating	Amounts received	Sep. 30, 2021
Cemig Geração Três Marias S.A.	Três Marias	1,447,210	201,971	(111,367)	1,537,814
Cemig Geração Salto Grande S.A.	Salto Grande	454,256	63,598	(35,121)	482,733
Cemig Geração Itutinga S.A.	Itutinga	170,460	25,962	(14,932)	181,490
Cemig Geração Camargos S.A.	Camargos	127,814	19,373	(11,115)	136,072
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência and Piau	167,206	26,617	(15,640)	178,183
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	113,807	19,505	(11,877)	121,435
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto and Martins	68,445	11,816	(7,219)	73,042
Total		**2,549,198**	**368,842**	**(207,271)**	**2,710,769**

Of the energy produced by these plants, 70% is sold in the Regulated Market (ACR) and 30% in the Free Market (ACL).

Sector assets and liabilities

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

The balances on the CVA (*Compensation for Variation of Parcel A items*) Account, the account for Neutrality of Sector Charges, and *Other financial components* in the tariff calculation, refer to the positive and negative differences between the estimate of the Company's non-manageable costs and the payments actually made. The variations are subject to adjustment using the Selic rate and considered in the subsequent tariff adjustments.

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

Balance sheet	Sep. 30, 2021			Dec. 31, 2020		
	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Assets	**1,561,613**	**3,030,838**	**4,592,451**	**83,984**	**1,561,906**	**1,645,890**
Current assets	1,561,613	1,059,854	2,621,467	83,984	834,093	918,077
Non-current assets	-	1,970,984	1,970,984	-	727,813	727,813
Liabilities	**(1,660,150)**	**(1,108,912)**	**(2,769,062)**	**(246,242)**	**(1,498,289)**	**(1,744,531)**
Current liabilities	(1,660,150)	(375,308)	(2,035,458)	(246,242)	(903,157)	(1,149,399)
Non-current liabilities	-	(733,604)	(733,604)	-	(595,132)	(595,132)
Total current, net	**(98,537)**	**684,546**	**586,009**	**(162,258)**	**(69,064)**	**(231,322)**
Total non-current, net	**-**	**1,237,380**	**1,237,380**	**-**	**132,681**	**132,681**
Total, net	**(98,537)**	**1,921,926**	**1,823,389**	**(162,258)**	**63,617**	**(98,641)**

Financial components	Sep. 30, 2021			Dec. 31, 2020		
	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Items of 'Parcel A'						
Energy Development Account (CDE) quota	39,338	(45,306)	(5,968)	879	-	879
Tariff for use of transmission facilities of grid participants	231,740	111,159	342,899	847	217,778	218,625
Tariff for transport of Itaipu supply	20,673	(2,298)	18,375	103	17,618	17,721
Alternative power source program (Proinfa)	18,823	-	18,823	(138)	5,857	5,719
ESS/EER System Service/Energy Charges	48,321	193,622	241,943	(1,465)	38,549	37,084
Energy bought for resale	611,126	1,598,090	2,209,216	4,078	448,720	452,798
Other financial components						
Over contracting of supply (1)	(108,105)	121,139	13,034	(55,828)	165,793	109,965
Neutrality of Parcel A	38,830	101,809	140,639	(2,706)	109,965	107,259
Billing return – Covid Account (2)	(594,160)	-	(594,160)	-	(504,476)	(504,476)
Other financial items	(368,073)	(127,620)	(495,693)	(86,248)	(394,367)	(480,615)
Excess demand and reactive power	(37,050)	(28,669)	(65,719)	(21,780)	(41,820)	(63,600)
TOTAL	**(98,537)**	**1,921,926**	**1,823,389**	**(162,258)**	**63,617**	**(98,641)**

(1) Cemig D was over contracted in 2017 and 2018 and the gain arising from the sale of the excess of energy in the spot market was provisionally passed through to customers by Aneel in the tariff adjustments of 2018 and 2019, including the portion in excess of the limit of 105% of the regulatory load – thus reducing the tariff that was determined. To establish whether this is a voluntary over contracting, the Company considers that the portion above the regulatory limit will be recovered in the subsequent tariff adjustment. On August 27, 2020, Aneel published the Dispatch 2,508/2020-SRM-SGT, which set new amounts for distributors' over contracting for the years 2016 and 2017, based on a new valuation criterion established by Aneel Technical Note 97/2020-SRM-SGT – not contained in the regulatory rules which were currently in force. As a result, Cemig D filed an appeal with the Council of Aneel, for the amounts of distribution agents' over contracting to be reset in accordance with the calculation criteria based on maximum effort contained in Aneel Normative Resolution 453/2011. The Company's position on this case is reinforced by the fact that the Brazilian Energy Distributors' Association (Abradee) filed a similar appeal, supported by the opinion of contracted legal advisers. The Company has no expectation of loss in relation to realization of these amounts. The Company recognizes this receivable asset, in the amount of R$188,637 on September 30, 2021, as 'Other financial components' to be ratified. At the reporting date for this interim financial information, this matter was pending analysis by Aneel, however, the decision of SGT/SEM Dispatch 2508 of 2020 is in force, and was considered in the last tariff process, in which part of the amount relating to over contracting in 2017 was ratified, totaling R$39,270.

(2) This is a financial component created for return to customers of the amounts that were invoiced to them but received by Cemig from the Covid Account in 2020. These amounts will be returned to customers in the tariff process of 2021, duly updated by the Selic rate, with guarantee of neutrality.

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

Balance at December 31, 2020	**(98,641)**
Additions	1,702,991
Amortization	205,908
Transfer of other liabilities (1)	(15,121)
Updating – Selic rate (Note 28)	28,252
Balance at September 30, 2021	**1,823,389**

(1) Amounts relating to the reversal of the credits that could not be returned to customers in final billing, for the purpose of moderation of tariffs, as specified in §6 of Article 88 of REN 414/2010, included by REN 714/2016.

Tariff adjustment – Cemig D

On May 25, 2021 Aneel approved the Cemig D Annual Tariff Adjustment, effective from May 28, 2021 to May 27, 2022, with an average increase perceived by customers of 1.28% – its components included average increases of: 2.14% for high-voltage customers, and 0.89% for customers connected at low voltage. There was no adjustment to tariffs for residential customers connected at low voltage. This result arises from: (i) variation of 2.64% in the Parcel B costs, and the direct pass-throughs within the tariff, which were reduced by 1.37% – the latter having zero economic effect for the Company, not affecting profitability – relating to the following items: (a) increase of 8.84% in non-manageable costs (Parcel A), mainly related to purchase of energy supply, regulatory charges and transmission charges; (b) decrease of 8.80% in financial components of the current process, led by the reduction of R$1,573,000 relating to credits of PIS/Pasep and Cofins taxes, which generated a negative variation in the tariff of 9.67%, and the reversal of the Covid account (8.78%); and (c) withdrawal of 1.41% from the financial components of the prior process.

14. CONCESSION CONTRACT ASSETS

Under IFRS 15 / CPC 47 – *Revenue from contracts with customers*, concession infrastructure assets recognized during the period of construction for which the right to consideration depends on satisfaction of a performance obligations related to the completion of its construction, or its future operation and maintenance are classified as contract assets. The balances of these on September, 30, 2021 were as follows:

Consolidated	Sep. 30, 2021	Dec. 31, 2020
Distribution – Infrastructure assets under construction	1,600,286	1,141,599
Gas – Infrastructure assets under construction	84,417	94,115
National Grid (‘BNES’ - Basic Network of the Existing System) - Law 12,783/13	1,985,190	1,895,854
Transmission – Assets remunerated by tariff	2,105,999	1,848,504
	5,775,892	**4,980,072**
Current	**559,885**	**737,110**
Non-current	**5,216,007**	**4,242,962**

Changes in concession contract assets are as follows:

	Transmission	Distribution	Gas	Total
Balance at December 31, 2020	**3,744,358**	**1,141,599**	**94,115**	**4,980,072**
Additions	137,828	1,186,654	30,436	1,354,918
Inflation adjustment	462,422	-	-	462,422
Results of the Periodic Tariff Revision	238,815	-	-	238,815
Amounts received	(488,248)	-	-	(488,248)
Disposals	(3,986)	-	(3,506)	(7,492)
Others additions	-	-	4,855	4,855
Transfers to financial assets	-	(76,882)	-	(76,882)
Transfers to intangible assets	-	(654,807)	(41,483)	(696,290)
Impairment	-	3,722	-	3,722
Balance at September 30, 2021	**4,091,189**	**1,600,286**	**84,417**	**5,775,892**

The amount of additions in the period ended September 30, 2021 includes R$5,701 under the heading capitalized borrowing costs, as presented in Note 21.

Energy and gas distribution activities

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

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

The transmission activity

For transmission concessions, the consideration to be paid to the Company arises from the concession contracts n. 006/97, n. 079/00 and n. 004/05, as follows:

	Sep. 30, 2021	Dec. 31, 2020
Current		
Concession contract - 004/05	26,485	18,680
Concession contract - 079/00	37,796	28,600
Concession contract - 006/97		
National Grid ('BNES' - Basic Network of the Existing System)	297,578	533,430
National Grid - new facilities (RBNI)	198,026	156,400
	559,885	**737,110**
Non-current		
Concession contract - 004/05	92,736	90,977
Concession contract - 079/00	153,758	132,589
Concession contract - 006/97		
National Grid ('BNES' - Basic Network of the Existing System)	1,687,613	1,362,424
National Grid - new facilities (RBNI)	1,597,197	1,421,259
	3,531,304	**3,007,249**
	4,091,189	**3,744,359**

a) Concession contract nº. 006/97

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, in effect until December 31, 2042.

The contract was renewed on December 4, 2012, for 30 years, from January 1, 2013, under Provisional Act 579 of September 11, 2012 (converted into Law 12,783/2013), which specified reimbursement for the assets that had not been depreciated on December, 31, 2012.

On June 30, 2020, Aneel ratified the results of the Periodic Tariff Review for Contract 006/1997, through Ratifying Resolution 2,712/2020, setting the repositioning of the Permitted Annual Revenue (RAP), to be applied from July 1, 2018. In this process the RAP of the 2018-19 cycle was increased by 9.13% from the provisional amount of RAP for the same period. Although this revision was finalized only in 2020, its effects were backdated to July 2018.

As a result of the Periodic Tariff Review, the company recognized gains of R$528,598 in its 2020 results, comprising R$321,453 for the RBNI assets and R$ 207,145 for the BNES assets, corresponding to the extension of the concessions, under Law 12,783/13, included in the Regulatory Remuneration Base.

On April 22, 2021, Resolution 2,852 altered the repositioning of the RAP set by Resolution 2,712/2020, with effect backdated to July 1, 2018, and also the Adjustment Portion of the Review, with financial effects on the adjustment of RAP for the 2021-22 cycle, to be in effect from July 1, 2021 to June 30, 2022.

On December 31, 2020, as described in Note 2.3, the Company reclassified to contract asset the amounts recorded as financial asset at the first adoption of CPC 47/ IFRS 15, related to the National Grid ('BNES' - Basic Network of the Existing System) financial portion, which represents the amount to be paid since the extension of the concessions until its incorporation into the tariff, to be received in 8 years, and exclusively represented installments not paid from 2013 to 2017, updated by the regulatory cost of capital of the transmission sector. The amounts reclassified for the period ended on September 30, 2020 is R$1,211,275.

The next Periodic Tariff Review (RTP) will take place in June 2023, with effect from July 1, 2023. The indexer used to update the contract is the Expanded Consumer Price Index (Índice de Preços ao Consumidor Amplo –IPCA).

National Grid Assets- 'BNES' - Basic Network of the Existing System – the regulatory cost of capital updating

On April 10, 2017, a preliminary injunction was granted to the Brazilian Large Free Customers' Association (*Associação Brasileira de Grandes Consumidores Livres*), the Brazilian Auto Glass Industry Technical Association (*Associação Técnica Brasileira das Indústrias Automáticas de Vidro*) and the Brazilian Ferro-alloys and Silicon Metal Producers' Association (*Associação Brasileira dos Produtores de Ferroligas e de Silicio Metálico*) in their legal action against the grantor and the Federal Government requesting suspension of the effects on their tariffs of remuneration at cost of equity of portions of "National Grid" assets not yet paid from 2013 to 2017 owned to the agents that accepted the terms of Law 12,783/13.

On June 2020, due to revocation of the majority of the injunctions, and in compliance with the Execution Opinions issued by the Federal Public Attorneys' Office to Aneel, the effects caused by the reversal of these injunctions were calculated, for inclusion of the cost of equity in the transmission revenue starting with the 2020-21 cycle, considering all retrospective effects, including those arising from the assumptions adopted in the 2018 RAP periodic reset.

At this moment Aneel provisionally ratified only the inclusion of the cost of equity updated by IPCA index of the period between the 2017-18 and 2019-20 tariff cycles, considering the need for deeper examination of the legal conditions for analysis of the Company's appeal, which require the inclusion of the WACC remuneration for the periods in which it was suspended.

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 01, 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 Ratifying Resolution 2,852, which altered Ratifying Resolution 2,712/2020, defining, among other provisions, the financial component referred to. The judgment vote attached to the Resolution states that, in compliance with the Execution Order Opinion issued by the Federal Procurator applying to Aneel, the cost of own 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 2020-21 to 2025-26; and (2) a residual value for the difference between the amount paid to the transmission companies in the 2017-18 and 2019-20 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 of own capital, up to the date of actual payment (July 1, 2020), after discounting the amounts paid, brought to present value.

However, owing to the pandemic scenario and its potential impacts on energy sector liquidity, 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 2021-22 cycle, that is, say, with zero amortization of the debt portion of the balance; in the 2022-23 cycle there is amortization at a rate of 3.0%, so as to amortize part of the debt and keep the level of payments stable; and there are then constant payments over the cycles of 2023-24 to 2027-28, with amortization rates of 16.11% per year. Thus, to achieve regulatory stability and mitigate sector risk, this RAP's financial component might not be included in 2023 periodic review. The effects on short-term contractual assets due to the reduction of amortization in the two annual cycles of 2021–2022 and 2022–2023, corresponding to R$270,564, which was reclassified to long-term.

The Company recognized the effects of the decision by Aneel put into effect by Ratifying Resolution 2,852/2021, in the second quarter of 2021, amounting to R$211,246, based on recalculation of the financial component including the remuneration of capital at the rate of cost of own capital, substituting the weighted average regulatory cost of capital, for the period from June 2017 to June 2020, and the new amounts of the component for the cycles of 2020-21 and 2025-26, taking into account the reprofiling of the payments under the terms of the Resolution.

b) Concession contract nº. 079/00

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.

On December 15, 2020, the Resolution 2,825/2020 ratified the RAP Periodic Tariff Review of bid contracts of energy transmission, whose tariff review was scheduled for July, 2019. Only of the revenues provisionally established, arising from enhancements and upgrades authorizations are reset. The Periodic Tariff Review resulted in recognition of a gain of R$23,254 in the Company's net profit for 2020.

In response to the results decided by the Ratifying Resolution, Cemig GT presented an application for reconsideration, which resulted in Aneel recognizing the following inconsistencies: (i) no discount on the reassessed amount of the rates of PIS, Pasep and Cofins taxes relating to the benefit under REIDI (the Special Infrastructure Development Incentives Regime – Regime Especial de Incentivos para o Desenvolvimento da Infraestrutura), and (ii) material error in the recognition of the amounts of the average annual depreciation rate. As a result, the amounts of the RAPs and the Adjustment Portions for contract 079/00 of Cemig GT were altered, in accordance with Ratifying Resolution 2,839 of March 30, 2021, generating a positive adjustment of R$6,036 in Contractual assets at March 31, 2021. The total amount of revenue recognized in the profit for the period in relation to the Tariff Review, net of applicable taxes, is R$5,816.

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

The next Periodic Tariff Review (RTP) of the enhancements that have been approved will take place in June 2024, and be in effect from July 1, 2024. The indexer used for adjustment of the contract is the General Market Prices Index (Índice Geral de Preços do Mercado – IGPM).

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).

On July 13, 2021, Aneel established the RAP (Annual Permitted Revenue) for the 2021–22 cycle, by Ratifying Resolution 2,895, which was amended by Ratifying Resolution 2,959 on October 5, 2021, due to applications for reconsideration filed by the transmission concession agents, including the Company.

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

15. INVESTMENTS

Investees	Control	Consolidated		Parent company	
		Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
Cemig Geração e Transmissão	Subsidiary	-	-	8,056,447	5,921,159
Hidrelétrica Cachoeirão	Jointly-controlled	51,376	53,215	-	-
Guanhães Energia	Jointly-controlled	131,417	131,391	-	-
Hidrelétrica Pipoca	Jointly-controlled	43,656	35,552	-	-
Retiro Baixo	Jointly-controlled	200,279	195,235	-	-
Aliança Norte (*Belo Monte* Plant)	Jointly-controlled	614,583	631,227	-	-
Amazônia Energia (*Belo Monte* Plant)	Jointly-controlled	939,584	965,255	-	-
Madeira Energia (*Santo Antônio* Plant)	Affiliated	113,094	209,374	-	-
FIP Melbourne (*Santo Antônio* Plant)	Affiliated	79,323	157,476	-	-
Lightger	Jointly-controlled	133,411	130,794	-	-
Baguari Energia	Jointly-controlled	163,990	159,029	-	-
Aliança Geração	Jointly-controlled	1,395,864	1,166,240	-	-
Cemig Distribuição	Subsidiary	-	-	6,874,170	6,021,630
Taesa	Jointly-controlled	1,622,186	1,467,445	1,622,186	1,467,445
Ativas Data Center	Affiliated	16,552	16,799	16,552	16,799
Gasmig	Subsidiary	-	-	1,604,219	1,495,599
Cemig Sim	Subsidiary	-	-	110,400	94,098
UFV Janaúba Geração de Energia Elétrica Distribuída	Jointly-controlled	9,411	10,467	-	-
UFV Manga Geração de Energia Elétrica Distribuída	Jointly-controlled	11,030	11,416	-	-
UFV Corinto Geração de Energia Elétrica Distribuída	Jointly-controlled	8,992	9,212	-	-
UFV Bonfinópolis Geração de Energia Elétrica Distribuída	Jointly-controlled	6,457	6,144	-	-
UFV Lagoa Grande Geração de Energia Elétrica Distribuída	Jointly-controlled	14,699	15,059	-	-
UFV Lontra Geração de Energia Elétrica Distribuída	Jointly-controlled	17,727	16,899	-	-
UFV Mato Verde Geração de Energia Elétrica Distribuída	Jointly-controlled	6,049	6,182	-	-
UFV Mirabela Geração de Energia Elétrica Distribuída	Jointly-controlled	4,033	3,989	-	-
UFV Porteirinha I Geração de Energia Elétrica Distribuída	Jointly-controlled	5,224	6,075	-	-
UFV Porteirinha II Geração de Energia Elétrica Distribuída	Jointly-controlled	6,356	6,382	-	-
UFV Brasilândia Geração de Energia Elétrica Distribuída (1)	Jointly-controlled	14,347	-	-	-
Companhia de Transmissão Centroeste de Minas	Subsidiary	-	-	123,586	118,217
Axxiom Soluções Tecnológicas	Jointly-controlled	3,925	4,436	3,925	4,436
Total of investments		**5,613,565**	**5,415,293**	**18,411,485**	**15,139,383**
Itaocara – equity deficit (2)	Jointly-controlled	(28,972)	(29,615)	-	-
Total		**5,584,593**	**5,385,678**	**18,411,485**	**15,139,383**

(1) On March 31, 2021, through its wholly-owned subsidiary Cemig Soluções Inteligentes em Energia S.A. (Cemig Sim), the Company acquired 49% of the specialized generation company UFV Brasilândia Geração de Energia Elétrica Distribuída S.A. ('Brasilândia'), which operates in photovoltaic solar generation for the distributed generation market, with installed capacity of 7.35 MWp, for R$12,558, achieving a fair value gain of R$1,961.

(2) On September 30, 2021 and December 31, 2020, the investee has negative net equity. Thus, after reducing the accounting value of its interest to zero, the Company recognized the provision for losses to the extent of its obligations, in the amount of R$28,972 (R$29,615 on December 31, 2020), resulting from contractual obligations assumed with the jointly-controlled entity and the other shareholders. The loss is recorded in the balance sheet in Other obligations.

The Company’s investees that are not consolidated are jointly-controlled entities, with the exception of the interests in the affiliates Madeira Energia (Santo Antônio plant), Ativas Data Center and Light, the latter was classified as an asset held for sale at December, 31, 2020, and its sale was completed on January 22, 2021. See Note 32 for more information about the Light’s sale.

For the quarter ended of September 30, 2021, management evaluates if the economic shock of the Covid-19 pandemic (Note 1b), of potential decline in value of assets, as referred to in IAS 36 – *Impairments of Assets*. As a result of the analyzes, the Company concluded that the pandemic brought cyclical effects and the expectation of assets long-term realization underwent no change, thus, there were no losses in the recoverable value of its investments. Thus, the reported assets net carrying amount is recoverable, and thus that there was no need to recognize any impairment loss in the Company nor its subsidiaries as a result of the current economic scenario.

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

a) Right to exploitation of the regulated activity

In the process of allocating the purchase price for of the acquisition of the jointly-controlled 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. 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$50,395 (R$53,858 on December 31, 2020) and R$68,900 (R$73,983 on December 31, 2020), respectively, are included in the interim financial information of the subsidiary Cemig GT and of the Company, respectively, and 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. For further information see Note 17.

Changes in these assets are as follows:

PARENT COMPANY			
Investees	**Dec. 31, 2020**	**Amortization**	**Sep. 30, 2021**
Lightger	78,989	(1,876)	77,113
Taesa	160,783	(6,991)	153,792
Gasmig	411,503	(11,443)	400,060
TOTAL	**651,275**	**(20,310)**	**630,965**

CONSOLIDATED			
Investees	**Dec. 31, 2020**	**Amortization**	**Sep. 30, 2021**
Cemig Geração e Transmissão			
Retiro Baixo	29,187	(1,042)	28,145
Madeira Energia (Santo Antônio Plant)	16,526	(554)	15,972
Lightger	78,989	(1,876)	77,113
Aliança Geração	326,915	(18,982)	307,933
Aliança Norte (Belo Monte Plant)	48,632	(1,479)	47,153
Taesa	160,783	(6,991)	153,792
TOTAL	**661,032**	**(30,924)**	**630,108**

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

PARENT COMPANY						
Investees	**Dec. 31, 2020**	**Gain (loss) by equity method (Income statement)**	**Dividends**	**Additions / acquisitions**	**Others**	**Sep. 30, 2021**
Cemig Geração e Transmissão (1)	5,921,159	920,422	(135,134)	1,350,000	-	8,056,447
Cemig Distribuição	6,021,630	1,139,768	(287,228)	-	-	6,874,170
Ativas Data Center	16,799	(247)	-	-	-	16,552
Gasmig	1,495,599	254,357	(145,906)	-	169	1,604,219
Cemig Sim	94,098	4,526	(782)	12,558	-	110,400
Companhia de Transmissão Centroeste de Minas	118,217	16,407	(11,038)	-	-	123,586
Axxiom Soluções Tecnológicas	4,436	(1,932)	-	1,421	-	3,925
Taesa	1,467,445	377,684	(222,943)	-	-	1,622,186
	15,139,383	**2,710,985**	**(803,031)**	**1,363,979**	**169**	**18,411,485**

(1) On July 30, 2021, the Company made an advance for future capital increase in Cemig GT, of R$1,350,000, in order to provide the resources for the Cash Tender offer implementation. For further information about the Tender Offer, see Note 21.

CONSOLIDATED					
Investees	**Dec. 31, 2020**	**Gain (loss) by equity method (Income statement)**	**Dividends**	**Additions / acquisitions**	**Sep. 30, 2021**
Hidrelétrica Cachoeirão	53,215	6,492	(8,331)	-	51,376
Guanhães Energia	131,391	26	-	-	131,417
Hidrelétrica Pipoca	35,552	8,104	-	-	43,656
Madeira Energia (Santo Antônio Plant)	209,374	(96,280)	-	-	113,094
FIP Melbourne (Santo Antônio Plant)	157,476	(78,153)	-	-	79,323
Lightger	130,794	2,617	-	-	133,411
Baguari Energia	159,029	15,796	(10,835)	-	163,990
Amazônia Energia (Belo Monte Plant)	965,255	(25,671)	-	-	939,584
Aliança Norte (Belo Monte Plant)	631,227	(16,644)	-	-	614,583
Ativas Data Center	16,799	(247)	-	-	16,552
Taesa	1,467,445	377,684	(222,943)	-	1,622,186
Aliança Geração	1,166,240	229,624	-	-	1,395,864
Retiro Baixo	195,235	8,973	(3,929)	-	200,279
UFV Janaúba Geração de Energia Elétrica Distribuída	10,467	1,177	(2,233)	-	9,411
UFV Corinto Geração de Energia Elétrica Distribuída	9,212	930	(1,150)	-	8,992
UFV Manga Geração de Energia Elétrica Distribuída	11,416	1,227	(1,613)	-	11,030
UFV Bonfinópolis II Geração de Energia Elétrica Distribuída	6,144	399	(86)	-	6,457
UFV Lagoa Grande Geração de Energia Elétrica Distribuída	15,059	1,111	(1,471)	-	14,699
UFV Lontra Geração de Energia Elétrica Distribuída	16,899	828	-	-	17,727
UFV Mato Verde Geração de Energia Elétrica Distribuída	6,182	383	(516)	-	6,049
UFV Mirabela Geração de Energia Elétrica Distribuída	3,989	462	(418)	-	4,033
UFV Porteirinha I Geração de Energia Elétrica Distribuída	6,075	(556)	(295)	-	5,224
UFV Porteirinha II Geração de Energia Elétrica Distribuída	6,382	489	(515)	-	6,356
UFV Brasilândia Geração de Energia Elétrica Distribuída (2)	-	2,675	(886)	12,558	14,347
Axxiom Soluções Tecnológicas	4,436	(1,932)	-	1,421	3,925
Total of investments	**5,415,293**	**439,514**	**(255,221)**	**13,979**	**5,613,565**
Itaocara – equity deficit (1)	(29,615)	(716)	-	1,359	(28,972)
Total	**5,385,678**	**438,798**	**(255,221)**	**15,338**	**5,584,593**

(1) On December 31, 2020, the investee had negative shareholders' equity. Thus, after reducing the accounting value of its interest to zero, the Company recognized the provision for losses on investments, in the amount of R$29,615, resulting from contractual obligations assumed with the subsidiary and the other shareholders.

(2) Includes the amount of R$1,961 of the acquisition of the jointly-controlled subsidiary UFV Brasilândia.

Changes in dividends receivable are as follows:

	Consolidated	Parent company
Balance at December 31, 2020	**188,327**	**1,272,878**
Investees' dividends proposed	255,221	803,031
Amounts received	(354,136)	(1,132,719)
Withholding income tax received from subsidiary	(2,111)	(69,990)
Balance at September 30, 2021	**87,301**	**873,200**

c) Information This table gives the main information on the subsidiaries and affiliates, not adjusted for the percentage represented by the Company's ownership interest:

Investee	Number of shares	Sep. 30, 2021			Dec. 31, 2020		
		Cemig interest (%)	Share capital	Equity	Cemig interest (%)	Share capital	Equity (Restated)
Cemig Geração e Transmissão (4)	2,896,785,358	100.00	4,000,000	7,979,334	100.00	4,000,000	5,842,171
Madeira Energia (Santo Antônio Plant)	12,034,025,147	15.51	10,619,786	1,137,817	15.51	10,619,786	2,259,093
Hidrelétrica Cachoeirão	35,000,000	49.00	35,000	104,851	49.00	35,000	108,602
Guanhães Energia	548,626,000	49.00	548,626	268,198	49.00	548,626	268,144
Hidrelétrica Pipoca	41,360,000	49.00	41,360	89,094	49.00	41,360	72,554
Baguari Energia (1)	26,157,300,278	69.39	186,573	236,338	69.39	186,573	229,189
Central Eólica Praias de Parajuru	85,834,843	100.00	85,835	113,232	100.00	70,560	107,204
Central Eólica Volta do Rio	274,867,441	100.00	274,867	181,355	100.00	117,230	171,453
Lightger	79,078,937	49.00	79,232	114,893	49.00	79,232	105,724
Aliança Norte (Belo Monte Plant)	41,923,360,811	49.00	1,209,043	1,158,019	49.00	1,209,043	1,188,963
Amazônia Energia (Belo Monte Plant) (1)	1,322,697,723	74.50	1,322,698	1,261,186	74.50	1,322,698	1,295,644
Aliança Geração	1,291,582,500	45.00	1,291,488	2,419,384	45.00	1,291,488	1,857,905
Retiro Baixo	225,350,000	49.90	225,350	344,959	49.90	225,350	324,810
Renova (1) (2)	109,480,048	13.80	3,349,936	(828,222)	36.23	2,960,776	(1,107,637)
Usina Hidrelétrica Itaocara S.A.	74,481,500	49.00	74,482	(59,127)	49.00	71,709	(60,438)
Cemig Baguari	406,000	100.00	406	92	100.00	356	55
Cemig Ger. Três Marias S.A.	1,291,423,369	100.00	1,291,423	1,588,480	100.00	1,291,423	1,452,217
Cemig Ger. Salto Grande S.A.	405,267,607	100.00	405,268	505,805	100.00	405,268	455,480
Cemig Ger. Itutinga S.A.	151,309,332	100.00	151,309	205,776	100.00	151,309	179,745
Cemig Geração Camargos S.A.	113,499,102	100.00	113,499	159,859	100.00	113,499	143,704
Cemig Geração Sul S.A.	148,146,505	100.00	148,147	205,627	100.00	148,147	174,006
Cemig Geração Leste S.A.	100,568,929	100.00	100,569	137,474	100.00	100,569	127,128
Cemig Geração Oeste S.A.	60,595,484	100.00	60,595	99,602	100.00	60,595	83,870
Rosal Energia S.A.	46,944,467	100.00	46,944	124,751	100.00	46,944	127,019
Sá Carvalho S.A.	361,200,000	100.00	36,833	130,486	100.00	36,833	115,486
Horizontes Energia S.A.	39,257,563	100.00	39,258	65,023	100.00	39,258	55,461
Cemig PCH S.A.	45,952,000	100.00	45,952	105,687	100.00	45,952	89,898
Cemig Geração Poço Fundo S.A. (3)	1,602,000	100.00	1,602	106,051	100.00	1,402	3,801
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	486,000	100.00	486	6,836	100.00	486	56,838
Cemig Trading S.A.	1,000,000	100.00	1,000	2,086	100.00	1,000	30,315
Cemig Distribuição	2,359,113,452	100.00	5,371,998	6,874,170	100.00	5,371,998	6,021,630
Taesa	1,033,496,721	21.68	3,042,034	6,925,829	21.68	3,042,034	6,025,904
Ativas Data Center	456,540,718	19.60	182,063	84,447	19.60	182,063	85,711
Gasmig	409,255,483	99.57	665,430	1,209,360	99.57	665,429	1,079,410
Cemig Sim	24,431,845	100.00	102,153	110,400	100.00	24,432	94,098
Companhia de Transmissão Centroeste de Minas	28,000,000	100.00	28,000	123,586	100.00	28,000	118,217
Axxiom Soluções Tecnológicas	68,064,706	49.00	68,065	8,010	49.00	65,165	9,054
UFV Janaúba Geração de Energia Elétrica Distribuída	18,509,900	49.00	18,510	19,205	49.00	18,510	21,362
UFV Corinto Geração de Energia Elétrica Distribuída	18,000,000	49.00	18,000	18,348	49.00	18,000	18,798
UFV Manga Geração de Energia Elétrica Distribuída	21,660,575	49.00	21,660	21,604	49.00	21,661	22,128
UFV Bonfinópolis Geração de Energia Elétrica Distribuída	13,197,187	49.00	13,197	13,280	49.00	13,197	12,514
UFV Lagoa Grande Geração de Energia Elétrica Distribuída	25,471,844	49.00	25,472	25,810	49.00	25,472	25,997
UFV Lontra Geração de Energia Elétrica Distribuída	29,010,219	49.00	29,010	29,127	49.00	29,010	27,334
UFV Mato Verde Geração de Energia Elétrica Distribuída	11,030,391	49.00	11,030	11,156	49.00	11,030	11,135
UFV Mirabela Geração de Energia Elétrica Distribuída	9,320,875	49.00	9,321	9,416	49.00	9,321	9,306
UFV Porteirinha I Geração de Energia Elétrica Distribuída	12,348,392	49.00	12,348	12,426	49.00	12,348	12,236
UFV Porteirinha II Geração de Energia Elétrica Distribuída	11,702,733	49.00	11,703	11,833	49.00	11,703	11,750
UFV Brasilândia Geração de Energia Elétrica Distribuída	25,629,900	49.00	25,879	26,168	-	-	-

(1) Jointly-control under a Shareholders' Agreement.

(2) In view of Renova's negative net equity, the Company reduced to zero the carrying amount of its equity interests in this investee, at December 31, 2018. On May 6, 2021 and August 23, 2021, the Board of Directors of Renova ratified the amount of the increase in its share capital to R$3,295,173 and R$3,349,936, respectively. Since Cemig did not take part in the capital increase, its equity interest was reduced to 27.22% of the voting share and 13.80% of the total share. On November 11, 2021, Cemig GT signed an agreement for share purchase and receivables rights assignment for consideration in order to sell its total equity interest in this investee, as well to assign, for consideration, the rights of receivables from the investee. For more information, see Note 35(b).

(3) By its Authorizing Resolution 9,735 of February 23, 2021, Aneel authorized transfer of ownership of the concession of the Poço Fundo Small Hydro Plant from Cemig Geração e Transmissão S.A. to Cemig Geração Poço Fundo S.A. The transfer was formalized by signature of a new concession contract, Nº. 01/2021, on April 16, 2021. In the third quarter, Cemig GT transferred to this investee, as an advance against future capital increase, the assets related to the Poço Fundo Small Hydro Plant, in the amount of R$ 77,483, as well as the amount of R$ 20,000, in cash.

(4) On July 30, 2021, the Company made an advance for future capital increase in Cemig GT, of R$1,350,000, in order to provide the resources for the Cash Tender offer implementation. For further information about the Tender Offer, please see Note 21.

Madeira Energia S.A. ('MESA') and FIP Melbourne

MESA is the parent company of Santo Antônio Energia S.A ('SAESA'), whose objects are operation and maintenance of the *Santo Antônio* Hydroelectric Plant and its transmission system, on the Madeira River, and all activities necessary for operation of the plant and its transmission system. Between the shareholders include Furnas, Odebrecht Energia, SAAG and the Company.

On September 30, 2021, MESA reported a loss of R$1,121,276 (R$814,530 on September 30, 2020) and negative net working capital of R$570,119 (R$204,792 on December 31, 2020). It should be noted that hydroelectric projects constituted using project finance structurally present negative net working capital in the first years of operation, because they are built using high levels of financial leverage. On the other hand, they have firm contracts for sales of energy supply over the long term as support and guarantee of payment of their debts. To balance the situation of negative working capital, in addition to its long-term sale contracts that ensure regularity in its operational cash flow, MESA count with the benefits of its debt reprofiling, which adjusted the flow of payments of the debt to its cash generation capacity, so that the investee does not depend on additional investment from the shareholders.

Arbitration proceedings

In 2014, Cemig GT and SAAG Investimentos S.A. (SAAG), a vehicle through which Cemig GT holds an indirect equity interest in MESA, opened arbitration proceedings, in the Market Arbitration Chamber, challenging the following: (a) the adjustment for impairment carried out by the Executive Board of MESA, in the amount of R$678 million approximately, relating to certain credits owed to Mesa by CCSA, based on absence of quantification of the amounts supposedly owed, and absence of prior approval by the Board of Directors, as required by the by laws and Shareholders' Agreement of MESA; and also on the existence of credits owed to MESA by CCSA, for an amount greater than the claims; and (b) against the adjustment for impairment carried out by the Executive Board of MESA, in the amount of R$678 million, relating to certain credits owed to Mesa by CCSA, on the grounds that those credits are owed in their totality by express provision of contract.

The arbitration judgment recognized the right of Cemig GT and SAAG in full, and ordered the annulment of the acts being impugned. As a consequence of this decision, MESA reversed the impairment, and posted a provision for receivables in the amount of R$678 million in its financial statements as of December 31, 2017. On September 30, 2021, the investee confirmed its assets recoverability expectation and maintained the provision for receivables in the amount of R$678 million.

To resolve the question of the liability of the CCSA consortium to reimburse the costs of re-establishment of the collateral and use of the contractual limiting factor, the affiliated company opened arbitration proceedings with the International Chamber of Commerce (ICC) against CCSA, which are in progress. This process is confidential under the Arbitration Regulations of the ICC.

Cemig GT and SAAG Investimentos S.A. applied to the judiciary for provisional remedy prior to the arbitration proceeding, to suspend the effects of the capital increase approved by an Extraordinary General Meeting of Shareholders of Mesa held on August 28, 2018. This process is confidential under the Arbitration Regulations of the Market Arbitration Chamber.

Renova Energia S.A. ('Renova') – In-court supervised reorganization

For 3Q21, Renova reported: a loss of R$129,533 in the quarter (R$222,939 in 3Q20); accumulated losses to September 30, 2021 of R$ 4,123,720 (R$3,994,187 to December 31, 2020); and negative equity (uncovered liabilities) of R$828,222 (R$1,107,637 at December 31, 2020). On September 30, 2021, Renova had positive working capital of R$356,750 (R$272,539 at December, 31, 2020), reflecting the effects of the Court supervised reorganization Plan, which enabled signature of agreements to resolve the situation of the group's liabilities, with renegotiation of interest rates and lengthening of periods for settlement of debt.

In view of the investee's negative net equity, the Cemig GT reduced the carrying amount of its equity interests in Renova, at December 31, 2018, to zero. No further losses have been recognized, considering the non-existence of any legal or constructive obligations to the investee.

Additionally, the Cemig GT recognized, since June 30, 2019, an impairment of the receivable with jointly-controlled entity, in the amount of R$688 million.

Renova for in-court supervised reorganization

On October 16, 2019, was granted court supervised reorganization petition applied by Renova, and by the other companies of the group ('the Renova Group').

On October 25, 2019, Cemig GT made an Advance for Future Capital Increase to Renova, of R$5,000 and subsequently was agreeded between the Company and Renova a Debtor in Possession (DIP) loan agreements in the total amount of R$36.5 million. The funds of these loans, made under specific rules of court supervised reorganization proceedings, were necessary to support the expenses of maintaining the activities of Renova, and were authorized by the second State of São Paulo Bankruptcy and Court Supervised Reorganization Court. They are guaranteed by a fiduciary assignment of shares in a company owning assets of a wind power project owned by Renova, in the approximate amount of R$60 million, and they also have priority of receipt in the court supervised reorganization process, in the sale of this asset given as guarantee.

On September 21, 2020, Renova approved the proposal made by the Company for suspension of the obligations in the PPA signed between them, as amended from time to time, for incentive-bearing wind power which were linked to phase A of the Alto Sertão III Wind Complex. The suspension will remain in effect until the beginning of the commercial operation of the facilities aimed at the Free Market, planned for December 2022, and is duly aligned with the strategic planning set out for compliance with the Renova reorganization plan.

On December 18, 2020, the General Meeting of Creditors approved the court supervised reorganization plans submitted to the court by Renova. The economic and financial reasonableness of the two plans was presented at the creditors' meeting, as follows:

(i) raising of a bridge loan for completion of the Alto Sertão III wind complex – this was signed on December 17, 2020, in the amount of R$350 million, in the Debtor in Possession (DIP) financing form, by the subsidiary Chipley SP Participações S.A., with co-obligations by Renova Energia S.A. and Renova Participações S.A., to be allocated specifically to resumption of the works on Phase A of the Alto Sertão III Wind Complex;
(ii) sale of assets, principally the shareholding in Brasil PCH, and some wind power ongoing projects;
(iii) renegotiation of the period for settlement of liabilities, with alteration only of maturities, and not amounts; and
(iv) conclusion of the works on the Alto Sertão III Wind Complex.

In this sense, the plans describe the means of recovery in detail, give details of the DIP bridge loan, identify the Isolated Production Units (UPIs) and specify the procedure for resources disposal and allocation.

On February 11, 2021, *PSS Principal Fundo de Investimento em Participações Multiestratégia*, managed by *Prisma Capital Ltda*., won the competitive tender for sale of the Phase B UPI specified in the Renova Group's court supervised reorganization Plan, with the proposal of R$58,386. Renova and the PSS Principal Fund signed, on March 2, 2021, the contract for purchase of shares of the Phase B UPI on the terms specified in the Tender of that UPI and in the Renova Group's court supervised reorganization Plan, with the conclusion of the sale process on April 5, 2021, for the amount of R$59,807,after pre-closing adjustments, which is 19.61% higher than the minimum amount specified in the Plan.

On March 5, 2021, in the context of the court supervised reorganization, Renova received R$362,465 from the Debtor in Possession financing contracted by its subsidiary Chipley SP Participações S.A. – in-court supervised reorganization with co-obligations by Renova and Renova Participações S.A. – in-court supervised reorganization, through a Bank Credit Note structured by *Quadra Gestão de Recursos S.A.* (‘*Quadra Capital’*) and issued in favor of *QI Sociedade de Crédito Ltda*., as specified and authorized in the court supervised reorganization proceedings of the Renova Group, currently under the 2nd Court for Bankruptcies and Court supervised Reorganization of the Legal District of São Paulo State. The funds obtained will enable resumption of the works for conclusion of construction and start of commercial operation of Phase A of Alto Sertão III.

On May 6, 2021 the Board of Directors of Renova approved partial ratification of the increase of R$334,397 in the share capital, corresponding to the amount of the credits to be capitalized under the terms of the court supervised reorganization plan. Cemig GT was not part of the group of creditors that requested conversion of their credits into equity, and also will not subscribe any part of the capital increase. As a result, the equity interest held by the Company in Renova was reduced 48.21% to 29.72% of the common share and 36.23% to 15.09% of the total share. There was no effect on the present jointly control of Renova.

On August 23, 2021, the Renova Board of Directors approved partial ratification of its second capital increase, in the amount of R$ 54,763, within the limit of the authorized capital, and in accordance with the terms of the court supervised reorganization plan. Due to this capitalization, the debt of Renova within the Court supervised reorganization plan was reduced by R$53,855, thus advancing the achievement of its court supervised reorganization objects. Cemig GT was not part of the group of creditors that requested conversion of their credits into equity, and also will not subscribe any part of the capital increase. The equity interest held by Cemig GT in the common share of Renova will be reduced from 29.72% to 27.22%, and in the total capital from 15.09% to 13.80%. This reduction of the equity interest in Renova did not affect the present jointly control of Renova.

On July 20, 2021, the Board of Directors of Renova approved acceptance of a binding proposal presented by Mubadala Consultoria Financeira e Gestora de Recursos Ltda, for acquisition of 100% of Renova’s holding in the common shares (all book-entry, without par value) of Brasil PCH S.A., for R$1,100,000, and on August 4, 2021 its subsidiary SF 369 Participações Societárias S.A. was declared winner of the competitive proceeding for acquisition of the shares by the Court Administrator. On September 14, 2021, Renova disclosed to the market that the Brasil PCH S.A. other shareholders – BSB Energética S.A and Eletroriver S.A., in strict compliance with the provisions of the Brasil PCH S.A. Shareholders’ Agreement, had opted to exercise the right of first refusal to buy all the shares owned by Renova in that company, on the same conditions specified in the offer made by the first proposer, which had been declared the competitive proceeding winner, as specified in the Court supervised Reorganization Plan of the Renova Group’s Consolidated Companies. The disposal of the shares owned by Renova in the UPI Brasil PCH will thus be made for the amount of R$ 1,100,000, subject to conditions precedent that are usual in transactions of this type, and subject to the rights of the first proposer specified in the contract previously signed.

The transaction is fully in line with the Company's strategy for healthy recovery and reduction of its liabilities. Renova will allocate the proceeds of the transaction especially to: pre-payment of the DIP bridge loan contracted with Quadra Capital, disbursed at the beginning of this year; payment of certain creditors outside the court supervised reorganization plan; compliance with its obligations under the court supervised reorganization Plan; and completion of Phase A of the Alto Sertão III Wind Farm Complex.

In addition, on September 17, 2021, the Renova's Board of Directors approved the acceptance of Vinci Energia Fundo de Investimento em Participações em Infraestrutura binding proposal for acquisition of 100% of the common and preferred shares, all book-entry, without par value, in Enerbrás Centrais Elétricas S.A. and indirectly in Energética Serra da Prata (Espra), for R$265,800, as an initial 'stalking horse' offer, with the right to match any other offers made by other parties for the same acquisition, subject to the usual precedent conditions, including compliance with the provisions of the Court Supervised Reorganization Plan of Renova Group's Consolidated Companies and the competitive proceeding for disposal of the Independent Productive Unit (UPI) Enerbrás, all within the ongoing Court Supervised Reorganization Proceedings. This transaction is aligned with the strategy set out by the investee in its Court Supervised Reorganization Plan.

On September 29, 2021 the Council of Aneel decided in favor of Renova in its Administrative Appeal against the official notice relating to the Alto Sertão III Wind Farm Complex (Phase A), this, among other provisions, ruled out the application of the penalty of temporary suspension to contract or participate in competitive bid proceedings organized by Aneel in relation to the Alto Sertão III Complex (Phase A) plants. The Council also (i) ordered the Generation Services, Inspection and Monitoring Authority (SFG) to conduct a new analysis for assessment of the penalty application specified in the Reserve Energy Auctions (LERs) Competitive Tenders of 2013 and 2014, arising from the delay in conclusion of the projects that were Renova's responsibility; and ordered the Generation Concessions and Authorizations Authority (SCG) to evaluate the applicability of the plants Full Performance Guarantees, in compliance with the regulations. This decision contributed to consolidation of Renova's reorganization plan.

Considering the non-existence of any legal or constructive obligations to the investee, the Company has concluded that the granted of in-court supervised reorganization filed by Renova and approved by the court and the transactions occurred in the period of nine months ended on September 30, 2021 does not have any additional impact in its interim financial information.

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

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

On September 30, 2021 NESA had negative net working capital of R$259,693 (R$160,351 on December 31, 2020) and will spend further amounts on projects specified in its concession contract, even after conclusion of the construction and full operation of the Belo Monte Hydroelectric Plant. According to the estimates and projections, the situation of negative net working capital, and the future demands for investments in the hydroelectric plant, will be supported by revenues from future operations 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 for the Belo Monte Hydroelectric Plant’. The legal advisers of NESA have classified the probability of loss as ‘possible’ and estimated the potential loss on September 30, 2021 to R$2,788,000 (R$2,407,000 on December 31, 2020).

d) Risks related to compliance with law and regulations

Jointly controlled investees:

Norte Energia S.A. (‘NESA’) - through Amazônia Energia and Aliança Norte

Investigations and other legal measures are in progress since 2015, conducted by the Federal Public Attorneys’ Office, which involve other shareholders of NESA and certain executives of those other shareholders. In this context, the Federal Public Attorneys have started investigations on irregularities involving contractors and suppliers of NESA and of its other shareholders, which are still in progress. At present, it is not possible to determine the outcome of these investigations, and their possible consequences. These might at some time in the future affect the investee, further to the write-downs of infrastructure assets in the amount of R$183,000 recorded at NESA in 2015, based on the results of the independent internal investigation conducted by NESA and its other shareholders, the results of which were reflected in the Company through the equity method in that same year.

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

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

Madeira Energia S.A. ('MESA')

Investigation and other legal measures are in progress, conducted by the Federal Public Attorneys' Office, which involve other indirect shareholders of MESA and certain executives of those other indirect shareholders. In this context, the Federal Public Attorneys have started investigations searching for irregularities involving contractors and suppliers of MESA and of its other shareholders. In response to allegations of possible illegal activities, the investee and its other shareholders started an independent internal investigation.

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

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

Renova Energia S.A. ('Renova')

Since 2017 Renova is part of a formal investigation by the Civil Police of Minas Gerais State and other public authorities related to certain capital injections made by some of its controlling shareholders, including the Company and its subsidiaries Cemig GT, and capital injections made by Renova in certain projects under development in previous years.

On April 11, 2019, within the 'Operação Descarte' scope, the Brazilian Federal Police commenced the '*Operation E o Vento Levou'* as part of the '*Lava Jato'* Investigation, and executed a search and seizure warrant issued by a Federal Court of São Paulo at Renova's head office in São Paulo, based on allegations and indications of misappropriation of funds harmful to the interests of Cemig. Based on the allegations being investigated, these events are alleged to have taken place before 2015. On July 25, 2019, the second phase of the operation occurred.

The 'Operation E o Vento Levou' and the police investigation of the Minas Gerais State Civil Police have not yet been concluded. Thus, there is a possibility that material information may be revealed in the future. If a criminal action is filed against agents who could have damaged Renova, Renova intends to act as auxiliary to the prosecution in any criminal proceedings, and subsequently sue for civil reparation of the damages suffered.

Due to these third party investigations, the governance bodies of Renova have requested opening of an internal investigation, conducted by an independent company with the support of an external law firm, the scope of which comprises assessment of the existence of irregularities, including noncompliance with: the Brazilian legislation related to acts of corruption and money laundering; Renova's Code of Ethics; and its integrity policies. Additionally, a Monitoring Committee was established in Renova which, jointly with the Audit Committee, accompanied this investigation. The internal investigation was concluded on February 20, 2020, and no concrete evidences of acts of corruption or diversion of funds to political campaigns were identified.

However, the independent investigators identified irregularities in the conducting of business and agreement of contracts by Renova, including: (i) payments without evidence of the consideration of services, in the total amount of approximately R$40 million; (ii) payments not in accordance with the company's internal policies and best governance practices, in the total amount of approximately R$137 million; and (iii) deficiencies in the internal controls of the investee.

As a result of the analysis of the above mentioned values, Renova concluded that R$35 million relates to effective assets and therefore no impairment is necessary. The remaining amount of R$142 million was already impaired in previous years, producing no impact on the interim financial information for the period ended September 30, 2021 and the financial statements for the year ended December 31, 2020.

In response to the irregularities found, and based on the recommendations of the monitoring Committee and legal advisers, the Board of Directors of Renova decided to take all the steps necessary to preserve the rights of the investee, continue with the measures to obtain reimbursement of the losses caused, and strengthen the company's internal controls.

Since the investment at Renova is fully impaired at September 30, 2021, and since no contractual or constructive obligations in relation to the investee have been assumed by the Company and its subsidiaries, it is not expected that any effects resulting from the in-court supervised reorganization process, or the investigations, or the operational activities of this investee can significantly impact the Company's interim financial information even if eventually not yet recorded by Renova.

Other investigations

In addition to the cases above, there are investigations being conducted by the Public Attorneys' Office of the State of Minas Gerais ('MPMG') and by the Civil Police of the State of Minas Gerais ('PCMG'), which aim to investigate possible irregularities in the investments made by Cemig GT at Guanhães Energia and also at MESA. Additionally, on April 11, 2019 agents of the Brazilian Federal Police were in the Company's head office in Belo Horizonte to execute a search and seizure warrant issued by a São Paulo Federal Court in connection with the operation entitled "E o Vento Levou", as described above.

These proceedings are being investigated through the analysis of documents demanded by the respective authorities, and by hearing of witnesses.

Internal procedures for risks related to compliance with law and regulations

Taking into account the investigations that are being conducted by public authorities at the Company and at certain investees, as described above, the governance bodies of the Company have authorized contracting a specialized company to analyze the internal procedures related to these investments, as well as the factors that led the Company to be assessed by federal tax authority for not paying withholding income tax in the acquisition of Light's interest from Enlighted (see Note 24). This independent investigation was subject to oversight of an independent investigation committee whose creation was approved by our Board of Directors.

The Company's internal investigation was completed and the corresponding report was issued on May 8, 2020. Considering the results of the internal investigations, no objective evidence was identified to affirm that there were illegal acts on the investments made by Company that were subject to the investigation, therefore, there was no impact in the Company consolidated the interim financial information, nether for the period ended in September 30, 2021 nor in its prior financial statements.

In the second semester of 2019, Company signed tooling agreements with the Securities and Exchange Commission (SEC) and US Department of Justice (DOJ), which was extended until August, 2021, and on September 2021, Company signed tooling agreements extension for more twelve months. Cemig has complied with the requests and intends to continue contributing to the SEC and the DOJ, in accordance with any demands presented.

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

In the end of 2020 the Company began internal procedures for investigation of allegations received by the Minas Gerais State Public Attorneys' Office, through Official Letters, the content of which basically refers to alleged irregularities in public bidding purchasing processes. The investigation is being conducted by a new Special Investigation Committee (Comitê Especial de Investigação – CEI), with support from specialized advisers.

Investigations are ongoing, and until the present moment no matter has been identified that could present any material impact on the interim financial information at September 30, 2021, or the Financial Statements for prior periods.

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

16. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Sep. 30, 2021			Dec. 31, 2020		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	246,605	(25,454)	221,151	246,857	(22,624)	224,233
Reservoirs, dams and watercourses	3,295,832	(2,335,104)	960,728	3,299,589	(2,279,878)	1,019,711
Buildings, works and improvements	1,085,906	(834,404)	251,502	1,100,469	(835,848)	264,621
Machinery and equipment	2,665,325	(1,962,906)	702,419	2,646,844	(1,929,584)	717,260
Vehicles	20,601	(19,111)	1,490	20,602	(18,756)	1,846
Furniture and utensils	13,747	(11,155)	2,592	13,813	(10,991)	2,822
	7,328,016	**(5,188,134)**	**2,139,882**	**7,328,174**	**(5,097,681)**	**2,230,493**
In progress	250,235	-	250,235	176,650	-	176,650
Net property, plant and equipment	**7,578,251**	**(5,188,134)**	**2,390,117**	**7,504,824**	**(5,097,681)**	**2,407,143**

Parent company	Sep. 30, 2021			Dec. 31, 2020		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	82	-	82	82	-	82
Buildings, works and improvements	55	(24)	31	55	(22)	33
Machinery and equipment	5,200	(4,878)	322	5,220	(4,645)	575
Furniture and utensils	727	(691)	36	748	(706)	42
	6,064	**(5,593)**	**471**	**6,105**	**(5,373)**	**732**
In progress	460	-	460	460	-	460
Net property, plant and equipment	**6,524**	**(5,593)**	**931**	**6,565**	**(5,373)**	**1,192**

Changes in PP&E are as follows:

Consolidated	Dec. 31, 2020	Additions	Disposals	Reversal of provision (2)	Depreciation	Transfers / capitalizations	Sep. 30, 2021
In service							
Land (1)	224,233	-	(252)	-	(2,830)	-	221,151
Reservoirs, dams and watercourses	1,019,711	-	-	-	(63,750)	4,767	960,728
Buildings, works and improvements	264,621	-	(25)	-	(13,883)	789	251,502
Machinery and equipment	717,260	-	(3,755)	-	(52,739)	41,653	702,419
Vehicles	1,846	-	-	-	(356)	-	1,490
Furniture and utensils	2,822	-	(1)	-	(229)	-	2,592
	2,230,493	**-**	**(4,033)**	**-**	**(133,787)**	**47,209**	**2,139,882**
In progress	**176,650**	**104,901**	**-**	**15,893**	**-**	**(47,209)**	**250,235**
Net property, plant and equipment	**2,407,143**	**104,901**	**(4,033)**	**15,893**	**(133,787)**	**-**	**2,390,117**

(1) Certain land sites linked to concession contracts and without provision for reimbursement are amortized in accordance with the period of the concession.

(2) Reversal of a provision previously recognized for impairment of works in progress assets with expectation of partial or total cancellation, due to the Company's withdrawn of a previously agreed consortium

Parent company	Dec. 31, 2020	Depreciation	Sep. 30, 2021
In service			
Land	82	-	82
Buildings, works and improvements	33	(2)	31
Machinery and equipment	575	(253)	322
Furniture and utensils	42	(6)	36
	732	**(261)**	**471**
In progress	460	-	**460**
Net property, plant and equipment	**1,192**	**(261)**	**931**

Consortium

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

	Stake in power output (%)	Average annual depreciation rate (%)	Sep. 30, 2021	Dec. 31, 2020
In service				
Queimado Power Plant	82.50	3.94	218,449	218,111
Accumulated depreciation			(124,168)	(117,271)
Total operation			94,281	**100,840**
In progress				
Queimado Power Plant	82.50	-	1,601	1,580
Total construction			**1,601**	**1,580**
Total			**95,882**	**102,420**

17. INTANGIBLE ASSETS

Consolidated	Sep. 30, 2021			Dec. 31, 2020		
	Historical cost	Accumulated amortization	Residual value	Historical cost	Accumulated amortization	Residual value
In service						
Useful life defined						
Temporary easements	14,692	(4,611)	10,081	13,217	(4,045)	9,172
Onerous concession	13,599	(8,337)	5,262	19,169	(13,288)	5,881
Assets of concession	21,362,377	(9,567,958)	11,794,419	20,781,598	(9,107,068)	11,674,530
Assets of concession - GSF	1,031,809	(32,225)	999,584	-	-	-
Others	78,340	(73,010)	5,330	78,015	(70,286)	7,729
	22,500,817	**(9,686,141)**	**12,814,676**	**20,891,999**	**(9,194,687)**	**11,697,312**
In progress	**132,373**	**-**	**132,373**	**112,616**	**-**	**112,616**
Net intangible assets	**22,633,190**	**(9,686,141)**	**12,947,049**	**21,004,615**	**(9,194,687)**	**11,809,928**

Parent company	Sep. 30, 2021			Dec. 31, 2020		
	Historical cost	Accumulated amortization	Residual value	Historical cost	Accumulated amortization	Residual value
In service						
Useful life defined						
Software use rights	13,565	(11,984)	1,581	13,564	(10,968)	2,596
Brands and patents	8	(8)	-	8	(8)	-
Others	9	(9)	-	9	(9)	-
	13,582	**(12,001)**	**1,581**	**13,581**	**(10,985)**	**2,596**
In progress	**89**	**-**	**89**	**59**	**-**	**59**
Net intangible assets	**13,671**	**(12,001)**	**1,670**	**13,640**	**(10,985)**	**2,655**

Changes in intangible assets are as follow:

Consolidated	Dec. 31, 2020	Additions	Disposals	Amortization	Transfers (1)	Sep. 30, 2021
In service						
Useful life defined						
Temporary easements	9,172	-	-	(566)	1,475	**10,081**
Onerous concession	5,881	-	(151)	(468)	-	**5,262**
Assets of concession	11,674,530	-	(20,023)	(557,824)	697,736	**11,794,419**
Assets of concession - GSF	-	1,031,809	-	(32,225)	-	**999,584**
Others	7,729	-	-	(2,730)	331	**5,330**
	11,697,312	**1,031,809**	**(20,174)**	**(593,813)**	**699,542**	**12,814,676**
In progress	112,616	**23,009**	**-**	**-**	**(3,252)**	**132,373**
Net intangible assets	**11,809,928**	**1,054,818**	**(20,174)**	**(593,813)**	**696,290**	**12,947,049**

(1) The transfers were made between concession contract assets to Intangible assets: R$696,290.

Parent company	Dec. 31, 2020	Additions	Amortization	Sep. 30, 2021
In service				
Useful life defined				
Softwares use rights	2,596	-	(1,015)	**1,581**
	2,596	**-**	**(1,015)**	**1,581**
In progress	**59**	**30**	**-**	**89**
Net intangible assets	**2,655**	**30**	**(1,015)**	**1,670**

Concession assets

The energy and gas distribution infrastructure assets already in service and that will be fully amortized during the concession term are recorded as intangible assets. Assets linked to the infrastructure of the concession that are still under construction are posted initially as contract assets, as detailed in Note 14.

The authorization rights of gas distribution granted to Gasmig, in the amount of R$403,874 (R$411,503 on December 31, 2020), are classified as intangible assets in the Company's consolidated balance sheet and are recognized as investments in its individual balance sheet, as Note 15, in accordance with Technical Interpretation ICPC 09.

The concession assets includes the rights of authorization to generate wind energy granted to the Parajuru and Volta do Rio, in the amount of R$119,295 (R$127,841 on December 31, 2020), which are recognized as investments in the interim financial information of the Cemig GT and are classified under Intangible assets in the statement of financial position, as per Technical Interpretation ICPC 09.

On December, 31, 2020, upon conclusion of the refurbishment of the 19 aero generators of the subsidiary Volta do Rio and full resumption of its generation capacity, the Company tested its operation assets for impairment, and it was found an improvement that economic and financial equilibrium, and the liquidity, of the subsidiary. As a result, the Company reversed part of the loss that had been recognized, resulting in a net amount reversal of R$13,825 on December, 31, 2020, which is posted in the statement of income as other expenses.

The Value in Use of the assets was calculated based on the projection of future expected cash flows for the operation of the assets of the subsidiary, brought to present value by the weighted average cost of capital (WACC) defined for the company's wind generation activity, using the Firm Cash Flow (FCFF) methodology.

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

On September 9, 2020, the Law 14,052 was issued, changing the Law 13,203/2015 and establishing new conditions for renegotiation of hydrological risk in relation to the portion of costs incurred due to the GSF, borne by the holders of hydroelectric plants participating in the Energy Reallocation Mechanism (MRE) between 2012 and 2017.

The aim of this new law is to compensate the holders of hydroelectric plants participating in the MRE for non-hydrological risks caused by:

(i) generation ventures classified as structural, related to bringing forward of physical guarantee of the plants;
(ii) the restrictions on start of operation of the transmission facilities necessary for outflow of the generation output of structural projects; and
(iii) generation outside the merit order system, and importation.

This compensation will take the form of extension of the grant of concession or authorization to operate, limited to 7 years, calculated on the basis of the parameters applied by Aneel.

On December 1, 2020, Aneel issued its Normative Resolution 895, which established the methodology for calculation of the compensation, and the procedures for renegotiation of hydrological risk. To be eligible for the compensations under Law 14,052, the holders of hydroelectric plants participating in the MRE are required to:

(i) cease any legal actions which claimed exemption from or mitigation of hydrological risks related to the MRE;
(ii) relinquishing any claims and/or further legal actions in relation to exemptions from or mitigation of hydrological risks related to the MRE; and
(iii) not to have renegotiated hydrological risk under Law 13,203/2015.

On August 03, 2021, Aneel ratified, through the Ratifying Resolution nº. 2,919/2021, the terms of concession extension of hydroelectric plants participating in the MRE, including all of the Company plants suitable for the renegotiation, except for Queimado and Irapé, which renegotiate the hydrological risk through the Resolution nº. 684/2015 and were not covered by the Resolution nº. 2,919/2021. The values ratified are aligned with the Company estimations, based on the Resolution Aneel nº. 895/2020.

On June 11, 2021, the Board of Directors of Cemig GT authorized withdrawal of any legal proceedings based on the MRE, and the signing of the Term of Acceptance of Law 14,052/2020 provisions, for the plants within the concession contracts of Cemig GT and subsidiaries. With the approval by the Board of Directors, the Company recognized, on the second quarter of 2021, an intangible asset relating to the right to the extension of concessions, with counterpart in “Operational costs – Renegotiation of hydrological risk (Law 14,052/20)”, in the amount of R$909,601.

On September 14, 2021 Aneel ratified the grant extension of the hydroelectric plants participating in the MRE, through Ratifying Resolution (ReH) 2,932/2021, including Irapé and Queimado, for which the extension were under discussion with the Grantor, and, therefore, were not included in ReH 2,919/2021. Thus, in the third quarter of 2021, there was a recognition of an increase of R$ 122,208 in Intangible assets, due to the concessions extension of those plants. As a result, the total of Intangible assets was increased to R$ 1,031,809, which is recognized with a counterpart in Operational costs – Renegotiation of hydrological risk – Law 14,052/20.

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.

Power Plant	Intangible assets – Right to extension of concession	End of concession	Extension in years	New end of concession
Cemig Geração Camargos	**9,459**	**01/05/2046**	**7**	**01/03/2053**
Cemig Geração Itutinga	**7,713**	**01/05/2046**	**7**	**01/03/2053**
Cemig Geração Leste	**154**			
Dona Rita	11	07/03/2046	4	07/19/2050
Ervalia	8	07/03/2046	0.8	04/19/2047
Neblina	11	07/03/2046	0.8	04/19/2047
Peti	113	01/05/2046	7	01/03/2053
Sinceridade	1	07/03/2046	0.7	03/12/2047
Tronqueiras	10	01/05/2046	1	12/26/2046
Cemig Geração Oeste	**234**			
Cajuru (Cemig)	234	01/05/2046	7	01/03/2053
Cemig Geração Salto Grande	**40,079**	**01/05/2046**	**7**	**01/03/2053**
Cemig Geração Sul	**2,106**			
Coronel Domiciano	36	07/03/2046	0.8	04/11/2047
Joasal	450	01/05/2046	7	01/03/2053
Marmelos	238	01/05/2046	7	01/03/2053
Paciencia	205	01/05/2046	7	01/03/2053
Piau	1,177	01/05/2046	7	01/03/2053
Cemig Geração Três Marias	**115,831**	**01/05/2046**	**7**	**01/03/2053**
Cemig Poço Fundo	**1,482**	**05/29/2045**	**7**	**05/27/2052**
Cemig PCH (Pai Joaquim)	**418**	**04/04/2032**	**0.4**	**09/14/2032**
Horizontes	**130**			
Machado Mineiro	130	07/08/2025	1.9	05/21/2027
Rosal	**8,900**	**05/08/2032**	**3.6**	**12/13/2035**
Sá Carvalho	**39,690**	**12/01/2024**	**1.7**	**08/27/2026**
Total	**226,196**			
Nova Ponte	254,956	07/23/2025	2.1	08/11/2027
Irapé	105,010	02/28/2035	2.6	09/18/2037
Queimado	19,326	12/18/2032	1.8	06/26//2034
Sao Bernardo (Cemig)	649	08/19/2025	1.9	06/27/2027
Emborcação	425,672	07/23/2025	1.8	05/26/2027
Total Cemig GT	**805,613**			
Total (R$)	**1,031,809**			

The Resolution nº. 2,919/2021 ratified the amount of the right to compensation for the São Simão, Jaguara, Miranda and Volta Grande generation plants, which had been owned by Cemig GT during the period stipulated in the Law 14,052/20 to be compensated, but does not specify how this compensation will happen in the event of absence of debts with the Federal Government related to the regime of concessions determined in that Law. The amounts calculated are:

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

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 have not been recognized.

18. LEASING TRANSACTIONS

The Company and its subsidiaries recognized a right of use and a lease liability for the following contracts which contain a lease in accordance with CPC 06 (R2) / IFRS 16:

- Leasing of commercial real estate used for serving customers;
- Leasing of buildings used as administrative headquarters;
- Leasing of commercial vehicles used in operations.

The Company and its subsidiaries has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). Thus, these leasing agreements are recognized as an expense in the income statement on the straight-line basis, over the period of the leasing. Their effects on net income from January to September 2021 were immaterial.

The discount rates were obtained by reference to the Company's incremental borrowing rate. In August 2021 the Company reviewed the methodology for discount rates estimation, which is now based on the risk-free rate adjusted to the reality of the Company, in order to reflect more appropriately its credit risk, and the economic conditions on the date of the contracting, as follows:

Marginal rates	Annual rate (%)	Monthly rate (%)
Initial application		
Up to two years	7.96	0.64
Three to five years	10.64	0.85
Six to twenty years	13.17	1.04
Contracts entered – 2019 at 2021		
Up to three years	6.87	0.56
Three to four years	7.33	0.59
Four to twenty years	8.08	0.65
Contracts entered on August, 2021		
Up to five years	5.53	0.45
Six to ten years	5.65	0.46
Eleven to fifteen years	5.75	0.47
Sixteen to thirty years	5.75	0.47
Contracts entered on September, 2021		
Up to five years	5.46	0.44
Six to ten years	5.57	0.45
Eleven to fifteen years	5.64	0.46
Sixteen to thirty years	5.64	0.46

a) Right of use

The right of use asset was valued at cost, comprising the amount of the initial measurement of the leasing liabilities, and amortized on the straight-line basis up to the end of the period of leasing or of the useful life of the asset identified, as the case may be.

Changes in the right of use asset are as follows:

Consolidated	Real estate property	Vehicles	Total
Balances on December 31, 2020	**185,498**	**26,576**	**212,074**
Settled	(2,280)	-	(2,280)
Amortization (1)	(6,976)	(29,328)	(36,304)
Addition	10,734	-	10,734
Remeasurement (2)	6,305	47,334	53,639
Balances on September 30, 2021	**193,281**	**44,582**	**237,863**

(1) Amortization of the Right of Use recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R$422 on September 30, 2021 (R$1,606 on September 30, 2020).

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

Parent company	Real estate property
Balances on December 31, 2020	**2,058**
Amortization (1)	(62)
Remeasurement (2)	76
Balances on September 30, 2021	**2,072**

(1) Amortization of the Right of Use recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R$4 on September 30, 2021 (R$105 on September 30, 2020).

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

b) Leasing liabilities

The liability for leasing agreements is measured at the present value of lease payments to be made over the lease term, discounted at the Company's incremental borrowing rate. The liability carrying amount is remeasured to reflect leases modifications.

The changes in the lease liabilities are as follows:

	Consolidated	Parent company
Balances on December 31, 2020	**226,503**	**2,114**
Addition	10,734	-
Settled	(1,938)	78
Interest incurred (1)	19,870	200
Leasing paid	(51,825)	(198)
Interest in leasing contracts	(2,167)	(11)
Remeasurement (2)	53,639	76
Balances on September 30, 2021	**254,816**	**2,259**
Current liabilities	**71,752**	**280**
Non-current liabilities	**183,064**	**1,979**

(1) Financial revenues recognized in the Income Statement are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R$1,290 and R$15 on September 30, 2021 (R$1,287 and R$18 on September 30, 2020), for the consolidated and individual interim financial information, respectively.

(2) The Company and its subsidiaries identified events that give rise to restatement and modifications of their principal contracts; the leasing liability was remeasured with an adjustment to the asset of Right of Use.

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

Cash flow	Consolidated		Parent company	
	Nominal	Adjusted to present value	Nominal	Adjusted to present value
Consideration for the leasing	676,481	254,816	7,181	2,259
Potential PIS/Pasep and Cofins (9.25%)	56,531	18,525	664	209

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).

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

	Consolidated (nominal)	Parent company (nominal)
2021	19,236	74
2022	64,551	296
2023	28,188	296
2024	28,082	296
2025	27,986	296
2026 at 2045	508,438	5,923
Undiscounted values	676,481	7,181
Embedded interest	(421,665)	(4,922)
Lease liabilities	**254,816**	**2,259**

19. SUPPLIERS

	Consolidated		Parent company	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
Energy on spot market – CCEE	774,399	490,285	-	-
Charges for use of energy network	172,322	192,287	95	95
Energy purchased for resale	1,456,662	807,708	56,222	6
Itaipu Binacional	322,334	325,277	-	-
Gas purchased for resale	212,968	126,850	-	-
Materials and services	431,869	415,913	2,029	1,944
	3,370,554	**2,358,320**	**58,346**	**2,045**

20. TAXES PAYABLE AND AMOUNTS TO BE REFUNDED TO CUSTOMERS

	Consolidated		Parent company	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
Current				
ICMS	166,616	112,068	-	-
Cofins (1)	198,418	183,995	18,834	37,853
PIS/Pasep (1)	42,910	41,116	4,065	9,266
INSS	39,310	28,715	1,809	1,585
Others (2)	44,167	139,845	411	40,064
	491,421	**505,739**	**25,119**	**88,768**
Non-current				
Cofins (3)	257,925	215,878	-	-
PIS/Pasep (3)	55,993	46,867	-	-
	313,918	**262,745**	**-**	**-**
	805,339	**768,484**	**25,119**	**88,768**
Amounts to be refunded to customers				
Current				
PIS/Pasep and Cofins	1,145,019	448,019	-	-
Non-current				
PIS/Pasep and Cofins	2,262,966	3,569,837	-	-
	3,407,985	**4,017,856**	**-**	**-**

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

(2) This includes the withholding income tax on Interest on equity declared on June 29, 2021. This payment was made in July 2021, in accordance with the tax legislation.

(3) The deferral of PIS/Pasep and Cofins taxes related to the interest revenue arising from the financing component in contract asset and to the revenue of construction and upgrade associated with the transmission concession contract, whose consideration will be received in at least twelve months after the reporting period. For more information, see Note 2.3 and 14.

The amounts of PIS/Pasep and Cofins taxes to be refunded to customers refer to the credits to be received by the Cemig D following the inclusion of the ICMS value added tax within the taxable amount for calculation of those taxes, in amount of R$3,160,947, as described in Note 8 (a). Until September 2021, a total of R$ 1,142,320, has been reimbursed to clients.

The Cemig D has a liability corresponding to the credits to be refunded to its customers, which comprises the period of the 10 years, from June 2009 to May 2019, net of PIS/Pasep and Cofins taxes over monetary updating.

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

- On August 18, 2020, Aneel ratified the inclusion into the tariff adjustment for 2020 of a negative financial component of R$714,339, in effect from August 19, 2020 to May 27, 2021 – this corresponds to the release of the escrow funds following final judgment in Company's favor against which there is no further appeal.

- On May 25, 2021, Aneel ratified incorporation into the 2021 tariff adjustment, in effect from May 28, 2021 to May 27, 2022, of the negative financial component of R$1,573,000, corresponding to the total amount confirmed by the Brazilian tax authority ('Receita Federal'). See Note 13.4 for more information on the Cemig D tariff adjustment.

Although the definitive criteria for the refunding of PIS/Pasep and Cofins taxes to customers are pending, awaiting conclusion of discussions with Aneel and the mechanisms and criteria for reimbursement, when actual offsetting of the tax credits takes place.

Additionally, as per Note 8 (a), the subsidiary Gasmig recognized the amounts of the PIS/Pasep and Cofins taxes credits over ICMS for the periods covered by the legal action that argues this matter, in the amount of R$221,542. In the absence of a court judgment against which there is no further appeal, the subsidiary recorded a liability in the amount of R$191,624, corresponding to the amounts to be refunded to its customers, based on 10 years period, from the date of the end of the quarter. The 10 years period refers to the maximum amount possibly subject to restitution, to be validated after complementary analyses of the court decisions that will be issued, and the legislation in effect when the case was ruled against which there is no further appeal.

21. LOANS, FINANCING AND DEBENTURES

Financing source	Principal maturity	Annual financial cost %	Currency	Consolidated			
				Sep. 30, 2021			Dec. 31, 2020
				Current	Non-current	Total	Total
FOREIGN CURRENCY							
Banco do Brasil: Various Bonds (1) (4)	2024	Diverse	U$$	-	-	-	11,725
Eurobonds (2) (11)	2024	9.25%	U$$	189,090	5,439,399	5,628,489	7,853,959
(-)Transaction costs				-	(8,792)	(8,792)	(15,664)
(±) Interest paid in advance (3)				-	(14,258)	(14,258)	(25,314)
Debt in foreign currency				**189,090**	**5,416,349**	**5,605,439**	**7,824,706**
BRAZILIAN CURRENCY							
Caixa Econômica Federal (5)	2021	TJLP + 2.50%	R$	-	-	-	17,204
Caixa Econômica Federal (6)	2022	TJLP + 2.50%	R$	-	-	-	14,086
Eletrobrás (4)	2023	UFIR + 6.00% at 8.00%	R$	3,301	3,187	6,488	9,058
Sonda (7)	2021	110.00% of CDI	R$	51,388	-	51,388	50,008
(-)Transaction costs				-	-	-	(55)
Debt in Brazilian currency				**54,689**	**3,187**	**57,876**	**90,301**
Total of loans and financings				**243,779**	**5,419,536**	**5,663,315**	**7,915,007**
Debentures - 3th Issue – 3rd Series (2)	2022	IPCA + 6.20%	R$	407,855	-	407,855	761,520
Debentures - 7th Issue – Single series (2) (10)	2021	140.00% of CDI	R$	-	-	-	288,839
Debentures - 3th Issue – 2nd Series (4)	2021	IPCA + 4.70%	R$	-	-	-	587,956
Debentures - 3th Issue – 3rd Series (4)	2025	IPCA + 5.10%	R$	298,910	796,457	1,095,367	1,035,247
Debentures - 7th Issue – 1st Series (4)	2024	CDI + 0.45%	R$	543,833	945,000	1,488,833	1,891,927
Debentures - 7th Issue – 2nd Series (4)	2026	IPCA + 4.10%	R$	20,696	1,697,502	1,718,198	1,587,924
Debentures – 4th Issue – 1st Series (8)	2022	TJLP+1.82%	R$	10,074	2,449	12,523	19,629
Debentures – 4th Issue – 2nd Series (8)	2022	Selic + 1.82%	R$	4,338	1,117	5,455	9,089
Debentures – 4th Issue – 3th Series (8)	2022	TJLP + 1.82%	R$	11,639	1,846	13,485	21,807
Debentures – 4th Issue – 4th Series (8)	2022	Selic + 1.82%	R$	5,170	1,317	6,487	10,703
Debentures – 7th Issue – Single series (8)	2023	CDI + 1.50%	R$	20,024	20,000	40,024	60,024
Debentures – 8th Issue – Single series (8)	2031	IPCA + 5.27%	R$	6,142	938,716	944,858	890,440
(-) Discount on the issuance of debentures (9)				-	(15,834)	(15,834)	(18,300)
(-) Transaction costs				(3,020)	(26,293)	(29,313)	(41,254)
Total, debentures				**1,325,661**	**4,362,277**	**5,687,938**	**7,105,551**
Total				**1,569,440**	**9,781,813**	**11,351,253**	**15,020,558**

Financing source	Principal maturity	Annual financial cost %	Currency	Parent company			
				Sep. 30, 2021			Dec. 31, 2020
				Current	Non-current	Total	Total
BRAZILIAN CURRENCY							
Sonda (7)	2021	110.00% of CDI	R$	51,388	-	51,388	50,008
(-) Transaction costs				-	-	-	(55)
Total of loans and financings				**51,388**	**-**	**51,388**	**49,953**

(1) On June 18, 2021, Cemig D made early settlement of the debt under the Debt Confirmation and Consolidation Agreement, in the principal amount of US$44,626, considering the guarantees constituted in the amount of US$42,843, by payment in cash, of roughly US$1,783. The total amount disbursed, comprising the basic cash amount, interest and fees, is R$10,075 on the date of payment.
(2) Cemig Geração e Transmissão;
(3) Advance of funds to achieve the yield to maturity agreed in the Eurobonds contract.
(4) Cemig Distribuição;
(5) Central Eólica Praias de Parajuru. Early payment of the entire debt was made on July 23, 2021, in the amount of R$5,320. Until the settlement of the contracts, guarantees were maintained and the contractual obligations complied with;
(6) Central Eólica Volta do Rio. Early payment of the entire debt was made on July 23, 2021 in the amount of R$8,766. Until the settlement of the contracts, guarantees were maintained and the contractual obligations complied with;
(7) Parent Company. Arising from merger of Cemig Telecom.
(8) Gasmig; The proceeds from the 8th debenture issue, concluded by Gasmig on September 10, 2020, in the amount of R$850,000, were used to redeem the Promissory Notes issued on September 26, 2019, with maturity at 12 months, whose proceeds were used in their entirety for payment of the concession grant fee for the gas distribution concession contract.
(9) Discount on the sale price of the 2nd series of the Seventh issue of Cemig Distribuição.
(10) On February 02, 2021, the Company made the mandatory early redemption of this debentures, in the amount of R$264,796, with 20% discount of the funds obtained by the sale of the Company's interest in Light. For more information about the sale of the Company's interest in Light, see Note 32.
(11) In August 2021, Cemig GT carried out a partial buyback of its Eurobonds issue, in the principal amount of US$500 million. There are more details on this transaction later in this Note.

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

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

Partial repurchase of Eurobonds – Tender Offer

On July 19, 2021 Cemig GT launched a Cash Tender Offer to acquire its debt securities issued in the external market, maturing in 2024, with 9.25% annual coupon, up to a principal amount of US$500 million. The price to be paid in the Cash Tender was 116.25%, or US$1,162.50 per US$1,000 of the principal amount.

On July 30, 2021, offers had been received from holders of Notes representing a total of US$774 million. Since the aggregate principal of all the Notes validly offered, until the Early Offer Date, exceeded the maximum amount, Cemig accepted the Notes offered on a pro rata basis until the ceiling amount of U$500 million.

In addition to the total acquisition amount, holders of validly offered notes that were accepted for purchase also received accumulated interest not yet paid since and including the last interest payment date, until but not including the Initial Settlement Date (August 5, 2021).

The financial settlement and cancellation of notes occurred on August 05, 2021 and the offers closing date is scheduled for August 13, 2021. The effects related to the repurchase of bonds are described below:

	%	US$	R$
Principal Amount	100.00	500,000	2,568,500
Premium to the market price + Tender	16.25	81,250	417,381
Accrued interests	1.54	7,708	39,598
		588,958	**3,025,479**
IOF ('financial operations tax') levied on premium	0.38	309	1,586
Income tax on premium	17.65	14,338	73,655
Income tax on accrued interests	17.65	1,360	6,988
		16,007	**82,229**
Total of payments		**604,965**	**3,107,708**
Partial disposal of hedge		-	(774,409)
NDF positive adjustment (*)		-	(23,699)
Total		**604,965**	**2,309,600**

(*) Difference between the dollar PTAX on the purchase date (R$5.137) and the financial instrument – NDF, protecting against foreign exchange, with the dollar purchase cap of R$5.0984.

Guarantees

The guarantees of the debt balance on loans and financing, on September 30, 2021, were as follows:

	Sep. 30, 2021
Promissory notes and Sureties	7,108,268
Guarantee and Receivables	3,184,625
Receivables	44,066
Shares	51,388
Unsecured	962,906
TOTAL	**11,351,253**

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

Consolidated	2021	2022	2023	2024	2025	2026	Total
Currency							
US dollar	189,090	-	-	5,439,399	-	-	5,628,489
Total, currency denominated	**189,090**	**-**	**-**	**5,439,399**	**-**	**-**	**5,628,489**
Index							
IPCA (1)	75,265	658,338	265,487	364,878	1,219,151	1,583,159	4,166,278
UFIR/RGR (2)	845	3,264	2,379	-	-	-	6,488
CDI (3)	162,489	599,698	560,000	270,000	-	-	1,592,187
URTJ/TJLP (4)	21,713	4,295	-	-	-	-	26,008
Total by index	**260,312**	**1,265,595**	**827,866**	**634,878**	**1,219,151**	**1,583,159**	**5,790,961**
(-)Transaction costs	(2,418)	(767)	(754)	(11,344)	(4,721)	(18,101)	(38,105)
(±)Interest paid in advance	-	-	-	(14,258)	-	-	(14,258)
(-) Discount	-	-	-	-	(7,917)	(7,917)	(15,834)
Overall total	**446,984**	**1,264,828**	**827,112**	**6,048,675**	**1,206,513**	**1,557,141**	**11,351,253**

Parent company	2021	Total
Indexers		
CDI (3)	51,388	51,388
Total, governed by indexers	**51,388**	**51,388**

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

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

Currency	Accumulated change on Jan to Sep 30, 2021 (%)	Accumulated change on Jan to Sep 30, 2020 (%)	Indexer	Accumulated change on Jan to Sep 30, 2021 (%)	Accumulated change on Jan to Sep 30, 2020 (%)
US dollar	4.67	39.94	IPCA	6.90	1.34
			CDI	2.50	2.29
			TJLP	7.25	(11.85)

Currency	Accumulated change on Jul to Sep 30, 2021 (%)	Accumulated change on Jul to Sep 30, 2020 (%)	Indexer	Accumulated change on Jul to Sep 30, 2021 (%)	Accumulated change on Jul to Sep 30, 2020 (%)
US dollar	8.74	3.01	IPCA	3.02	1.24
			CDI	1.21	0.51
			TJLP	5.86	(0.61)

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

	Consolidated	Parent company
Balances on December 31, 2020	**15,020,558**	**49,953**
Monetary variation	220,992	-
Exchange rate variation	212,221	-
Financial charges provisioned	889,114	1,380
Discount and premium on repurchase of debt securities (*Eurobonds*)	491,036	-
Amortization of transaction cost	18,870	55
Financial charges paid	(1,223,574)	-
Amortization of financing	(4,284,754)	-
Reclassification to “Other obligations” (1)	6,790	-
Balances on September 30, 2021	**11,351,253**	**51,388**

(1) Reclassification to Cemig D’s customers (CMM and Serra da Fortaleza).

Borrowing costs, capitalized

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

	Sep. 30, 2021	Sep. 30, 2020
Costs of loans and financing	889,114	918,559
Financing costs on intangible assets and contract assets (1) (Note 17 and 21)	(5,701)	(22,848)
Net effect in Profit or loss	**883,413**	**895,711**

(1) The average capitalization rate p.a. on Sep. 30, 2021 was 6.91% (4.57% on Sep. 30, 2020).

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

Restrictive covenants

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

Title - Security	Covenant	Ratio required – Issuer	Ratio required Cemig (guarantor)	Compliance required
7th Debentures Issue Cemig GT (1)	Net debt / (Ebitda + Dividends received)	The following or less: 2.5 in 2021	The following or less: 2.5 in 2021	Semi-annual and annual
Eurobonds Cemig GT (2)	Net debt / Ebitda adjusted for the Covenant (3)	The following or less: 2.5 on/after Dec. 31, 2021	The following or less: 3.0 on/after Dec. 31, 2021	Semi-annual and annual
7th Debentures Issue Cemig D	Net debt / Ebitda adjusted	Less than 3.5	Less than 3.0	Semi-annual and annual
Debentures GASMIG (4)	Overall indebtedness (Total liabilities/Total assets)	Less than 0.6	-	Annual
	Ebitda / Debt servicing	1.3 or more	-	Annual
	Ebitda / Net finance income (expenses)	2.5 or more	-	Annual
	Net debt / Ebitda	The following or less 2.5	-	Annual
8th Debentures Issue Gasmig Single series (5)	EBITDA/Debt servicing	1.3 or more	-	Annual
	Net debt/EBITDA	3.0 or less	-	Annual
Financing Caixa Econômica Federal Parajuru and Volta do Rio (6)	Debt servicing coverage index	1.20 or more	-	Annual (during amortization)
	Equity / Total liabilities	20.61% or more (Parajuru) 20.63% or more (Volta do Rio)	-	Always
	Share capital subscribed in investee / Total investments made in the project financed	20.61% or more (Parajuru) 20.63% or more (Volta do Rio)	-	Always

(1) 7th Issue of Debentures by Cemig GT, as of December 31, 2016, of R$2,240 million.

(2) In the event of a possible breach of the financial 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 'maintenance' covenants – that the consolidated debt, shall have a guarantee for debt of 1.75x Ebitda (2.0 as of December 31, 2017); and a 'damage' covenant, requiring real guarantee for debt at Cemig GT of 1.5x Ebitda.

(3) Ebitda is defined as: (i) Profit before interest, income tax and Social Contribution tax on profit; depreciation; and amortization, calculated in accordance with CVM Instruction 527, of October 4, 2012; – less: (ii) non-operational profit; any non-recurring non-monetary credits or gains that increase net profit; any payments in cash made on consolidated basis during the period relating to non-monetary charges that were newly added in the calculation of Ebitda in any prior period; and any non-recurring non-monetary expenses or charges.

(4) If Gasmig does not achieve the required covenants, it must, within 120 days from the date of notice in writing from BNDES or BNDESPar, constitute guarantees acceptable by the debenture holders for the total amount of the debt, subject to the rules of the National Monetary Council (CMN), unless the required ratios are restored within that period. Certain contractually specified situations can cause early maturity of other debts (cross-default).

(5) Non-compliance with the financial covenants results in automatic early maturity. If early maturity is declared by the debenture holders, Gasmig must make the payment after receipt of notification.

(6) The financing contracts with Caixa Econômica Federal for the Praias de Parajuru and Volta do Rio wind power plants have financial covenants with compliance relating to early maturity of the debt remaining balance. Compliance with the debt servicing coverage index is considered to be demandable only annually and during the period of amortization, which begins in July 2020. Early payment of the entire debtor balance was made on July 23, 2021, in the amount of R$5,320 (Central Eólica Praias de Parajuru) and R$8,766 (Volta do Rio). Until the settlement of the contracts, guarantees were maintained and the contractual obligations complied with.

On September 30, 2021, the Company and its subsidiaries were compliant with the covenants.

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

22. REGULATORY CHARGES

	Consolidated	
	Sep. 30, 2021	Dec. 31, 2020
Liabilities		
Global Reversion Reserve (RGR)	28,022	27,515
Energy Development Account (CDE)	109,938	64,179
Regulator inspection fee – ANEEL	2,526	3,200
Energy Efficiency Program	222,904	264,952
Research and development (R&D)	106,778	224,632
Energy System Expansion Research	5,065	3,776
National Scientific and Technological Development Fund	10,123	7,557
Proinfa – Alternative Energy Program	9,377	7,435
Royalties for use of water resources	7,721	12,976
Emergency capacity charge	26,325	26,325
Customer charges – Tariff flags	227,132	89,825
CDE on R&D (1)	46,165	-
CDE on EEP	36,030	-
Others	4,624	4,624
	842,730	**736,996**
Current liabilities	**659,433**	**445,807**
Non-current liabilities	**183,297**	**291,189**

(1) Refers to the amount transferred from the R&D account, which will be paid as CDE over R&D, in accordance with Aneel Dispatch 904 of March 30, 2021.

23. POST-EMPLOYMENT OBLIGATIONS

Consolidated	Pension plans and retirement supplement plans	Health plan	Dental plan	Life insurance	Total
Net liabilities at December 31, 2020	**2,908,495**	**3,319,093**	**64,324**	**551,135**	**6,843,047**
Expense recognized in Statement of income	150,397	189,074	3,795	31,911	375,177
Contributions paid	(172,527)	(119,439)	(2,216)	(7,433)	(301,615)
Net liabilities at September 30, 2021	**2,886,365**	**3,388,728**	**65,903**	**575,613**	**6,916,609**
				Sep. 30, 2021	**Dec. 31, 2020**
Current liabilities				**333,587**	**304,551**
Non-current liabilities				**6,583,022**	**6,538,496**

Parent company	Pension plans and retirement supplement plans	Health plan	Dental plan	Life insurance	Total
Net liabilities at December 31, 2020	**512,937**	**201,080**	**4,682**	**20,081**	**738,780**
Expense recognized in Statement of income	26,552	11,057	264	1,121	38,994
Contributions paid	(8,489)	(7,002)	(139)	(221)	(15,851)
Net liabilities at September 30, 2021	**531,000**	**205,135**	**4,807**	**20,981**	**761,923**
				Sep. 30, 2021	**Dec. 31, 2020**
Current liabilities				**26,270**	**25,062**
Non-current liabilities				**735,653**	**713,718**

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

The amounts reported as ‘Expense recognized in the Statement of income’ refer to the costs of post-employment obligations, totaling R$324,905 (R$334,238 on September 30, 2020), plus the finance expenses and monetary updating on the debt with Forluz, in the amounts of R$50,272 (R$33,978 on September 30, 2020).

Debt with the pension fund (Forluz)

On September 30, 2021, the Company and its subsidiaries have recognized an obligation for past actuarial deficits relating to the pension fund in the amount of R$406,173 on September 30, 2021 (R$472,559 on December 31, 2020). This amount has been recognized as an obligation payable by Cemig and its subsidiaries, and will be amortized until June of 2024, through monthly installments calculated by the system of constant installments (known as the 'Price' table), and adjusted by the IPCA (Expanded National Customer Price) inflation index (published by the Brazilian Geography and Statistics Institute – IBGE) plus 6% per year. The Company is required to pay this debt even if Forluz has a surplus, thus, the Company maintain recorded the debt in full, and record the effects of monetary updating and interest in finance income (expenses) in the statement of income.

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

Forluz and the sponsors Cemig, Cemig GT and Cemig D have signed a Debt Assumption Instrument to cover the deficit of Plan A for the years of 2015, 2016 e 2017. On September 30, 2021 the total amount payable by Cemig as a result of the Plan A deficit is R$538,460 (R$540,142 on December, 31, 2020, 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 until 2031 for the 2015 and 2016 deficits, in the amount of R$356,670, and up to 2033 for the 2017 deficit, in the amount of R$181,790. 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.

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

The Company acknowledged the legal obligation in relation to the deficit of Plan A corresponding to 50% of the minimum amount, and, thus, obeying the contribution parity rule, made payments of R$4,465 in consignment, corresponding from April to September 2021, to remain at the disposal of Forluz to be redeemed at an account with an official bank. Due to the refusal by Forluz to receive this amount, on May 26, 2021 the Company proposed an Action of Consignment in Payment, which is in its initial pleading phase.

Due to the Debt Assumption Instrument not being signed for coverage of the minimum amount proposed in the plan for solution of the Plan A actuarial deficit for 2019, and the refusal of the payments in consignment made by the Company, on April 27, 2021 Forluz filed legal action against sponsors Cemig, Cemig GT and Cemig D, applying for approval and confirmation of the request to ensure compliance with the contracting of the debt for coverage of the deficit of Plan A, in the amount of R$160,425, for the 2019 business year. The chances of loss have been assessed as 'possible', due to the action still being at the instruction phase, and there being no decisions on the merit. Also, the application by Forluz for emergency writ was refused.

24. PROVISIONS

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

Actions in which the Company and its subsidiaries are defendant

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

	Consolidated				
	Dec. 31, 2020	**Additions**	**Reversals**	**Settled**	**Sep. 30, 2021**
Labor	427,515	54,524	(20,800)	(43,719)	417,520
Civil					
Customer relations	22,089	19,451	-	(17,337)	24,203
Other civil actions	32,495	14,212	(282)	(7,561)	38,864
	54,584	**33,663**	**(282)**	**(24,898)**	**63,067**
Tax	1,294,287	72,728	(89,493)	(410)	1,277,112
Regulatory	51,660	8,109	(5,895)	(2,857)	51,017
Others	64,391	14,474	(2,330)	(6,137)	70,398
Total	**1,892,437**	**183,498**	**(118,800)**	**(78,021)**	**1,879,114**

	Parent company				
	Dec. 31, 2020	**Additions**	**Reversals**	**Settled**	**Sep. 30, 2021**
Labor	28,152	10,146	-	(5,081)	33,217
Civil					
Customer relations	550	352	-	(270)	632
Other civil actions	3,178	215	(82)	(63)	3,248
	3,728	**567**	**(82)**	**(333)**	**3,880**
Tax	170,624	4,983	-	(108)	175,499
Regulatory	18,606	361	(3,457)	(151)	15,359
Others	1,275	1,219	(71)	(304)	2,119
Total	**222,385**	**17,276**	**(3,610)**	**(5,977)**	**230,074**

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

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

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

Provisions, made for legal actions in which the chances of loss have been assessed as 'probable' and contingent liabilities, for actions in which the chances of loss are assessed as 'possible'

<u>Labor claims</u>

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

The aggregate amount of the contingency is approximately R$1,516,377 (R$1,386,147 at December 31, 2020), of which R$417,520 (R$427,515 at December 31, 2020) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

Alteration of the monetary updating index of employment-law cases

On December 2020 the Federal Supreme Court gave partial judgment in favor of two actions for declaration of constitutionality, and ruled that monetary adjustment applied to employment-law liabilities should be by the IPCA-E index until the stage of service of notice in a legal action, and thereafter by application of the Selic rate, and the Reference Rate (TR) is not applicable to any employment-law obligations as well. The effects of this decision were modulated as follows:

- payments already made in due time and in the appropriate manner, using application of the TR, the IPCA-E or any other indexer, will remain valid and may not be the subject of any further contestation;
- actions in progress that are at the discovery phase, should be subject to backdated application of the Selic rate, on penalty of future allegation of non-demandability of judicial title based on an interpretation contrary to the position of the Supreme Court; and;
- the judgment is automatically applicable to actions in which final judgment has been given against which there is no appeal, provided that there is no express submission in relation to the monetary adjustment indexes and interest rates; and this also applies to cases of express omission, or simple consideration of following the legal criteria.

Customers claims

Company and its subsidiaries are involved in various civil actions relating to indemnity for moral injury and for material damages, arising, principally, from allegations of irregularity in measurement of consumption, and claims of undue charging, in the normal course of business, totaling R$168,852 (R$142,481 at December 31, 2020), of which R$24,203 (R$22,089 at December 31, 2020) has been recorded – this being the probable estimate for funds needed to settle these disputes.

Other civil proceedings

Company and its subsidiaries are involved in various civil actions claiming indemnity for moral and material damages, among others, arising from incidents occurred in the normal course of business, in the amount of R$434,284 (R$359,122 at December 31, 2020), of which R$38,864 (R$32,495 at December 31, 2020) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

Tax

Company and its subsidiaries are involved in numerous administrative and judicial claims actions relating to taxes, including, among other matters, subjects relating to the Urban Property Tax (*Imposto sobre a Propriedade Territorial Urbana*, or IPTU); the Rural Property Tax (ITR); the Tax on Donations and Legacies (ITCD); the Social Integration Program (*Programa de Integração Social*, or PIS); the Contribution to Finance Social Security (*Contribuição para o Financiamento da Seguridade Social*, or Cofins); Corporate Income tax (*Imposto de Renda Pessoa Jurídica*, or IRPJ); the Social Contribution (*Contribuição Social sobre o Lucro Líquido*, or CSLL); and motions to tax enforcement. The aggregate amount of this contingency is approximately R$206,151 (R$166,348 at December 31, 2020), of which R$18,002 (R$13,505 at December 31, 2020) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

In addition to the issues above the Company and its subsidiaries are involved in various proceedings on the applicability of the IPTU Urban Land Tax to real estate properties that are in use for providing public services. The aggregate amount of the contingency is approximately R$85,092 (R$84,525 at December 31, 2020). Of this total, R$3,357 has been recognized (R$3,844 at December 31, 2020) – this being the amount estimated as probably necessary for settlement of these disputes. The company has been successful in its efforts to have its IPTU tax liability suspended, winning judgments in favor in some cases – this being the principal factor in the reduction of the total value of the contingency.

Social Security contributions on profit sharing payments

The Brazilian tax authority (*Receita Federal*) has filed administrative and court proceedings against the Company, relating to social security contributions on the payment of profit shares to its employees over the period 1999 to 2016, alleging that the Company did not comply with the requirements of Law 10,101/2000 on the argument that it did not previously establish clear and objective rules for the distribution of these amounts. In August 2019, the Regional Federal Court of the First Region published a decision against the Company on this issue. As a result the Company, based on the opinion of its legal advisers, reassessed the chances of loss from 'possible' to 'probable' for some portions paid as profit-sharing amounts, maintaining the classification of the chance of loss as 'possible' for the other portions, since it believes that it has arguments on the merit for defense and/or because it believes that the amounts questioned are already within the period of limitation.

The amount of the contingencies is approximately R$1,413,326 (R$1,520,054 on December 31, 2020), of which R$1,254,610 has been provisioned from January to September 30, 2021 (R$1,275,808 on December 31, 2020), this being the estimate of the probable amount of funds to settle these disputes. The significant change in the amount of contingencies is due, among other factors, to a judgment given in favor of the Company in one of the administrative cases relating to social security contributions, for the period January to October 2010, which resulted in cancellations of tax debits, according to calculations made by the tax authority (Receita Federal).

Non-homologation of offsetting of tax credit

The federal tax authority did not ratify the Company's declared offsetting, in Corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes – IRPJ, CSLL, PIS/Pasep and Cofins – identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The Company and its subsidiaries is contesting the non-homologation of the amounts offset. The amount of the contingency is R$197,658 (R$202,975 at December 31, 2020), of which R$1,143 (R$1,130 at December 31, 2020), has been provisioned, since the relevant requirements of the National Tax Code (CTN) have been complied with.

Regulatory

The Company and its subsidiaries are involved in numerous administrative and judicial proceedings, challenging, principally: (i) tariff charges in invoices for use of the distribution system by a self-producer; (ii) alleged violation of targets for continuity indicators in retail supply of energy; and (iii) the tariff increase made during the federal government's economic stabilization plan referred to as the 'Cruzado Plan', in 1986. The aggregate amount of the contingency is approximately R$368,307 (R$345,475 at December 31, 2020), of which R$51,017 (R$51,660 at December 31, 2020) has been recorded as provision – the amount estimated as probably necessary for settlement of these disputes.

Other legal actions in the normal course of business

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

The Company and its subsidiaries are involved in disputes alleging losses suffered as a result of supposed breaches of contract at the time of provision of services of cleaning of power line pathways and firebreaks. The amount recorded is R$52,543 (R$46,312 at December 31, 2020), this being estimated as the likely amount of funds necessary to settle this dispute.

'*Luz Para Todos'* Program

The Company is a party in disputes alleging losses suffered by third parties as a result of supposed breach of contract at the time of implementation of part of the rural electrification program known as the '*Luz Para Todos'*. The estimated amount of the contingency is approximately R$400,760 (R$356,236 on December 31, 2020). Of this total, R$773 (R$687 on December 31, 2020) has been provisioned the amount estimated as probably necessary for settlement of these disputes.

Other legal proceedings

Company and its subsidiaries are involved as plaintiff or defendant, in other less significant claims, related to the normal course of their operations including: environmental matters, removal of residents from risk areas; and indemnities for rescission of contracts, on a lesser scale, related to the normal course of its operations, with an estimated total amount of R$624,350 (R$621,398 at December, 31, 2020), of which R$17,082 (R$17,392 at December, 31, 2020), the amount estimated as probably necessary for settlement of these disputes.

Contingent liabilities – loss assessed as 'possible'

Taxes and contributions

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

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

In 2006 the Company and its subsidiaries paid an indemnity to its employees, totaling R$177,686, in exchange for rights to future payments (referred to as the *Anuênio*) for time of service, which would otherwise be incorporated, in the future, into salaries. The Company and its subsidiaries did not pay income tax and Social Security contributions on this amount because it considered that those obligations are not applicable to amounts paid as an indemnity. However, to avoid the risk of a future fine, the Company obtained an injection, which permitted to make an escrow deposit of R$121,834, which updated now represents the amount of R$288,346 (R$285,836 at December 31, 2020). The updated amount of the contingency is R$298,794 (R$294,613 at December 31, 2020) and, based on the arguments above, management has classified the chance of loss as 'possible'.

Social Security contributions

The Brazilian federal tax authority (*Secretaria da Receita Federal*) has filed administrative proceedings related to various matters: employee profit sharing; the Workers' Food Program (*Programa de Alimentação do Trabalhador*, or PAT); education benefit; food benefit; Special Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers' support programs); and fines for non-compliance with accessory obligations. The Company and its subsidiaries have presented defenses and await judgment. The amount of the contingency is approximately R$119,554 (R$110,436 at December 31, 2020). Management has classified the chance of loss as 'possible', also taking into account assessment of the chance of loss in the judicial sphere, (the claims mentioned are in the administrative sphere), based on the evaluation of the claims and the related case law.

Income tax withheld on capital gain in a shareholding transaction

The federal tax authority issued a tax assessment against Cemig as a jointly responsible party with its jointly-controlled entity Parati S.A. Participações em Ativos de Energia Elétrica (Parati), relating to withholding income tax (*Imposto de Renda Retido na Fonte*, or IRRF) allegedly applicable to returns paid by reason of a capital gain in a shareholding transaction relating to the purchase by Parati, and sale, by Enlighted, at July 7, 2011, of 100.00% of the equity interests in Luce LLC (a company with head office in Delaware, USA), holder of 75.00% of the shares in the Luce Brasil equity investment fund (FIP Luce), which was indirect holder, through Luce Empreendimentos e Participações S.A., of approximately 13.03% of the total and voting shares of Light S.A. (Light). The amount of the contingency is approximately R$237,295 (R$234,113 at December 31, 2020), and the loss has been assessed as 'possible'.

The social contribution tax on net income (CSLL)

The federal tax authority issued a tax assessment against the Company and its subsidiaries for the years of 2012 and 2013, alleging undue non-addition, or deduction, of amounts relating to the following items in calculating the social contribution tax on net income: (i) taxes with liability suspended; (ii) donations and sponsorship (Law 8,313/91); and (iii) fines for various alleged infringements. The amount of this contingency is R$444,306 (R$425,023 at December 31, 2020). The Company has classified the chances of loss as 'possible', in accordance with the analysis of the case law on the subject.

ICMS (local state value added tax)

From December 2019 to March 2021, the Tax Authority of Minas Gerais State issued infraction notices against the subsidiary Gasmig, in the total amount of R$96,790, relating to reduction of the calculation base of ICMS tax in the sale of natural gas to its customers over the period from December 2014 to December 2016, alleging a divergence between the form of calculation used by Gasmig and the opinion of that tax authority. The claims comprises: principal of R$30,639, penalty payments of R$49,364 and interest of R$16,787.

Considering that the State of Minas Gerais, over a period of more than 25 years, has never made any allegations against the methodology of calculation by the Company, Management and Company's legal advisors, believe that there is a defense under Article 100, III of the National Tax Code, which removes claims for penalties and interest; and that the contingency for loss related to these amounts is 'remote'. In relation to the argument on the difference between the amount of ICMS tax calculated by Gasmig and the new interpretation by the state tax authority, the probability of loss was considered 'possible'. On September 30, 2021 the amount of the contingency for the period relating to the rules on expiry by limitation of time is R$130,820 (R$107,000 on December 31, 2020). In July 2021, Gasmig filed an lawsuit for annulment of a tax debit, against the State of Minas Gerais, and this proceeding suspended the tax claim referred to above.

Interest on Equity

The Company filed an application for mandamus, with interim relief, requesting the right to deduct, from the basis of calculation of corporate income tax and Social Contribution tax, the expense relating to payment of Interest on Equity in 4Q20 calculated on the basis of prior periods (the first and second quarters of 2020), and for cancellation of the demand for new supposed credits of corporate income tax and the Social Contribution relating to the amount that was not paid as a result of the deduction of the said financial expense, with application of fines. The amount of the contingencies in this case is approximately R$59,199 on September 30, 2021, and the chances of loss were assessed as 'possible', based on analysis of current judgments by the Brazilian courts on the theme.

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

The Brazilian tax authority (Receita Federal do Brasil) issued two infringement notices relating to calculation of the PIS/Pasep and Cofins taxes, from August 2016 to December 2017, alleging insufficiency of payment of these contributions due to supposed undue credits deduction of the expenses on the Proinfa charge, and absence of reversal of the credits related to non-technical losses. The Company is contesting these infringement notices. On September 30, 2021 the amount of the contingency is R$ 159,376 and the Company has classified the chances of loss as 'possible', due to the scarcity of case law on the subject.

Regulatory matters

Public Lighting Contribution (CIP)

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

The Company believes it has arguments of merit for defense in these claims, since the charge at present made is grounded on Aneel Normative Resolution 456/2000. As a result it has not constituted a provision for this action, the amount of which is estimated at R$1,215,519 (R$1,072,398 at December 31, 2020). The Company has assessed the chances of loss in this action as 'possible', due to the Customer Defense Code (*Código de Defesa do Consumidor*, or CDC) not being applicable, because the matter is governed by the specific regulation of the energy sector, and because Cemig complied with Aneel Resolutions 414 and 456, which deal with the subject.

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

In a claim dating from August 2002, AES Sul Distribuidora challenged in the court the criteria for accounting of energy sale transactions in the wholesale energy market (*Mercado Atacadista de Energia*, or MAE) (predecessor of the present Power 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 Cemig GT, related to the expense on purchase of energy in the spot market on the CCEE, in the approximate amount of R$416,969 (R$376,228 at December 31, 2020). On November 9, 2008 Cemig GT obtained an interim decision in the Regional Federal Appeal Court (*Tribunal Regional Federal*, or TRF) suspending the obligatory nature of the requirement to pay into court the amount that would have been owed under the Special Financial Settlement made by the CCEE. Cemig GT has classified the chance of loss as 'possible', since this action deals with the General Agreement for the Electricity Sector, in which the Company has the full documentation to support its arguments.

Tariff increases

Exclusion of customers classified as low-income

The Federal Public Attorneys' Office filed a class action against the Company and the grantor (Aneel), to avoid exclusion of customers from classification in the *Low-income residential tariff* sub-category, requesting an order for Cemig D to pay twice the amount paid in excess by customers. A decision was given in favor of the plaintiffs, but the Company and the grantor (Aneel) have filed an interlocutory appeal and await judgment. The amount of the contingency is approximately R$394,812 (R$356,907 at December 31, 2020). Cemig D has classified the chances of loss as 'possible' due to other favorable decisions on this matter.

Environmental claims

Impact arising from construction of power plants

The Public Attorneys' Office of Minas Gerais State has filed class actions requiring the formation of a Permanent Preservation Area (APP) around the reservoir of the *Capim Branco* hydroelectric plant, suspension of the effects of the environmental licenses, and recovery of alleged environmental damage. Cemig GT, based on the opinion of its legal advisers in relation to the changes that have been made in the new Forest Code and in the case law on this subject, Cemig GT has classified the chance of loss in this dispute as 'possible'. The estimated value of the contingency is R$117,793 (R$105,552 at December 31, 2020).

Other contingent liabilities

Early settlement of the CRC (Earnings Compensation) Account

The Company is involved in an administrative proceeding at the Audit Court of the State of Minas Gerais which challenges: (i) a difference of amounts relating to the discount offered by Cemig for early repayment of the credit owed to Cemig by the State under the Receivables Assignment Contract in relation to the CRC Account (*Conta de Resultados a Compensar*, or Earnings Compensation Account) – this payment was completed in the first quarter of 2013; and also (ii) possible undue financial burden on the State after the signature of the Amendments that aimed to re-establish the economic and financial balance of the Contract. The amount of the contingency is approximately R$481,593 (R$448,066 at December 31, 2020), and, based on the Opinion of the Public Attorneys' Office of the Audit Board of the State of Minas Gerais (Tribunal de Contas), the Company believes that it has met the legal requirements. Thus, it has assessed the chances of loss as 'possible', since it believes that the adjustment was made in faithful obedience to the legislation applicable to the case.

Contractual imbalance

Cemig D is party in other disputes arising from alleged non-compliance with contracts in the normal course of business, for an estimated total of R$188,872 (R$167,168 at December 31, 2020). Cemig D has classified the chance of loss as 'possible', after analysis of the case law on this subject.

Renova: Application to override corporate identity

A receivables investment fund filed an application for Override of Legal Identity (Incidente de Desconsideração da Personalidade Jurídica – IDPJ) in relation to certain companies of the Renova group, aiming to include some shareholders of Renova, including the Company and its subsidiary Cemig GT, as defendants jointly and severally liable. The amount involved in this dispute is estimated at R$87,345 at September 30, 2021. The chances of loss have been assessed as 'possible'.

25. EQUITY AND REMUNERATION TO SHAREHOLDERS

a) Share capital

On September 30, 2021 and December 31, 2020, the Company's issued and share capital is R$8,466,810, represented by 566,036,634 common shares and 1,127,325,434 preferred shares, both of them with nominal value of R$5.00 (five Reais).

Capital increase

The Annual General Meeting held on April, 30, 2021 approved Management's proposal for allocation of the profits for 2020, published in the 2020 financial statements, and a capital increase from R$7,593,763 to R$8,466,810 as per Article 199 of the Brazilian Corporate Law (Law 6,404/76), since the profit reserves at December 31, 2020 (excluding tax-incentive amounts and Unrealized profit reserve) exceeded the share capital, by R$1,529,371.

The capital increase was made through capitalization of the balance of R$873,047 in the Retained Earnings reserve, by issuance of a share bonus of 174,609,467 new shares (with par value R$5.00, as per the by-laws), of which 58,366,345 are common shares and 116,243,122 are preferred shares.

b) Earnings per share

Due to the capital increase, on April 30, 2021, with issuance of 174,609,467 new shares, without a corresponding entry of funds into the Company, the basic and diluted profit per share are presented, retrospectively, considering the new number of Company's shares.

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

	Number of shares	
	Sep. 30, 2021	Sep. 30, 2020
Common shares already paid up	566,036,634	566,036,634
Shares in treasury	(79)	(79)
Total common shares	**566,036,555**	**566,036,555**
Preferred shares already paid up	1,127,325,434	1,127,325,434
Shares in treasury	(650,817)	(650,817)
Total preferred shares	**1,126,674,617**	**1,126,674,617**
Total	**1,692,711,172**	**1,692,711,172**

Basic and diluted earnings per share

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

	Jan to Sep, 2021	Jan to Sep, 2020 (restated)	Jul to Sep, 2021	Jul to Sep, 2020 (restated)
Net income (loss) for the period (A)	2,789,320	1,592,047	421,051	578,987
Total earnings (B)	1,692,711,172	1,692,711,172	1,692,711,172	1,692,711,172
Basic and diluted earnings per share (A/B) (R$)	**1.65**	**0.94**	**0.25**	**0.34**

The purchase and sale options of investments in SAAG, issued by Cemig GT, could potentially dilute basic profit (loss) per share in the future; however, they have not caused dilution of earnings per share in the periods presented here.

26. REVENUE

Revenues are measured at the fair value of the consideration received or to be received and are recognized on a monthly basis as and when: (i) Rights and obligations of the contract with the customer are identified; (ii) the performance obligation of the contract is identified; (iii) the price for each transaction has been determined; (iv) the transaction price has been allocated to the performance obligations defined in the contract; and (v) the performance obligations have been complied.

	Consolidated		Parent company	
	Jan to Sep, 2021	Jan to Sep, 2020 (restated)	Jan to Sep, 2021	Jan to Sep, 2020
Revenue from supply of energy (a)	21,529,782	19,380,363	-	-
Revenue from use of the electricity distribution systems (TUSD) (b)	2,544,329	2,192,806	-	-
CVA and Other financial components (c)	1,908,899	98,844	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers– realization (1)	876,000	83,346	-	-
Transmission revenue			-	-
Transmission operation and maintenance revenue (d)	236,337	227,175	-	-
Transmission construction revenue (d)	137,828	167,419	-	-
Interest revenue arising from the financing component in the transmission contract asset (d) (Note 14)	462,422	231,529	-	-
Distribution construction revenue	1,236,369	1,006,927	-	-
Adjustment to expectation of cash flow from indemnifiable financial assets of distribution concession (e)	37,959	(1,652)	-	-
Revenue on financial updating of the Concession Grant Fee (f)	368,842	228,293	-	-
Transactions in energy on the CCEE (g)	533,590	90,701	193,671	-
Mechanism for the sale of surplus (h)	226,249	152,504	-	-
Supply of gas	2,492,309	1,390,827	-	-
Fine for violation of service continuity indicator	(52,358)	(33,447)	-	-
Advances for services provided (i)	153,970	-	-	-
Other operating revenues (j)	1,282,877	1,301,073	360	20
Deductions on revenue (k)	(9,986,014)	(8,553,424)	(17,971)	(4)
Net operating revenue	**23,989,390**	**17,963,284**	**176,060**	**16**

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

	Consolidated		Parent company	
	Jul to Sep, 2021	Jul to Sep, 2020 (restated)	Jul to Sep, 2021	Jul to Sep, 2020
Revenue from supply of energy (a)	7,740,212	6,692,911	-	-
Revenue from use of the electricity distribution systems (TUSD) (b)	886,721	793,698	-	-
CVA, and Other financial components (c)	1,116,248	17,192	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers– realization (1)	445,089	83,346	-	-
Transmission revenue			-	-
Transmission operation and maintenance revenue (d)	72,139	89,863	-	-
Transmission construction revenue (d)	75,695	63,363	-	-
Interest revenue arising from the financing component in the transmission contract asset (d) (Note 14)	165,300	116,277	-	-
Distribution construction revenue	497,932	397,295	-	-
Adjustment to expectation of cash flow from indemnifiable financial assets of distribution concession (e)	17,933	(697)	-	-
Revenue on financial updating of the Concession Grant Fee (f)	125,438	81,881	-	-
Transactions in energy on the CCEE (g)	425,502	59,103	193,671	
Mechanism for the sale of surplus (h)	226,249	47,690	-	-
Supply of gas	948,680	427,940	-	-
Fine for violation of service continuity indicator	(7,454)	(4,330)	-	-
Other operating revenues (j)	433,111	414,461	160	11
Deductions on revenue (k)	(3,644,128)	(2,858,810)	(17,929)	(1)
Net operating revenue	**9,524,667**	**6,421,183**	**175,902**	**10**

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

a) Revenue from energy supply

These items are recognized upon delivery of supply, based on the tariff specified in the contractual terms and approved by the grantor for each class of customer or in effect in the market. Unbilled supply of energy, from the period between the last billing and the end of each month, is estimated based on the supply contracted. For the distribution concession contract, the unbilled supply is estimated based on the volume of energy delivered but not yet billed.

This table shows energy supply by type of customer:

	MWh (1)		R$	
	Jan to Sep, 2021	Jan to Sep, 2020	Jan to Sep, 2021	Jan to Sep, 2020
Residential	8,399,020	8,095,031	8,137,611	7,275,465
Industrial	12,122,951	9,609,659	3,869,098	3,044,259
Commercial, services and others	6,116,435	6,410,602	3,947,505	3,703,102
Rural	3,089,080	2,810,932	1,928,039	1,616,856
Public authorities	526,237	535,169	405,600	392,207
Public lighting	928,034	991,695	535,882	441,318
Public services	1,061,925	1,022,593	630,718	543,341
Subtotal	**32,243,682**	**29,475,681**	**19,454,453**	**17,016,548**
Own consumption	24,667	24,935	-	-
Unbilled revenue	-	-	(64,922)	(147,888)
	32,268,349	**29,500,616**	**19,389,531**	**16,868,660**
Wholesale supply to other concession holders (2)	7,848,816	9,776,846	2,161,689	2,406,532
Wholesale supply unbilled, net	-	-	(21,438)	105,171
Total	**40,117,165**	**39,277,462**	**21,529,782**	**19,380,363**

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

	MWh (1)		R$	
	Jul to Sep, 2021	Jul to Sep, 2020	Jul to Sep, 2021	Jul a Sep, 2020
Residential	2,757,428	2,652,121	2,857,041	2,408,833
Industrial	4,263,189	3,282,736	1,389,273	1,062,910
Commercial, services and others	2,017,714	1,938,028	1,363,317	1,125,855
Rural	1,169,780	1,139,551	764,005	632,227
Public authorities	167,875	149,154	140,233	112,958
Public lighting	257,999	327,039	174,829	145,863
Public services	362,058	347,469	238,744	186,818
Subtotal	**10,996,043**	**9,836,098**	**6,927,442**	**5,675,464**
Own consumption	7,835	7,559	-	-
Unbilled revenue	-	-	(14,988)	109,738
	11,003,878	**9,843,657**	**6,912,454**	**5,785,202**
Wholesale supply to other concession holders (2)	2,520,569	3,150,749	757,429	818,168
Wholesale supply unbilled, net	-	-	70,329	89,541
Total	**13,524,447**	**12,994,406**	**7,740,212**	**6,692,911**

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

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

These are recognized upon the distribution infrastructure become available to customers, and the fair value of the consideration is calculated according to the TUSD tariff of those customers, set by the grantor. The total amount of energy transported, in MWh, is as follows:

	MWh (1)	
	Jan to Sep, 2021	Jan to Sep, 2020
Industrial	15,280,809	13,629,894
Commercial	1,104,780	907,221
Rural	31,831	21,941
Public service	2,631	-
Concessionaires	242,979	236,110
Total	**16,663,030**	**14,795,166**

(1) Data not reviewed by external auditors

	MWh (1)	
	Jul to Sep, 2021	Jul to Sep, 2020
Industrial	5,179,727	4,879,603
Commercial	381,813	299,125
Rural	11,484	7,667
Public service	1,080	-
Concessionaires	118,642	91,645
Total	**5,692,746**	**5,278,040**

(1) Data not reviewed by external auditors

c) The CVA account, and Other financial components

The results from variations in the CVA account (*Parcel A Costs Variation Compensation Account*), and in *Other financial components* in calculation of tariffs, refer to the positive and negative differences between the estimated non-manageable costs of the subsidiary Cemig D and the cost actually incurred. The amounts recognized arise from balances recorded in the current period, homologated or to be homologated in tariff adjustment processes. For more information please see Note 13.

d) Transmission concession revenue

- Construction revenue corresponds to the performance obligation to build the transmission infrastructure, recognized based on the satisfaction of obligation performance over time. 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. For more information, see Note 14.
- 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.
- 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 margin defined for each performance obligation from the transmission concession contract is as follows:

	Jan to Sep, 2021	Jan to Sep, 2020	Jul to Sep, 2021	Jul to Sep, 2020
Construction and upgrades revenue	137,828	167,419	75,695	63,363
Construction and upgrades costs	(101,728)	(115,709)	(54,604)	(41,665)
Margin	36,100	51,710	21,091	21,698
Mark-up (%)	**35.49%**	**44.69%**	**38.63%**	**52.08%**
Operation and maintenance revenue	236,337	227,175	72,139	89,863
Operation and maintenance cost	(195,661)	(180,912)	(74,756)	(59,008)
Margin	40,676	46,263	(2,617)	30,855
Mark-up (%)	**20.79%**	**25.57%**	**(3.50)%**	**52.29%**

e) Adjustment to expected cash flow from financial assets on residual value of infrastructure asses of distribution concessions

Income from monetary updating of the Regulatory Remuneration Asset Base.

f) Revenue on financial 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. See Note 13.

g) Energy transactions on the CCEE (Power Trading Chamber)

The revenue from transactions made through the Power Trading Chamber (*Câmara de Comercialização de Energia Elétrica*, or CCEE) is the monthly 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 energy sold at the Spot Price.

In the third quarter of 2021, part of the energy purchase contracts of the subsidiary Cemig GT were transferred to the Company, beginning the process of segregation of the commercialization business, in order to provide a more accurate view of this business segment results. Segregation of the commercialization business does not affect the Company's corporate strategy, of serving the market, with the purpose of delivery of energy to its clients.

h) Mechanism for the sale of energy surplus

The revenue from the surplus sale mechanism ('*Mecanismo de Venda de Excedentes* – MVE') refers to the sale of power surpluses by distributor agents. This mechanism is an instrument regulated by Aneel enabling distributors to sell over contracted supply – the energy amount that exceeds the quantity required to supply captive customers.

i) Advances for services provided

Corresponds to the negotiation with a free customer that resulted in a revenue recognition related to trading services provided in advance by the subsidiary ESCEE.

j) Other operating revenues

Consolidated	Jan to Sep, 2021	Jan to Sep, 2020
Charged service	12,456	6,994
Services rendered	38,878	109,865
Subsidies (1)	1,028,495	1,062,166
Rental and leasing	143,542	121,648
Contractual indemnities	26,990	-
Other	32,516	400
	1,282,877	**1,301,073**

Consolidated	Jul to Sep, 2021	Jul to Sep, 2020
Charged service	4,524	1,773
Services rendered	11,956	39,748
Subsidies (1)	344,613	331,517
Rental and leasing	45,230	41,085
Contractual indemnities	26,990	-
Other	(202)	338
	433,111	**414,461**

(1) Includes the revenue recognized for the tariff subsidies applied to users of the distribution system, in accordance with the Decree n.7,891/2013, in the amount of R$740,367 on September 30, 2021 (R$787,769 on September 30, 2020). Includes the subsidies for sources that are subject to incentive, rural, irrigators, public services and the generation sources that are subject to the incentive; and also includes the tariff flag revenue in the amount of R$72,413 on September 30, 2021, recognized because of the creditor position assumed by the Company in CCRBT.

k) Deductions on revenue

	Consolidated		Parent Company	
	Jan to Sep, 2021	Jan to Sep, 2020 (restated)	Jan to Sep, 2021	Jan to Sep, 2020
Taxes on revenue				
ICMS	5,088,874	4,495,433	-	-
Cofins	2,029,317	1,586,992	14,746	3
PIS/Pasep	440,550	344,765	3,202	1
Others	8,948	4,912	23	-
	7,567,689	**6,432,102**	**17,971**	**4**
Charges to the customer				
Global Reversion Reserve (RGR)	11,588	12,066	-	-
Energy Efficiency Program (PEE)	51,821	51,589	-	-
Energy Development Account (CDE)	1,992,361	1,826,713	-	-
Research and Development (R&D)	24,012	30,622	-	-
National Scientific and Technological Development Fund (FNDCT)	40,258	30,622	-	-
Energy System Expansion Research (EPE of MME)	20,129	15,311	-	-
Customer charges – Proinfa alternative sources program	44,682	27,861	-	-
Energy services inspection fee	27,107	25,018	-	-
Royalties for use of water resources	28,727	41,848	-	-
Customer charges – the 'Flag Tariff' system	137,307	59,672	-	-
CDE on R&D	16,246	-	-	-
CDE on EEP	24,087	-	-	-
	2,418,325	**2,121,322**	**-**	**-**
	9,986,014	**8,553,424**	**17,971**	**4**

	Consolidated		Parent Company	
	Jul to Sep, 2021	Jul to Sep, 2020 (restated)	Jul to Sep, 2021	Jul to Sep, 2020
Taxes on revenue				
ICMS	1,784,706	1,484,749	-	-
Cofins	787,022	555,830	14,731	1
PIS/Pasep	171,469	120,669	3,198	-
Others	1,271	1,549	-	-
	2,744,468	**2,162,797**	**17,929**	**1**
Charges to the customer				
Global Reversion Reserve (RGR)	3,866	4,115	-	-
Energy Efficiency Program (PEE)	21,854	18,145	-	-
Energy Development Account (CDE)	667,763	608,848	-	-
Research and Development (R&D)	10,361	10,346	-	-
National Scientific and Technological Development Fund (FNDCT)	14,748	10,346	-	-
Energy System Expansion Research (EPE of MME)	7,374	5,173	-	-
Customer charges – Proinfa alternative sources program	14,011	10,122	-	-
Energy services inspection fee	7,578	9,605	-	-
Royalties for use of water resources	10,527	19,297	-	-
Customer charges – the 'Flag Tariff' system	130,290	16	-	-
CDE on R&D	4,387	-	-	-
CDE on EEP	6,901	-	-	-
	899,660	**696,013**	**-**	**-**
	3,644,128	**2,858,810**	**17,929**	**1**

27. OPERATING COSTS AND EXPENSES

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

	Consolidated		Parent company	
	Jan to Sep, 2021	Jan to Sep, 2020 (restated)	Jan to Sep, 2021	Jan to Sep, 2020
Personnel (a)	912,598	940,884	12,439	14,328
Employees' and managers' profit sharing	104,481	108,882	2,840	12,605
Post-employment benefits – Note 23	324,905	334,239	36,521	35,911
Materials	70,078	57,480	38	167
Outsourced services (b)	1,041,543	904,465	12,717	22,497
Energy bought for resale (c)	11,719,653	8,528,412	51,017	-
Depreciation and amortization (1)	763,482	733,538	1,334	2,308
Operating provisions and adjustments for operating losses (d)	169,496	255,123	13,666	54,059
Charges for use of the national grid	2,101,761	1,157,241	-	-
Gas bought for resale	1,428,052	750,664	-	-
Construction costs (e)	1,338,097	1,122,636	-	-
Other operating expenses, net (f)	229,432	194,631	13,556	7,026
	20,203,578	**15,088,195**	**144,128**	**148,901**

(1) Net of PIS/Pasep and Cofins taxes applicable to amortization of the Right of Use, in the amount of R$1,681 in the statements and R$19 in the Parent company statements (R$1,606 and R$105 on September 30, 2020).

	Consolidated		Parent company	
	Jul to Sep, 2021	Jul to Sep, 2020 (restated)	Jul to Sep, 2021	Jul to Sep, 2020
Personnel (a)	262,275	290,095	4,721	3,216
Employees' and managers' profit sharing	55,292	75,602	2,801	6,573
Post-employment benefits – Note 23	108,934	110,512	12,205	11,926
Materials	23,876	22,714	3	67
Outsourced services (b)	354,468	302,775	6,823	6,704
Energy bought for resale (c)	5,302,305	2,958,679	51,017	-
Depreciation and amortization (1)	283,318	245,089	434	756
Operating provisions (reversals) and adjustments for operating losses (d)	76,117	(101,606)	4,527	5,073
Charges for use of the national grid	653,534	534,788	-	-
Gas bought for resale	560,010	207,361	-	-
Construction costs (e)	552,536	438,960	-	-
Other operating expenses, net (f)	74,852	67,953	1,483	1,484
	8,307,517	**5,152,922**	**84,014**	**35,799**

(1) Net of PIS/Pasep and Cofins taxes applicable to amortization of the Right of Use.

a) Personnel

2021 Programmed Voluntary Retirement Plan ('PDVP')

On May 2021, the Company approved the Programmed Voluntary Retirement Plan for 2021 ('the 2021 PDVP'). All the employees are eligible to join the program, except as provided for in the Program, from May 10 to 31, 2021. The program will pay the standard legal payments for voluntary termination of employment and a bonus, as an indemnity, which is calculated by the application of a percentage determined by the length of time the employee has worked for Cemig, on the current remuneration, for each year of employment, according to the Program terms, and, for those employees whose job tenure in Cemig is longer than 36 years, the value of 10.5 remunerations.

The total of R$35,238 has been recorded as expense related to this program, corresponding to the enrollment of 324 employees. In April, 2020, has been appropriated as expense, including severance payments, a total of R$58,850 (396 employees).

b) Outsourced services

	Consolidated		Parent company	
	Jan to Sep, 2021	Jan to Sep, 2020	Jan to Sep, 2021	Jan to Sep, 2020
Meter reading and bill delivery	97,821	95,354	-	-
Communication	111,070	82,605	158	345
Maintenance and conservation of electrical facilities and equipment	339,790	324,850	14	13
Building conservation and cleaning	52,490	45,595	147	106
Security services	12,559	13,700	-	-
Auditing and consulting services	29,664	29,218	4,915	16,619
Information technology	72,990	36,664	1,378	771
Disconnection and reconnection	59,289	21,514	-	-
Legal services	18,057	14,473	4,032	881
Tree pruning	33,762	39,740	-	-
Cleaning of power line pathways	71,305	56,421	-	-
Copying and legal publications	12,218	14,547	173	271
Inspection of customer units	24,199	23,772	-	-
Other expenses	106,329	106,012	1,900	3,491
	1,041,543	**904,465**	**12,717**	**22,497**

	Consolidated		Parent company	
	Jul to Sep, 2021	Jul to Sep, 2020	Jul to Sep, 2021	Jul to Sep, 2020
Meter reading and bill delivery	34,629	30,186	-	-
Communication	33,134	28,103	31	106
Maintenance and conservation of electrical facilities and equipment	108,668	94,854	6	4
Building conservation and cleaning	18,408	14,825	62	29
Security services	4,650	4,947	-	-
Auditing and consulting services	10,925	11,130	2,114	4,819
Information technology	24,463	11,732	552	185
Disconnection and reconnection	23,195	6,236	-	-
Legal services	8,616	4,616	3,511	290
Tree pruning	10,695	15,404	-	-
Cleaning of power line pathways	21,693	22,488	-	-
Copying and legal publications	4,134	4,388	7	24
Inspection of customer units	10,383	11,154	-	-
Other expenses	40,875	42,712	540	1,247
	354,468	**302,775**	**6,823**	**6,704**

c) Energy purchased for resale

	Consolidated		Parent company	
	Jan to Sep, 2021	Jan to Sep, 2020	Jan to Sep, 2021	Jan to Sep, 2020
Supply from Itaipu Binacional	1,447,247	1,483,596	-	-
Physical guarantee quota contracts	616,841	576,970	-	-
Quotas for Angra I and II nuclear plants	183,433	227,226	-	-
Spot market	1,163,634	826,871	-	-
Proinfa Program	286,500	233,799	-	-
‘Bilateral’ contracts	306,411	248,534	-	-
Energy acquired in Regulated Market auctions	4,251,173	2,334,514	-	-
Energy acquired in the Free Market (1)	3,655,574	2,885,932	56,217	-
Distributed generation (‘Geração distribuída’)	867,393	485,347	-	-
PIS/Pasep and Cofins credits	(1,058,553)	(774,377)	(5,200)	-
	11,719,653	**8,528,412**	**51,017**	**-**

(1) The energy acquired in the Free Market by the parent company arises from the contracts transferred by Cemig GT, as a result of the process of partial segregation of the Company’s energy commercialization business. For more information, see Note 26(g).

	Consolidated		Parent company	
	Jul to Sep, 2021	Jul to Sep, 2020	Jul to Sep, 2021	Jul to Sep, 2020
Supply from Itaipu Binacional	479,619	531,183	-	-
Physical guarantee quota contracts	215,325	197,520	-	-
Quotas for Angra I and II nuclear plants	61,144	75,742	-	-
Spot market	800,388	193,868	-	-
Proinfa Program	95,500	77,933	-	-
'Bilateral' contracts	111,317	85,142	-	-
Energy acquired in Regulated Market auctions	2,091,386	766,561	-	-
Energy acquired in the Free Market (1)	1,596,409	1,142,123	56,217	-
Distributed generation ('Geração distribuída')	338,612	157,551	-	-
PIS/Pasep and Cofins credits	(487,395)	(268,944)	(5,200)	-
	5,302,305	**2,958,679**	**51,017**	**-**

(2) The energy acquired in the Free Market by the parent company arises from the contracts transferred by Cemig GT, as a result of the process of partial segregation of the Company's energy commercialization business. For more information, see Note 26(g).

d) Operating provision (reversals)

	Consolidated		Parent company	
	Jan to Sep, 2021	Jan to Sep, 2020	Jan to Sep, 2021	Jan to Sep, 2020
Estimated losses on doubtful accounts receivables (Note 7) (1)	79,463	58,271	-	-
Estimated losses on other accounts receivables (2)	(11,000)	(164)	-	(164)
Estimated losses on doubtful accounts receivable from related (3)	-	37,361	-	37,361
Contingency provisions (reversals) (Note 24) (2)				
Labor claims	33,724	48,751	10,146	9,606
Civil	33,381	29,949	485	2,139
Tax	(16,765)	42,186	4,983	4,325
Other	14,358	5,723	(1,948)	792
	64,698	**126,609**	**13,666**	**16,862**
	133,161	**222,077**	**13,666**	**54,059**
Adjustment for losses				
Put option – SAAG (Note 30)	36,335	33,046	-	-
	36,335	**33,046**	**-**	**-**
	169,496	**255,123**	**13,666**	**54,059**

	Consolidated		Parent company	
	Jul to Sep, 2021	Jul to Sep, 2020	Jul to Sep, 2021	Jul to Sep, 2020
Estimated losses on doubtful accounts receivables (Note 7) (1)	37,295	(156,829)	-	-
Estimated losses on other accounts receivables (1)	-	(164)	-	(164)
Contingency provisions (reversals) (Note 24) (2)				
Labor claims	(6,410)	18,063	1,728	3,466
Civil	10,742	7,259	354	137
Tax	2,209	17,747	1,685	815
Other	9,304	2,072	760	819
	15,845	**45,141**	**4,527**	**5,237**
	53,140	**(111,852)**	**4,527**	**5,073**
Adjustment for losses				
Put option – SAAG (Note 30)	22,977	10,246	-	-
	22,977	**10,246**	**-**	**-**
	76,117	**(101,606)**	**4,527**	**5,073**

(1) The expected losses on receivables are presented as selling expenses in the Statement of Income.
(2) The provisions for contingencies of the holding company are presented in the consolidated profit and loss account for the period as operating expenses.
(3) Estimated losses on amounts receivable from Renova, as a result of the assessment of credit risk.

e) Construction infrastructure costs

Consolidated	Jan to Sep, 2021	Jan to Sep, 2020
Personnel and managers	66,654	62,108
Materials	738,425	554,783
Outsourced services	473,354	417,176
Others	59,664	88,569
	1,338,097	**1,122,636**

Consolidated	Jul a Sep, 2021	Jul to Sep, 2020
Personnel and managers	31,286	21,663
Materials	332,135	217,485
Outsourced services	175,763	177,216
Others	13,352	22,596
	552,536	**438,960**

f) Other operating expenses, net

	Consolidated		Parent company	
	Jan to Sep, 2021	Jan to Sep, 2020 (restated)	Jan to Sep, 2021	Jan to Sep, 2020
Leasing and rentals (recovery of costs)	3,975	4,227	(2)	581
Advertising	4,635	4,031	13	92
Own consumption of energy	18,404	15,902	-	-
Subsidies and donations	12,224	10,073	-	-
Onerous concession	2,570	2,094	-	-
Insurance	22,152	17,943	2,912	2,118
CCEE annual charge	4,430	4,419	1	1
Net loss (gain) on deactivation and disposal of assets	52,923	26,876	-	157
Forluz – Administrative running cost	23,582	22,404	1,167	1,102
Collection agents	63,691	64,021	-	-
Obligations deriving from investment contracts (1)	8,233	10,569	-	-
Taxes and charges	15,388	6,673	3,830	793
Other expenses (recovery of expenses)	(2,775)	5,399	5,635	2,182
	229,432	**194,631**	**13,556**	**7,026**

	Consolidated		Parent company	
	Jul to Sep, 2021	Jul to Sep, 2020 (restated)	Jul to Sep, 2021	Jul to Sep, 2020
Leasing and rentals (recovery of costs)	1,898	(1,007)	4	154
Advertising	909	1,154	-	61
Own consumption of energy	7,017	5,152	-	-
Subsidies and donations	7,444	6,756	-	-
Onerous concession	892	707	-	-
Insurance	7,832	5,939	980	707
CCEE annual charge	1,446	1,445	1	-
Net loss (gain) on deactivation and disposal of assets	23,702	14,907	-	-
Forluz – Administrative running cost	8,017	7,548	397	371
Collection agents	20,799	21,628	-	-
Obligations deriving from investment contracts (1)	(779)	10,569	-	-
Taxes and charges	1,822	450	80	64
Other expenses (recovery of expenses)	(6,147)	(7,295)	21	127
	74,852	**67,953**	**1,483**	**1,484**

(1) This refers to the contractual obligations to the investee Aliança Geração, corresponding to contingencies resulting from events before the closing of the transaction which resulted in contribution of assets by Cemig and Vale S.A. to this investee in exchange for an equity interest. The total value of the contingencies is R$127 million (R$119 million at December 31, 2020), of which Cemig GT's portion is R$50 million (R$41 million on December, 31, 2020).

28. FINANCE INCOME AND EXPENSES

	Consolidated		Parent company	
	Jan to Sep, 2021	Jan to Sep, 2020	Jan to Sep, 2021	Jan to Sep, 2020
FINANCE INCOME				
Income from financial investments	162,071	61,991	46,738	2,825
Interest on sale of energy	350,401	282,568	-	-
Monetary variations	58,981	14,678	7,817	1
Monetary variations – CVA (Note 13)	28,252	31,281	-	-
Monetary updating of escrow deposits	15,134	54,312	2,308	6,497
PIS/Pasep and Cofins charged on finance income (1)	(76,972)	(38,286)	(46,153)	(16,896)
Gains on financial instruments –swap (Note 30)	-	1,803,611	-	-
Charges on related parties receivables	1,752	20,234	1,752	17,395
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (Note 8) (2)	18,554	34,288	4,081	4,517
Others	52,660	53,504	2,329	1,285
	610,833	**2,318,181**	**18,872**	**15,624**
FINANCE EXPENSES				
Charges on loans and financings (Note 21)	(883,413)	(895,711)	(1,380)	(1,222)
Cost of debt – amortization of transaction cost (Note 21)	(18,870)	(10,910)	(55)	(161)
Foreign exchange variations - loans and financing (Note 21)	(212,221)	(2,409,658)	-	-
Discount and premium on repurchase of debt securities (*Eurobonds*) (Note 21)	(491,036)	-	-	
Foreign exchange variations – Itaipu Binacional	(10,461)	(72,138)	-	-
Monetary updating – loans, financings and debentures (Note 21)	(220,992)	(81,620)	-	-
Monetary updating – onerous concessions	(7,476)	(5,752)	-	-
Charges and monetary updating on post-employment obligations (Note 23)	(50,272)	(33,977)	(2,473)	(1,672)
Loss on financial instruments –swap (Note 30)	(577,129)	-	-	-
Leasing – Monetary variation (Note 18)	(18,580)	(20,401)	(185)	(225)
Others	(62,565)	(46,696)	(267)	(60)
	(2,553,015)	**(3,576,863)**	**(4,360)**	**(3,340)**
NET FINANCE INCOME (EXPENSES)	**(1,942,182)**	**(1,258,682)**	**14,512**	**12,284**

	Consolidated		Parent company	
	Jul to Sep, 2021	Jul to Sep, 2020	Jul to Sep, 2021	Jul to Sep, 2020
FINANCE INCOME				
Income from financial investments	69,250	22,401	18,514	703
Interest on sale of energy	112,579	105,745	-	-
Monetary variations	44,894	5,949	6,145	-
Monetary variations – CVA (Note 13)	21,325	5,593	-	-
Monetary updating of escrow deposits	8,190	270	1,725	(3,675)
PIS/Pasep and Cofins charged on finance income (1)	(27,669)	(22,474)	(13,859)	(14,860)
Gains on financial instruments –swap (Note 30)	35,636	2,651	-	-
Charges on related parties receivables	1,752	16,751	1,752	16,592
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	427	7,196	2,022	1,028
Others	12,443	21,286	(1,265)	443
	278,827	**165,368**	**15,034**	**231**
FINANCE EXPENSES				
Charges on loans and financings (Note 21)	(294,081)	(312,605)	(682)	(280)
Cost of debt – amortization of transaction cost (Note 21)	(6,264)	(3,809)	-	(57)
Foreign exchange variations - loans and financing (Note 21)	(504,600)	(247,294)	-	-
Discount and premium on repurchase of debt securities (*Eurobonds*) (Note 21)	(491,036)	-	-	
Foreign exchange variations – Itaipu Binacional	(17,752)	(5,672)	-	-
Monetary updating – loans, financings and debentures (Note 21)	(78,413)	(45,642)	-	-
Monetary updating – onerous concessions	(422)	(3,970)	-	-
Charges and monetary updating on post-employment obligations	(16,124)	(12,228)	(793)	(602)
Leasing – Monetary variation	(6,101)	(6,664)	(61)	(72)
Others	(19,524)	(24,103)	(22)	(57)
	(1,434,317)	**(661,987)**	**(1,558)**	**(1,068)**
NET FINANCE INCOME (EXPENSES)	**(1,155,490)**	**(496,619)**	**13,476**	**(837)**

(1) The PIS/Pasep and Cofins expenses apply to Interest on Equity.
(2) The updating of the tax credits for the court judgment on PIS, Pasep, Cofins / ICMS tax, and the related liability to be refunded to customers, is presented at net value.

29. RELATED PARTY TRANSACTIONS

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

COMPANY	ASSETS		LIABILITIES		REVENUE		EXPENSES	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020	Jan to Sep, 2021	Jan to Sep, 2020	Jan to Sep, 2021	Jan to Sep, 2020
Shareholder								
Minas Gerais State Government								
Current								
Customers and traders (1)	246,845	334,824	-	-	78,949	96,829	-	-
Non-current								
Accounts Receivable – AFAC (2)	13,366	11,614	-	-	1,752	16,592	-	-
Affiliated (3)								
Madeira Energia								
Current								
Transactions with energy (4)	7,127	2,173	177,388	92,054	72,681	19,760	(1,294,797)	(872,741)
Jointly-controlled entity (3)								
Aliança Geração								
Current								
Transactions with energy (4)	1,360	-	17,855	14,297	35,423	31,133	(145,932)	(130,266)
Provision of services (5)	486	323	-	-	3,966	3,617	-	-
Interest on Equity, and dividends	-	114,430	-	-	-	-	-	-
Contingency (6)	-	-	49,610	41,376	-	-	(8,233)	(10,569)
Baguari Energia								
Current								
Transactions with energy (4)	-	-	999	922	117	-	(6,556)	(6,255)
Provision of services (5)	287	211	-	-	432	716	-	-
Interest on Equity, and dividends	10,835	-	-	-	-	-	-	-
Norte Energia								
Current								
Transactions with energy (4)	1,975	130	35,451	25,154	19,871	21,049	(248,852)	(197,161)
Lightger								
Current								
Transactions with energy (4)	-	-	2,091	1,646	-	-	(21,474)	(17,636)
Hidrelétrica Pipoca								
Current								
Transactions with energy (4)	-	-	3,051	2,728	-	-	(27,706)	(17,670)
Interest on Equity, and dividends	1,313	2,680	-	-	-	-	-	-
Retiro Baixo								
Current								
Transactions with energy (4)	-	-	632	144	4,637	3,945	(4,479)	3,421
Interest on Equity, and dividends	3,929	-	-	-	-	-	-	-
Hidrelétrica Cachoeirão								
Current								
Transactions with energy (4)	-	-	-	-	1,442	-	-	-
Renova								
Non-current								
Loans from related parties (7)	-	-	-	-	-	803	-	(37,361)
Taesa								
Current								
Transactions with energy (4)	-	-	9,521	7,979	187	104	(87,504)	(70,284)
Provision of services (5)	150	289	-	-	908	669	-	-
Interest on Equity, and dividends	6	-	-	-	-	-	-	-
Hidrelétrica Itaocara								
Current								
Adjustment for losses (8)	-	-	28,972	29,615	-	-	-	-
Axxiom								
Current								
Provision of services (9)		-	642	3,782		-		-
Other related parties								
FIC Pampulha								
Current								
Cash and cash equivalents	225,410	171,373	-	-	-	-	-	-

COMPANY	ASSETS		LIABILITIES		REVENUE		EXPENSES	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020	Jan to Sep, 2021	Jan to Sep, 2020	Jan to Sep, 2021	Jan to Sep, 2020
Marketable securities	2,335,761	3,355,688	-	-	32,579	10,100	-	-
Non-current								
Marketable securities	679,879	754,555	-	-	-	-	-	-
Forluz								
Current								
Post-employment obligations (10)	-	-	175,080	158,671	-	-	(150,397)	(154,338)
Supplementary pension contributions – Defined contribution plan (11)	-	-	-	-	-	-	(54,876)	(54,843)
Administrative running costs (12)	-	-	-	-	-	-	(23,580)	(22,403)
Operating leasing (13)	171,979	166,926	23,867	21,754	-	-	(2,524)	(2,579)
Non-current								
Post-employment obligations (10)	-	-	2,711,285	2,749,824	-	-	-	-
Operating leasing (13)	-	-	163,492	156,207	-	-	-	-
Cemig Saúde								
Current								
Health Plan and Dental Plan (14)	-	-	174,730	154,152	-	-	(192,869)	(180,589)
Non-current								
Health Plan and Dental Plan (14)	-	-	3,279,901	3,229,265	-	-	-	-

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

(1) Refers to sale of energy supply to the Minas Gerais State government. The price of the supply is set by the grantor (Aneel) through a Resolution relating to the annual tariff adjustment of Cemig D. In 2017 the government of Minas Gerais State signed a debt recognition agreement with Cemig D for payment of debits relating to the supply of power due and unpaid, in the amount of R$113,032, up to November 2019. These receivables have guarantee in the form of Cemig's right to retain dividends and Interest on Equity otherwise payable to the State (in proportion to the State's equity interest in the Company), for as long as any payments are overdue or in default. On September, 30, 2021, Cemig D obtained authorization from the Minas Gerais State Finance Secretary to offset part of the ICMS tax payable to the state against the debt owed by the State government to the company, under State Law 23,705/2020. The amount is to be offset in 21 equal monthly installments of approximately R$10.5 million. Until September 30, 2021, six installments had been offset.

(2) This refers to the recalculation of the inflation adjustment of amounts relating to the Advance against Future Capital Increase (AFAC), which were returned to the State of Minas Gerais. These receivables have guarantee in the form of Cemig's right to retain dividends and Interest on Equity otherwise payable to the State (in proportion to the State's equity interest in the Company), for as long as any payments are overdue or in default. However, the Minas Gerais State government is contesting the signature of the TARD, on the grounds that it was signed without obeying the legal requirements for validity of administrative acts, and notified the Company to return the two installment payments that had been made, and also the amounts of the dividends retained. For more information, see Note 10.

(3) The relationship between Cemig and its investees are described in Note 15 – Investments.

(4) The transactions in sale and purchase of energy between generators and distributors take place through auctions in the Regulated Market, and are organized by the federal government. In the Free Market, transactions are made through auctions or through direct contracting, under the applicable legislation. Transactions for transport of energy, on the other hand, are carried out by transmission companies and arise from the centralized operation of the National Grid, executed by the National System Operator (ONS).

(5) Refers to a contract to provide plant operation and maintenance services.

(6) This refers to the aggregate amounts of legal actions realized and legal actions provisioned arising from the agreement made between Aliança Geração, Vale S.A. and Cemig. The action is provisioned in the amount of R$127 million (R$119 million on December 31, 2020), of which Cemig's portion is R$50 million (R$41 million on December 31, 2020).

(7) On November 25, 2019, December 27, 2019 and January 27, 2020, DIP loan contracts under court supervised reorganization proceedings, referred to as 'DIP' and 'DIP 2', "DIP 3' were entered into between the Company and Renova Energia S.A., in the amounts of R$10 million, R$6.5 million and R$20 million, respectively. The contracts specify interest equal to 100% of the accumulated variation in the DI rate, plus an annual spread, applied pro rata die (on 252-business-days basis), of 1.083% for the DIP contract, 2.5% for the DIP2 contract and 1.5% for the DIP3, until the date of respective full payment. The Company recognized an impairment loss for the receivables from Renova, of its total carrying amount of R$37,361, in the second semester of 2020. For further information, see Note 15 (c).

(8) A liability was recognized corresponding to the Company's interest in the share capital of Hidrelétrica Itaocara, due to its negative equity (see Note 15).

(9) This refers to a contract for development of management software between Cemig D and Axxiom Soluções Tecnológicas S.A., instituted in Aneel Dispatch 2657/2017;

(10) The contracts of Forluz are updated by the Expanded Customer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*, or IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) plus interest of 6% p.a. and will be amortized up to the business year of 2031 (see Note 23).

(11) The Company's contributions to the pension fund for the employees participating in the Mixed Plan, and calculated on the monthly remuneration, in accordance with the regulations of the Fund.

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

(13) Rental of the Company's administrative head offices, in effect until August 2024 (able to be extended every five years, up to 2034), with annual inflation adjustment by the IPCA index and price reviewed every 60 months. On April, 27, the Company signed with Forluz a contract amendment due to the transfer of Cemig Sim e Gasmig facilities to Júlio Soares building, reducing the Company's rent expenses. On September 20, 2021 the lease contract was adjusted upward by 9.68%, corresponding to accumulated IPCA inflation over the prior 12 months.

(14) Post-employment obligations relating to the employees' health and dental plan (see Note 23).

Dividends receivable

Dividends receivable	Consolidated		Parent company	
	Sep. 30, 2021	Dec. 31, 2021	Sep. 30, 2021	Dec. 31, 2021
Cemig GT	-	-	479,093	891,998
Cemig D	-	-	310,834	309,434
Centroeste	-	-	11,038	-
Light	71,206	71,206	71,206	71,206
Taesa	6	-	6	-
Aliança Geração	-	114,430	-	-
Others (1)	16,089	2,691	1,023	240
	87,301	**188,327**	**873,200**	**1,272,878**

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

Guarantees on loans, financing and debentures

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

Related party	Relationship	Type	Objective	Sep. 30, 2021	Maturity
Norte Energia (NESA)	Affiliated	Surety	Financing	2,556,431	2042
Norte Energia (NESA)/Light (1)	Affiliated	Counter-guarantee	Financing	683,615	2042
Santo Antônio Energia S.A. (2)	Jointly-controlled entity	Surety	Debentures	484,938	2037
Santo Antônio Energia S.A.	Jointly-controlled entity	Guarantee	Financing	1,071,496	2034
Norte Energia (NESA)	Affiliated	Surety	Debentures	73,281	2030
				4,869,761	

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

At September 30, 2021, Management believes that there is no need to recognize any provisions in the Company's interim financial information for the purpose of meeting any obligations arising under these sureties and/or guarantees.

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

Cemig and its subsidiaries and jointly-controlled entities invest part of their financial resources in an investment fund which has the characteristics of fixed income and obeys the Company's cash investment policy. The amounts invested by the fund are presented in Marketable securities line in current and non-current assets, or presented deducted from the Debentures line in current and non-current liabilities, in proportion to the Company's participation in the fund, of 98.23%, on September, 30, 2021.

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

Remuneration of key management personnel

The total costs of key personnel, comprising the Executive Board, the Fiscal Council, the Audit Committee and the Board of Directors, are within the limits approved at a General Shareholders' Meeting, and the effects on the income statements of the in period ended September 30, 2021 and 2020, are as follows:

	Sep. 30, 2021	Sep. 30, 2020
Remuneration	20,682	20,067
Profit sharing	2,435	7,419
Pension plans	1,453	-
Health and dental plans	139	1,269
Life insurance	2	-
Total	**24,711**	**28,755**

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments classification and fair value

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

	Level	Sep. 30, 2021		Dec. 31, 2020	
		Balance	Fair value	Balance	Fair value
Financial assets					
Amortized cost (1)					
Marketable securities – Cash investments	2	1,091,318	1,091,318	1,213,875	1,213,875
Customers and Traders; Concession holders (transmission service)	2	5,059,159	5,059,159	4,534,044	4,534,044
Restricted cash	2	42,872	42,872	63,674	63,674
Accounts receivable from the State of Minas Gerais (AFAC)	2	13,366	13,366	11,614	11,614
Concession financial assets – *CVA* (Parcel 'A' Costs Variation Compensation) Account and *Other financial components*	3	1,921,926	1,921,926	132,681	132,681
Reimbursement of tariff subsidies	2	85,400	85,400	88,349	88,349
Low-income subsidy	2	44,979	44,979	43,072	43,072
Escrow deposits	2	1,150,331	1,150,331	1,055,797	1,055,797
Concession grant fee – Generation concessions	3	2,710,769	2,710,769	2,549,198	2,549,198
		12,120,120	**12,120,120**	**9,692,304**	**9,692,304**
Fair value through profit or loss					
Cash equivalents – Cash investments		774,027	774,027	1,587,337	1,587,337
Marketable securities					
Bank certificates of deposit	2	99,165	99,165	545,366	545,366
Treasury Financial Notes (LFTs)	1	400,684	400,684	730,806	730,806
Financial Notes – Banks	2	1,436,312	1,436,312	1,635,016	1,635,016
		2,710,188	**2,710,188**	**4,498,525**	**4,498,525**
Derivative financial instruments (Swaps)	3	1,302,639	1,302,639	2,948,930	2,948,930
Derivative financial instruments (Ativas and Sonda Put options)	3	3,646	3,646	2,987	2,987
Concession financial assets – Distribution infrastructure	3	678,362	678,362	559,241	559,241
Reimbursements receivable – Generation	**3**	816,202	816,202	816,202	816,202
		5,511,037	**5,511,037**	**8,825,885**	**8,825,885**
		17,631,157	**17,631,157**	**18,518,189**	**18,518,189**
Financial liabilities					
Amortized cost (1)					
Loans, financing and debentures	2	(11,351,253)	(11,351,253)	(15,020,558)	(15,020,558)
Debt with pension fund (Forluz)	2	(406,173)	(406,173)	(472,559)	(472,559)
Deficit of pension fund (Forluz)	2	(538,460)	(538,460)	(540,142)	(540,142)
Concessions payable	3	(26,537)	(26,537)	(23,476)	(23,476)
Suppliers	2	(3,370,554)	(3,370,554)	(2,358,320)	(2,358,320)
Leasing transactions	2	(254,816)	(254,816)	(226,503)	(226,503)
Sector financial liabilities	2	(98,537)	(98,537)	(231,322)	(231,322)
		(16,046,330)	**(16,046,330)**	**(18,872,880)**	**(18,872,880)**
Fair value through profit or loss					
SAAG put options	3	(572,490)	(572,490)	(536,155)	(536,155)
		(572,490)	**(572,490)**	**(536,155)**	**(536,155)**
		(16,618,820)	**(16,618,820)**	**(19,409,035)**	**(19,409,035)**

(1) On September 30, 2021 and December 31, 2020, the book values of financial instruments reflect their fair values.

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 such as data on the current fair value of another instrument that is substantially similar, or discounted cash flow analysis or option pricing models, may be used. Level 2 is based on information that is observable, either directly or indirectly. The objective of the valuation technique is to establish what would be the transaction price on the measurement date in an arm's-length transaction motivated by business model.

- Level 3 – No active market – No observable inputs: Fair value is determined based on generally accepted valuation techniques, such as on discounted cash flow analysis or other valuation techniques, including non-observable data, such as the measurement at New Replacement Value (*Valor novo de reposição*, or VNR). Non-observable data should be used to measure fair value where significant observable data is not available, admitting situations in which there is little or no market activity at the measurement date. Non-observable data are developed using the best possible information available in the circumstances, which may include the entity's own data.

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

Fair value calculation of financial positions

<u>Distribution infrastructure concession financial assets</u>: These are measured at New Replacement Value (*Valor novo de reposição*, or VNR), according to criteria established by the Concession-granting power ('Grantor'), based on fair value of the concession assets in service and which will be revertible at the end of the concession, and on the weighted average cost of capital (WACC) defined by the Grantor, which reflects the concession holder's return on the operations of the concession. The VNR and the WACC are public information disclosed by the Grantor and by Cemig respectively. The gas distribution assets are measured at the construction cost adjusted by the General Market Prices Index (Índice Geral de Preços de Mercado – IGPM). Changes in concession financial assets are disclosed in Note 13.

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. For more information, see Note 13.2.

Marketable securities: Fair value of marketable securities is determined taking into consideration the market prices of the investment, or market information that makes such calculation possible, considering future interest rates and exchange of investments 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.

Put options: The Company adopted the Black-Scholes-Merton method for measuring fair value of the Ativas and Sonda options. The fair value of these options was calculated on the basis of the estimated exercise price on the day of exercise of the option, less the fair value of the underlying shares, also estimated at same date, brought to present value at the reporting date of interim financial information.

Swaps: 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.

Other financial liabilities: Fair value of its loans, financing and debentures were determined using 131.33% of the CDI rate – based on its most recent funding. For the loans, financing, debentures and debt renegotiated with Forluz, with annual rates between IPCA + 4.10% to 6.20% and CDI + 0.53% to 3.14%, Company believes that their carrying amount is approximated to their fair value.

b) Derivative financial instruments

Put options

On September 30, 2021 and December 31, 2020, the options values were as follows:

	Sep. 30, 2021	Dec. 31, 2020
Put option – SAAG	572,490	536,155
Put options – Ativas and Sonda	(3,646)	(2,987)
	568,844	**533,168**

Put option – SAAG

Option contracts were signed between Cemig GT and the private pension entities that participate in the investment structure of SAAG (comprising FIP Melbourne, Parma Participações S.A. and FIP Malbec, jointly, 'the Investment Structure'), giving those entities the right to sell units in the Funds that comprise the Investment Structure, at the option of the Funds, in the 84th (eighty-fourth) month from June 2014. The exercise price of the Put Options corresponds to the amount invested by each private pension plan in the Investment Structure, updated *pro rata temporis* by the Expanded National Customer Price (IPCA) index published by the IBGE, plus interest at 7% per year, less such dividends and Interest on Equity as shall have been paid by SAAG to the pension plan entities. This option was considered to be a derivative instrument until the early exercise of the option (for further details, see the next topic of this Note), of accounted at fair value through profit and loss, measured using the Black-Scholes-Merton ("BSM") model.

A liability of R$572,490 was recorded in the Company's interim financial information, for the difference between the exercise price and the estimated fair value of the assets. Considering the early liquidation of Funds, and early maturity of put option, this amount was classified as current liabilities.

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

	Consolidated
Balance at December 31, 2020	**536,155**
Adjustment to fair value	36,335
Balance at September 30, 2021	**572,490**

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

Early liquidation of Funds, and early maturity of put option

On September 9, 2020, the administrator of the FIP funds, Banco Modal S.A., notified its unit holders of the beginning of the early liquidation process of the funds Melbourne, Parma Participações S.A. and FIP Malbec, due to expiration of the period of 180 days from its resignation, and the resignation of the manager of the Fund, from their respective positions, without there having been any indication of new service providers, as specified in the Fund's Regulations.

As established by contract, funds liquidation is one of the events that would result in expiration date of the option, which the private pension plan entities stated interest in exercising in the period from September 9 to October 2, 2020.

However, the Company's management believes that the premises and conditions that were the grounds for the investment in Santo Antônio Energia and the legal structure of the various contracts signed for this purpose underwent substantial changes which resulted in the options imbalance.

Thus, using the contractual prerogative contained in the option instruments, the Company invoked the contractual mechanism of Amicable Resolution for the contractual terms negotiation with the private pension plan entities. Since the amicable negotiation did not succeed, the Company invoked the arbitration clause for resolution of conflict between the parties, which awaits the decision of the Brazil Canada Chamber of Commerce of the State of São Paulo.

The Company recorded the accounting effects of this contract in accordance with the contracts original terms.

Sonda and Ativas options

The Company , as successor of CemigTelecom, and Sonda Procwork Outsourcing Informática signed a Purchase Option Agreement (issued by Cemig Telecom) and a Sale Option Agreement (issued by Sonda), which resulted in the Company simultaneously having a right (put option) and an obligation (call option) related to the shares held by the investee Ativas Datacenter S.A. ("Ativas"). The exercise price of the put option and the call option is equivalent to fifteen times and seventeen times, respectively, the adjusted net income of Ativas in the period prior to the exercise date. Both options, if exercised, result in the sale of the shares in Ativas, currently owned by the Company, and the exercise of one of the options results in nullity of the other. The options may be exercised as from January 1, 2021.

The put and call options in Ativas ('the Ativas Options') were measured at fair value and posted at their net value, i.e. the difference between the fair values of the two options on the reporting date of the interim financial information of September 30, 2021.

The measurement has been made using the Black-Scholes-Merton (BSM) model. In the calculation of the fair value of the Ativas Options based on the BSM model, the following variables are taken into account: closing price of the underlying asset on September 30, 2021; the risk-free interest rate; the volatility of the price of the underlying asset; the time to maturity of the option; and the exercise prices on the exercise date.

The valuation base date is September 30, 2021, the same date as the closing of the Company's interim financial information, and the methodology used to calculate the fair value of the company is discounted cash flow (DCF) based on the value of the shares transaction of Ativas by Sonda, occurred on October 19, 2016. Maturity was calculated assuming exercise date between January 1, 2022 and March 31, 2022.This is the first opportunity for the exercise of the option, which will be available at the same period of the following years, since the option grants the Company the right of selling to Sonda its interests held in Ativas, as of 2021.

Considering that the exercise prices of the options are contingent upon the future financial results of Ativas, the estimated exercise prices on the maturity date was based on statistical analyses and information of comparable listed companies.

Swap transactions

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

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

In 2021, Cemig GT began studies and contracted services in order to take measures aimed to diligent managing its liabilities, and reducing liquidity risk and exposure to foreign currency. In this context, on July 19, 2021, Cemig GT opened a Tender Offer to acquire, for cash, foreign market debt securities it had issued, maturing in 2024, in the principal amount of US$500 million.

In alignment with Cash tender offer process, on June 7 and 8, 2021 the derivative financial instruments contracted, corresponding to US$500 million, were partially dismantled. As a result, the Company reported a gain of R$774,409.

To mitigate foreign exchange exposure until the date of repurchase, on June 4, 2021 the Company contracted a short-term hedge against variation in the value of the US dollar for a volume of US$600 million, locking in an exchange rate of R$5.0984/US$. The instrument contracted was a non-deliverable forward (NDF), which does not include physical delivery of the currency, providing the Company with a pre-agreed rate at the maturity, which was August 3, 2021. For more details, see Note 21.

The half-yearly settlement of interest in the swap took place on June 7, 2021, with a positive effect of R$271,053, resulting in a net cash inflow to Cemig GT of R$230,395. The total amount of hedge settlement until September 30, 2021 was R$1,045,462, with net cash inflow of R$888,642. The results from the settlement of the NDF was R$ 23,700, with net cash inflow of R$ 23,699.

Assets	Liability	Maturity period	Trade market	Notional amount	Realized gain / loss	
					Sep. 30, 2021	Dec. 31, 2020
US$ exchange variation + Rate (9.25% p.y.)	Local currency + R$ 150.49% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US$1,000,000	954,841	328,817
US$ exchange variation + Rate (9.25% p.y.)	Local currency + R$125.52% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US$500,000	90,621	165,884
US$ exchange variation higher R$5.0984	US$ exchange variation lower R$5.0954	August 03, 2021	Over the counter	US$600,000	23,700	-
					1,069,162	494,701

The notional amount of derivative transactions are not presented in the statement of financial position, since they refer to transactions that do not require cash as only the gains or losses actually incurred are recorded. The net result of those transactions on September 30, 2021 was a negative adjustment of R$577,129 (positive adjustment of R$1,803,611 on September 30, 2020), which was posted in finance income (expenses).

The counterparties of the derivative transactions are the banks Bradesco, Itaú, Goldman Sachs and BTG Pactual and Cemig is guarantor of the derivative financial instruments contracted by Cemig GT. The counterparts of the NDF was the banks Deutsche Bank, Bradesco, XP Inc. and Goldman Sachs.

This table presents the derivative instruments as of September 30, 2021 and December 31, 2020.

Assets	Liability	Maturity period	Trade market	Notional amount (2)	Unrealized gain / loss		Unrealized gain / loss	
					Carrying amount Sep. 30, 2021	Fair value Sep. 30, 2021	Carrying amount Dec. 31, 2020	Fair value Dec. 31, 2020
US$ exchange variation + Rate (9.25% p.y.) (1)	Local currency + R$ 150.49% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US$500,000	913,014	748,600	1,772,477	2,110,490
US$ exchange variation + Rate (9.25% p.y.) (1)	Local currency + R$125.52% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US$500,000	617,922	554,039	587,945	838,440
					1,530,936	**1,302,639**	**2,360,422**	**2,948,930**
Current asset						**152,802**		**522,579**
Non-current asset						**1,149,837**		**2,426,351**

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. In July 20 21, Cemig GT dismantled a total of US$500 million of the original hedge issued. For the additional US$500 issuance of the same Eurobond issued on July 2018: (1) a call spread was contracted for the principal, with floor at R$ 3.85/US$ and ceiling at R$ 5.00/US$; and (2) a swap was contracted for the interest, resulting in a coupon of 9.25% p.a., with an average rate equivalent to 125.52% of the CDI rate. The upper limit for the exchange rate in the hedge instrument contracted by the Company for the principal of the Eurobonds is R$ 5.00/US$. The instrument matures in December 2024. If the USD/BRL exchange rate is still over R$5.00 in December 2024, the company will disburse, on that date, the difference between the upper limit of the protection range and the spot dollar on that date. The Company is monitoring the possible risks and impacts associated with the dollar being valued above R$5.00, and assessing various strategies for mitigating the foreign exchange risk up to the maturity date of the transaction. The hedge instrument fully protects the payment of six-monthly interest, independently of the USD/BRL exchange rate.
2) In millions of US$.

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

The fair value at September 30, 2021 was R$1,302,639 (R$2,948,930 on December 31, 2020), which would be the reference if Cemig GT would liquidate the financial instrument on that date, but the swap contracts protect the Company's cash flow up to the maturity of the bonds in 2024 and they have carrying amount of R$1,530,936 at September 30, 2021 (R$2,360,422 on December 31, 2020).

Cemig GT is exposed to market risk due to having contracted this hedge, the principal potential impact being a change in future interest rates and/or the future exchange rates. Based on the futures curves for interest rates and dollar, Cemig GT prepare a sensitivity analyses and estimates that in a probable scenario its results at September 30, 2022, would be positively affected by the swap and call spread at the end of the period in the amount of R$74,961. The fair value of the financial instrument will be R$1,377,600, in which R$1,117,169 refers to the option (call spread) and R$260,431 refers to the swap.

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

Parent Company and Consolidated	Base scenario Sep. 30, 2021	'Probable' scenario:	'Possible' scenario exchange rate depreciation and interest rate increase 25%	'Remote' scenario: exchange rate depreciation and interest rate increase 50%
Swap (asset)	4,332,428	4,219,079	3,716,225	3,241,481
Swap (liability)	(4,003,495)	(3,958,648)	(4,049,877)	(4,137,753)
Option / Call spread	973,706	1,117,169	774,253	287,545
Derivative hedge instrument	**1,302,639**	**1,377,600**	**440,601**	**(608,727)**

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

c) Financial risk management

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.

The Company monitor the financial risk of transactions that could negatively affect the Company's liquidity or profitability, recommending hedge protection strategies to minimize the Company's exposure to foreign exchange rate risk, interest rate risk, and inflation risks, which are effective, in alignment with the Company's business strategy.

The main risks to which the Company is exposed are as follows:

Exchange rate risk

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

The net exposure to exchange rates is as follows:

Exposure to exchange rates	Sep. 30, 2021		Dec. 31, 2020	
	Foreign currency	R$	Foreign currency	R$
US dollar				
Loans and financing (Note 21)	(1,034,763)	(5,628,489)	(1,513,592)	(7,865,684)
Suppliers (Itaipu Binacional) (Note 19)	(59,259)	(322,334)	(62,593)	(325,277)
	(1,094,022)	**(5,950,823)**	**(1,576,185)**	**(8,190,961)**
Net liabilities exposed		**(5,950,823)**		**(8,190,961)**

Sensitivity analysis

Based on finance information from its financial consultants, the Company estimates that in a probable scenario the variation of the exchange rates of foreign currencies in relation to the Real on September 30, 2022 will be an deppreciation of the dollar by 1.64%, to R$5.35. The Company has prepared a sensitivity analysis of the effects on the Company's net income arising from depreciation of the Real exchange rate considering the increase of 25%, and 50%, in relation to this 'probable' scenario.

Risk: foreign exchange rate exposure	Base Scenario	'Probable' scenario US$=R$5.35	'Possible' scenario US$= R$6.69	'Remote' scenario US$=R$8.03
US dollar				
Loans and financings (Note 21)	(5,628,489)	(5,535,981)	(6,922,563)	(8,309,146)
Suppliers (Itaipu Binacional) (Note 19)	(322,334)	(317,036)	(396,443)	(475,851)
	(5,950,823)	**(5,853,017)**	**(7,319,006)**	**(8,784,997)**
Net liabilities exposed	**(5,950,823)**	**(5,853,017)**	**(7,319,006)**	**(8,784,997)**
Net effect of exchange rate fluctuation		**97,806**	**(1,368,183)**	**(2,834,174)**

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

Interest rate risk

The Company and its subsidiaries are exposed to the risk of decrease in Brazilian domestic interest rates on September 30, 2021. This risk arises from the effect of variations in Brazilian interest rates on net financial income comprised by financial revenues from cash investments made by the Company, and also to the financial assets related to the CVA and other financial components, net of the effects on financial expenses associated to loans, financings and debentures in Brazilian currency, and also sectorial financial liabilities.

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

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

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

Risk: Exposure to domestic interest rate changes	Sep. 30, 2021	Dec. 31, 2020
Assets		
Cash equivalents – Cash investments (Note 5) – CDI	774,027	1,587,337
Marketable securities (Note 6) – CDI / SELIC	3,027,479	4,125,063
Restricted cash – CDI	42,872	63,674
CVA and in tariffs (Note 13) – SELIC	1,921,926	132,681
	5,766,304	**5,908,755**
Liabilities		
Loans, financing and debentures (Note 21) – CDI	(1,592,187)	(2,310,590)
Loans, financing and debentures (Note 21) – TJLP	(26,008)	(72,726)
Sector financial liabilities (note 13)	(98,537)	(231,322)
	(1,716,732)	**(2,614,638)**
Net assets exposed	**4,049,572**	**3,294,117**

Sensitivity analysis

In relation to the most significant interest rate risk, Company estimates that, in a probable scenario, at september 30, 2022 Selic and TJLP rates will be 8.75% and 5.75%, respectively. The Company has made a sensitivity analysis of the effects on its net income arising from increases in rates of 25% and 50% in relation to the 'probable' scenario. Fluctuation in the CDI rate accompanies the fluctuation of Selic rate.

Risk: Increase in Brazilian interest rates	Sep. 30, 2021	Sep. 30, 2022		
	Book value	'Probable' scenario Selic 8.75% TJLP 5.75%	'Possible' scenario Selic 6.56% TJLP 4.31%	'Remote' scenario Selic 4.38% TJLP 2.88%
Assets				
Cash equivalents (Note 5)	774,027	841,754	824,803	807,929
Marketable securities (Note 6)	3,027,479	3,292,383	3,226,082	3,160,083
Restricted cash	42,872	46,623	45,684	44,750
CVA and *Other financial components* – SELIC (Note 13)	1,921,926	2,090,095	2,048,004	2,006,106
	5,766,304	**6,270,855**	**6,144,573**	**6,018,868**
Liabilities				
Loans and financing (Note 21) – CDI	(1,592,187)	(1,731,503)	(1,696,634)	(1,661,925)
Loans and financing (Note 21) – TJLP	(26,008)	(27,503)	(27,129)	(26,757)
Sector financial liabilities (Note 13)	(98,537)	(104,203)	(102,784)	(101,375)
	(1,716,732)	**(1,863,209)**	**(1,826,547)**	**(1,790,057)**
Net assets exposed	**4,049,572**	**4,407,646**	**4,318,026**	**4,228,811**
Net effect of fluctuation in interest rates		**358,074**	**268,454**	**179,239**

Increase in inflation risk

The Company and its subsidiaries are exposed to the risk of increase in inflation index on September 30, 2021. A portion of the loans, financings and debentures as well as the pension fund liabilities are adjusted using the IPCA (Expanded National Customer Price). The revenues are also adjusted using the IPCA and IGP-M index, mitigating part of the Company risk exposure. This table presents the Company's net exposure to inflation index:

Exposure to increase in inflation	Sep. 30, 2021	Dec. 31, 2020
Assets		
Concession financial assets related to Distribution infrastructure - IPCA (1)	678,362	559,241
Receivable from Minas Gerais state government (AFAC) – IGPM (Note 10 and 29)	13,366	11,614
Concession Grant Fee – IPCA (Note 13)	2,710,769	2,549,198
	3,402,497	**3,120,053**
Liabilities		
Loans, financing and debentures – IPCA and IGP-DI (Note 21)	(4,166,278)	(4,863,087)
Debt with pension fund (Forluz) – IPCA (Note 23)	(406,173)	(472,559)
Deficit of pension plan (Forluz) – IPCA (Note 23)	(538,460)	(540,142)
	(5,110,911)	**(5,875,788)**
Net liabilities exposed	**(1,708,414)**	**(2,755,735)**

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

Sensitivity analysis

In relation to the most significant risk of reduction in inflation index, reflecting the consideration that the Company has more assets than liabilities indexed to inflation indexes, the Company estimates that, in a probable scenario, at September 30, 2022 the IPCA inflation index will be 4.81% and the IGPM inflation index will be 4.50%. The Company has prepared a sensitivity analysis of the effects on its net income arising from a reduction in inflation of 25% and 50% in relation to the 'probable' scenario.

Risk: increase in inflation index	Sep. 30, 2021	Sep. 30, 2022		
	Amount Book value	'Probable' scenario IPCA 4.81% IGPM 4.50%	'Possible' scenario (25%) IPCA 3.61% IGPM 3.38%	'Remote' scenario (50%) IPCA 2.41% IGPM 2.25%
Assets				
Concession financial assets related to Distribution infrastructure – IPCA (1)	678,362	710,886	719,003	727,181
Accounts receivable from Minas Gerais state government (AFAC) – IGPM index (Note 10 and 29)	13,366	13,967	14,119	14,268
Concession Grant Fee – IPCA (Note 13)	2,710,769	2,841,157	2,873,686	2,906,487
	3,402,497	**3,566,010**	**3,606,808**	**3,647,936**
Liabilities				
Loans, financing and debentures – IPCA and IGP-DI (Note 21)	(4,166,278)	(4,366,676)	(4,416,671)	(4,467,083)
Debt agreed with pension fund (Forluz) – IPCA (Note 23)	(406,173)	(425,710)	(430,584)	(435,499)
Deficit of pension plan (Forluz) (Note 23)	(538,460)	(564,360)	(570,821)	(577,337)
	(5,110,911)	**(5,356,746)**	**(5,418,076)**	**(5,479,919)**
Net liabilities exposed	**(1,708,414)**	**(1,790,736)**	**(1,811,268)**	**(1,831,983)**
Net effect of fluctuation in IPCA and IGP–M indexes		**(82,322)**	**(102,854)**	**(123,569)**

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

Liquidity risk

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

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

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

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

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

Any reduction in the Company'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, financing and debentures, at floating and fixed rates, including future interest up to contractual maturity dates, is as follows:

Consolidated	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at (interest rates):						
- loating rates						
Loans, financing and debentures	54,797	424,660	1,605,126	9,987,301	930,332	13,002,216
Onerous concessions	299	590	2,822	12,781	15,696	32,188
Debt with pension plan (Forluz) (Note 23)	13,357	26,868	122,928	300,725	-	463,878
Deficit of the pension plan (FORLUZ) (Note 23)	5,915	11,894	54,497	315,531	484,460	872,297
	74,368	**464,012**	**1,785,373**	**10,616,338**	**1,430,488**	**14,370,579**
- Fixed rate						
Suppliers	2,768,576	601,978	-	-	-	3,370,554
	2,842,944	**1,065,990**	**1,785,373**	**10,616,338**	**1,430,488**	**17,741,133**

Parent company	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at (interest rates):						
- Floating rates						
Loans, financing and debentures	-	-	53,368	-	-	53,368
Debt with pension plan (Forluz) (Note 23)	657	1,322	6,048	14,796	-	22,823
Deficit of the pension plan (FORLUZ) (Note 23)	291	585	2,681	15,524	23,835	42,916
	948	**1,907**	**62,097**	**30,320**	**23,835**	**119,107**
- Fixed rate						
Suppliers	58,104	242	-	-	-	58,346
	59,052	**2,149**	**62,097**	**30,320**	**23,835**	**177,453**

Credit risk

The distribution concession contract requires levels of service on a very wide basis within the concession area, and disconnection of supply of defaulting customers is permitted. Additionally, the Company uses numerous tools of communication and collection to avoid increase in default. These include: telephone contact, emails, text messages, collection letters, posting of customers with credit protection companies, and collection through the courts.

The risk arising from the possibility of Cemig and its subsidiaries incurring losses as a result of difficulty in receiving amounts billed to its customers is considered to be low. The credit risk is also reduced by the extremely wide customers' base.

The allowance for doubtful accounts receivable recorded on September 30, 2021, considered to be adequate in relation to the credits in arrears receivable by the Company and its subsidiaries was R$802,392.

Company and its subsidiaries manage the counterparty risk of financial institutions based on an internal policy, applied since 2004.

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 interim financial information.

As a management instrument, the Company and its subsidiaries 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:

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 individual assessment of indicators, e.g. 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.

Further to these points, Cemig also sets two concentration limits:

1. No bank may have more than 30% of the 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.

The Company only permits investments in securities of non-financial companies that have a rating equal to or higher than the most recent rating of the Cemig parent company published by the risk rating agencies Fitch Rating, Moody's or Standard & Poor's.

COVID-19 Pandemic – Risks and uncertainties related to Cemig's business

The Company's assessment concerning the risks and potential impacts of Covid-19 are disclosed in Note 1b.

Risk of over-contracting and under-contracting of energy supply

Sale or purchase of energy supply in the spot market to cover a positive or negative exposure of supply contracted, to serve the captive market of Cemig D, is an inherent risk to the energy distribution business. The regulatory agent limits for 100% pass-through to customers the exposure to the spot market, valued at the difference between the distributor's average purchase price and the spot price (PLD), is only the margin between 95% and 105% of the distributor's contracted supply. Any exposure that can be proved to have arisen from factors outside the distributor's control ('involuntary exposure') may also be passed through in full to customers. Company's management is continually monitories its contracts for purchase of energy supply to mitigate the risk of exposure to the spot market.

On April 07, 2020, Aneel expanded the limit of total amount of energy that can be declared by energy distributors in the process of the mechanism for the sale of surplus ('Mecanismo de Venda de Excedentes' - MVE), during 2020, from 15% to 30%, for the purpose of facilitating contractual reductions, considering the scenario caused by Covid-19 pandemic.

On May 18, 2020, the Decree 10,350/2020 authorized the creation and management of the *Covid Account* by the CCEE (Power Trading Chamber), whose purposes includes the coverage of the financial effects of over contracting caused by the pandemic. The amount estimated for this coverage was R$212,473. The Decree also added a sub-item to Article 3 of the Decree 5,163/2004, reducing the charge arising from the effects of the Covid-19 pandemic, calculated in accordance with an Aneel regulation, as one of the possible items to be treated as involuntary over contracting, and as a result passed through to customers.

Risk of continuity of the concession

The risk to continuity of the distribution concession arises from the new terms included in the extension of Cemig D’s concession for 30 years from January 1, 2016, as specified by Law 12,783/13. The extension introduced changes to the present contract, conditional upon compliance by the distributor with new criteria for quality, and for economic and financial sustainability.

Non-compliance with the quality criteria for three consecutive years, or the minimum parameters for economic/financial sustainability for two consecutive years, results in opening of proceedings for termination of the concession.

The efficiency criteria for continuity of supply and for economic and for financial management, required to maintain the distribution concession, were met in the period ended September 30, 2021.

Hydrological risk

The greater part of the energy sold by the Company’s subsidiaries 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. Prolongation of the generation of energy using the thermal plants could pressure costs of acquisition of supply for the distributors, causing a greater need for cash, and could result in future increases in tariffs.

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.

The period from October 2020 to April 2021 recorded the worst level of rainfall of the last 91 years, resulting in the need to produce energy from thermal sources to compensate for the low level of reservoirs. In August 2021, in response to the scenario of generation increased costs, arising from the scarcity of water in reservoirs, the government created a new level in the 'Tariff Flag' system, and launched the Program to Encourage Voluntary Reduction of Electricity Consumption ('*Programa de Incentivo à Redução Voluntária do Consumo de Energia Elétrica*'). The charge under the 'Water Scarcity' flag tariff is R$ 14.24 per 100 kWh consumed, and applies to all customers of the national grid, from September 2020 to April 2022, with the exception of customers registered to pay the Social Tariff, who continue to pay at the 'Flag' rate published monthly by Aneel. The average increase in residential tariff expected to result from the change of the Flag system is 6.78%.

The Program to Encourage Voluntary Reduction of Electricity Consumption, in effect from September to December 2021, reflecting the critical period when the rainy season begins, was created to encourage customers to save energy. It is an emergency government measure, aiming to ensure continuity and security of energy supply in the country. Customers who reduce consumption in the months from September to December 2021, so that the sum of their energy consumption in the period is between 10% and 20% less than in the same period of the previous year, will be given a bonus of R$0.50 per kilowatt-hour (kWh) on the total of the energy saved. The bonus will be stated on the first energy bill received after calculation of the consumption for the month of December 2021, and credited as a reduction in the subsequent energy bill. According to the Ministry of Mining and Energy (MME), the bonus is likely to cost approximately R$ 339 million per month, to be financed by the *System Service Charge* (ESS). The payment of the bonus has a lower cost than the extra expenditure on dispatching of thermal plants would have had if there were no reduction in consumption.

Risk of debt early maturity

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

On September, 30, 2021, the Company and its subsidiaries was compliant with all the covenants for financial index requiring half-yearly and annual compliance. More details in Note 21.

Capital management

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

	Consolidated		Parent company	
	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2021	Dec. 31, 2020
Total liabilities	32,849,311	36,605,732	1,906,712	2,589,817
(–) Cash and cash equivalents	(827,784)	(1,680,397)	(73,591)	(422,647)
(–) Restricted cash	(42,872)	(63,674)	(358)	(349)
Net liabilities	**31,978,655**	**34,861,661**	**1,832,763**	**2,166,821**
Total equity	**20,267,355**	**17,477,348**	**20,262,155**	**17,472,666**
Net liabilities / equity	**1.58**	**2.00**	**0.09**	**0.12**

31. OPERATING SEGMENTS

The operating segments of the Company and its subsidiaries reflect their management and their organizational structure, used to monitoring its results. They are aligned with the regulatory framework of the Brazilian energy industry. The Company also operates in the gas market, through its subsidiary Gasmig, and in other businesses with less impact on the results of its operations.

As from 1° quarter of 2021, the Executive Board has begun to make a separate performance evaluation of the energy trading activity, using information on its results to support decisions on application of funds to this sector of the business. This change in the separation of details by operational segment as disclosed by the Company arises from the growing importance of the activity of this segment in the energy market for complying with and maintaining the Company's contractual obligations, especially after the reduction of the Company's own generation capacity – hence this decision on criteria for segregation, to obtain separate information on the profit and loss of this segment. The energy trading activity, as an operational segment, comprises purchase and sale of energy in the Free and Regulated markets, and the activities related to its commercial and market procedures, including transactions on the Power Trading Exchange (CCEE).

In a further separation of segmented management and analysis, we are now monitoring and evaluating the results of the affiliated and jointly-controlled companies overseen by the department of the Chief Officer for Holdings ('CemigPar') as a single segment, evaluating Cemig's non-controlling shareholdings, in line with the Company's business strategies. The main aim of separation of this segment is to monitor compliance with the targets established by these companies, to ensure sustainability and maximization of their return for the company. The results of the subsidiaries Gasmig and Cemig Sim are also included in this segment, since their management and analysis of performance, too, is linked to the CemigPar management unit (the office of the Chief Officer for Holdings).

Thus, as from 1° quarter of 2021, the segment information started be presented separately into the following 5 reportable segments:

Generation: Comprise production of energy from hydroelectric and wind facilities.

Transmission: Comprise construction, operation and maintenance of transmission lines and substations.

Commercialization: Comprise commercialization of energy and provision of related services. As per Note 26(g), in the third quarter of 2021 the Company began the process of segregation of the commercialization business, with partial transfer from Cemig GT to the parent company. There was no change in the Company's corporate strategy of serving the market with the purpose of energy delivery to its clients.

Distribution: Comprise provision of energy distribution services, including operation and maintenance of the related infrastructure and services.

Investees: Comprise management of the equity interests in which the company does not have shareholding control, in line with the Company's business strategies. The results of the subsidiaries Gasmig and Cemig Sim are also included in this segment, since their management, too, is linked to the CemigPar management unit (the office of the Chief Officer for Holdings).

Transfer of energy from the generation activity to the trading activity comprises a transaction between segments, since it 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.

This table shows the segment information in the new segmentation base, for the period end September 30, 2021 and 2020, on a consolidated basis:

INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2021									
ACCOUNT/DESCRIPTION	ENERGY				INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING	DISTRIBUTION					
NET REVENUE	**2,137,635**	**716,026**	**4,836,650**	**15,754,015**	**2,044,670**	**25,488,996**	**(1,183,134)**	**(316,472)**	**23,989,390**
COST OF ENERGY AND GAS	**(571,507)**	**(213)**	**(4,296,855)**	**(10,409,492)**	**(1,428,052)**	**(16,706,119)**	**1,183,134**	**273,519**	**(15,249,466)**
OPERATING COSTS AND EXPENSES (3)									
Personnel	(112,864)	(81,723)	(15,068)	(624,359)	(78,584)	(912,598)	-	-	(912,598)
Employees' and managers' profit sharing	(12,044)	(10,791)	(2,021)	(74,167)	(5,458)	(104,481)	-	-	(104,481)
Post-employment obligations	(30,174)	(27,311)	(5,044)	(219,207)	(43,169)	(324,905)	-	-	(324,905)
Materials, outsourced services and others expenses (revenues)	(146,308)	(65,208)	(9,146)	(1,086,463)	(76,881)	(1,384,006)	-	42,953	(1,341,053)
Depreciation and amortization	(179,035)	(2,578)	(389)	(500,923)	(80,557)	(763,482)	-	-	(763,482)
Operating provisions and impairment	(12,643)	(8,050)	(14,108)	(75,844)	(58,851)	(169,496)	-	-	(169,496)
Construction costs	-	(101,728)	-	(1,205,933)	(30,436)	(1,338,097)	-	-	(1,338,097)
Total cost of operation	**(493,068)**	**(297,389)**	**(45,776)**	**(3,786,896)**	**(373,936)**	**(4,997,065)**	**-**	**42,953**	**(4,954,112)**
OPERATING COSTS AND EXPENSES	**(1,064,575)**	**(297,602)**	**(4,342,631)**	**(14,196,388)**	**(1,801,988)**	**(21,703,184)**	**1,183,134**	**316,472**	**(20,203,578)**
Periodic tariff review, net	-	217,063	-	-	-	217,063	-	-	217,063
Renegotiation of hydrological risk (Law 14,052/20), net	1,031,809	-	-	-	-	1,031,809	-	-	1,031,809
Gains arising from the sale of non-current asset held for sale	-	-	-	-	108,550	108,550	-	-	108,550
Equity in earnings of unconsolidated investees, net	31,095	-	-	-	407,703	438,798	-	-	438,798
OPERATING INCOME BEFORE FINANCE INCOME (EXPENSES)	**2,135,964**	**635,487**	**494,019**	**1,557,627**	**758,935**	**5,582,032**	**-**	**-**	**5,582,032**
Finance net income (expenses)	(681,225)	(350,485)	12,655	13,064	(936,191)	(1,942,182)	-	-	(1,942,182)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	**1,454,739**	**285,002**	**506,674**	**1,570,691**	**(177,256)**	**3,639,850**	**-**	**-**	**3,639,850**
Income tax and social contribution tax	(384,302)	(74,339)	(136,079)	(430,925)	176,262	(849,383)	-	-	(849,383)
NET INCOME FOR THE PERIOD	**1,070,437**	**210,663**	**370,595**	**1,139,766**	**(994)**	**2,790,467**	**-**	**-**	**2,790,467**
Equity holders of the parent	**1,070,437**	**210,663**	**370,595**	**1,139,766**	**(2,141)**	**2,789,320**	**-**	**-**	**2,789,320**
Non-controlling interests	**-**	**-**	**-**	**-**	**1,147**	**1,147**	**-**	**-**	**1,147**

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

INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2020									
ACCOUNT/DESCRIPTION	ENERGY				INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION (RESTATED)	TRADING (1)	DISTRIBUTION					
NET REVENUE	**4,788,992**	**537,373**	**-**	**11,723,189**	**1,157,215**	**18,206,769**	**-**	**(243,485)**	**17,963,284**
COST OF ENERGY AND GAS									
Energy bought for resale	(2,853,191)	-	-	(5,731,631)	-	**(8,584,822)**	-	**56,410**	**(8,528,412)**
Charges for use of the national grid	(148,489)	(134)	-	(1,191,308)	-	(1,339,931)	-	182,690	(1,157,241)
Gas bought for resale	-	-	-	-	(750,664)	(750,664)	-	-	(750,664)
Total	**(3,001,680)**	**(134)**	**-**	**(6,922,939)**	**(750,664)**	**(10,675,417)**	**-**	**239,100**	**(10,436,317)**
OPERATING COSTS AND EXPENSES									
Personnel	(140,408)	(85,490)	-	(651,632)	(63,354)	(940,884)	-	-	(940,884)
Employees' and managers' profit sharing	(18,299)	(8,931)	-	(69,047)	(12,605)	(108,882)	-	-	(108,882)
Post-employment obligations	(39,651)	(32,012)	-	(226,664)	(35,912)	(334,239)	-	-	(334,239)
Materials, outsourced services and others expenses (revenues)	(143,726)	(31,471)	-	(922,945)	(62,819)	(1,160,961)	-	4,385	(1,156,576)
Depreciation and amortization	(151,357)	(3,701)	-	(496,350)	(82,130)	(733,538)	-	-	(733,538)
Operating provisions and impairment	(47,286)	(19,307)	-	(133,341)	(55,189)	(255,123)	-	-	(255,123)
Construction costs	-	(115,709)	-	(968,413)	(38,514)	(1,122,636)	-	-	(1,122,636)
Total cost of operation	**(540,727)**	**(296,621)**	**-**	**(3,468,392)**	**(350,523)**	**(4,656,263)**	**-**	**4,385**	**(4,651,878)**
OPERATING COSTS AND EXPENSES	**(3,542,407)**	**(296,755)**	**-**	**(10,391,331)**	**(1,101,187)**	**(15,331,680)**	**-**	**243,485**	**(15,088,195)**
Periodic tariff review, net	-	479,703	-	-	-	479,703	-	-	479,703
Fair value of business combination	-	51,736	-	-	-	51,736	-	-	51,736
Impairment (reversals) of assets held for sale	-	-	-	-	(270,267)	(270,267)	-	-	(270,267)
Equity in earnings of unconsolidated investees, net	32,136	-	-	-	230,162	262,298	-	-	262,298
OPERATING INCOME BEFORE FINANCE INCOME (EXPENSES)	**1,278,721**	**772,057**	**-**	**1,331,858**	**15,923**	**3,398,559**	**-**	**-**	**3,398,559**
Finance expenses	(1,181,705)	(137,437)	-	28,003	32,457	(1,258,682)	-	-	(1,258,682)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	**97,016**	**634,620**	**-**	**1,359,861**	**48,380**	**2,139,877**	**-**	**-**	**2,139,877**
Income tax and social contribution tax	(6,425)	(169,940)	-	(513,989)	143,293	(547,061)	-	-	(547,061)
NET INCOME FOR THE PERIOD	**90,591**	**464,680**	**-**	**845,872**	**191,673**	**1,592,816**	**-**	**-**	**1,592,816**
Equity holders of the parent	**90,591**	**464,680**	**-**	**845,872**	**190,904**	**1,592,047**	**-**	**-**	**1,592,047**
Non-controlling interests	**-**	**-**	**-**	**-**	**769**	**769**	**-**	**-**	**769**

(1) The results of the Trading business are presented in the Generation segment, since in 2020 this activity was considered to be an element of the generation business, and segregating it using the assumptions of the new segmentation base is impracticable. Thus, for 3Q20 we do not present the trading segment and there are no inter-segment transactions.
(2) The reconciliation between the published amounts for the segments and the accounting information on revenue and costs indicates the transactions between the consolidated companies (eliminations).
(3) The information on operational costs and expenses separated by type is segregated in accordance with the internal business model, which has immaterial differences in relation to the accounting information.

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

As stated in Note 2.3, the effects of the retrospective application adjustments in balances for September 30, 2020 only affected the transmission segment.

32. ASSETS AND LIABILITIES AS HELD FOR SALE

On December 31, 2020 assets and liabilities classified as held for sale, and the results of discontinued and continuing operations, were as follows:

Consolidated and Parent company – Statements of financial position	Jun. 30, 2021	Dec. 31, 2020
Assets held for sale – investment in an affiliate	-	1,258,111

Sale of retained investment in Light on January 2021

On January 22, 2021, the public offering of common shares in Light was completed. This offering comprises: (a) primary distribution of 68,621,264 new common shares in Light ("the Primary Offering"); and (b) a secondary distribution, of the Company shares, with restricted placement efforts. The Company sold its entire holding of shares in Light at R$20.00 per share for a total of R$1,372,425.

As a result, the Company recognized, in January, 2021, the gain before taxes of R$108,550, considering the carrying amount of the non-current asset held for sale at the transaction date. The fiscal cost of the investment was adjusted for the tax calculation, pursuant to tax law, considering the equity value of the investment, plus the goodwill and the excess of net fair value of the investee's identifiable assets and liabilities over the cost paid in the step-acquisitions.

Consolidated and Parent company	
Cemig's shares	68,621,263
Sale price of the shares – January 21, 2021	20.00
Total value	1,372,425
Estimated cost to sell (0.42%) (1)	(5,764)
Fair value, less cost to sell on 01/22/2021	**1,366,661**
Non-current asset held for sale carrying amount in 12/31/2020	(1,258,111)
Gains arising from the sale of non-current asset held for sale	**108,550**
IRPJ and CSLL	(36,907)
Gain after taxes	**71,643**

(1) The estimated cost to sell includes financing, accounting and legal advices services.

33. NON-CASH TRANSACTIONS

On September 30, 2021 and 2020, the Company had the following transactions not involving cash, which are not reflected in the Cash flow statement:

- Capitalized financial costs of R$5,701 on the period enden on September 30, 2021 (R$22,848 on September 30, 2020);
- Except for the cash arising from the business combination, in the amount of R$27,110, and the payment of R$44,775, the acquisition of the Centroeste's remaining equity interest did not generate effects in the Company's cash flow, in the 1st quarter of 2020;
- Lease addition in the amount of R$10,734 on September 30, 2021 (R$3,366 on September 30, 2020).

34. PARLIAMENTARY COMMITTEE OF INQUIRY (‘CPI’)

On June 17, 2021, the Legislative Assembly of Minas Gerais has established a Parliamentary Committee of Inquiry (‘CPI’) to investigate management acts of Cemig since 2019. At an ordinary meeting held on June 24, 2021, the Legislative Assembly of the State of Minas Gerais appointed the members of the CPI. The Committee has powers, for 120 days from appointment of its Chair and Deputy Chair, to conduct investigations on the reports that form the basis of the application for it to be constituted.

The ‘CPI’ requested, through application, several documents and information related, mainly, to acquisition and disposal of equity interest, human resources management and procurement processes that were considered to be exempt from mandatory bidding. The Company has complied with the requests, including the deadlines.

At an extraordinary meeting held on October 26, 2021, the Legislative Assembly of Minas Gerais State decided to extend its CPI by an additional 60 days. Due to the parliamentary recess, which begins in December, the effect of CPI will continue until February 21, 2022.

The Company reaffirms its commitment to provide all the information necessary for full understanding and clarification of its management decisions.

35. SUBSEQUENT EVENTS

a) Gasmig tariff adjustment

Through Resolution 61 of October 28, 2021, the Minas Gerais State Economic Development Department (‘*Secretaria de Estado de Desenvolvimento Econômico de Minas Gerais’*- SEDE) approved new tariffs to be applied by Gasmig for the Industrial, Co-generation, Compressed Natural Gas and Liquid Natural Gas user categories from November 1, 2021. This resulted in an average increase of 3% over the tariffs in effect since August 2021. This increase related to the variation in the cost of gas acquired by Gasmig.

b) Agreement of sale of interest in Renova

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

The agreement specifies others terms and conditions for the closing of the transaction, and is subject to compliance with certain precedent conditions that are usual in similar transactions, including prior approval by the grantor authorities, the creditors holding asset guarantees listed in Renova's Court Supervised Reorganization Plan and the counterparties in certain commercial contracts. In the event of the Transaction being completed, there will be potential for Cemig GT to benefit from certain tax credits.

The equity interest held in Renova, which carrying amount is zero, was not classified as an asset held for sale since, at the end of these interim financial statements reporting period, its sale did not achieve the conditions to be considered highly probable, according to IFRS 5/CPC 31 – *Non-current Asset held for Sale and Discontinued Operation*, once it has not been approved by the governance body that has the authority to do so, and, according to IAS 10/CPC 24 – *Events After the Reporting Period*, the classification of assets as held for sale in accordance with IFRS 5/CPC 31 is a non-adjusting event after the reporting period.

CONSOLIDATED RESULTS
(Figures in R$ '000 unless otherwise indicated)

Net income for the period

From January to September 2021, Cemig reports profit of R$2,790,467, compared to a loss of R$1,592,816 (restated) in the same period in 2020, an increase of 75.17%. The improvement in the result is due, basically, to recognition of the gains arising from renegotiation of hydrological risk, disposal of assets held for sale (Light) and the increase in gross margin in the 2H2021. The following items describe the main variations between the two periods in revenues, costs, expenses and financial items.

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

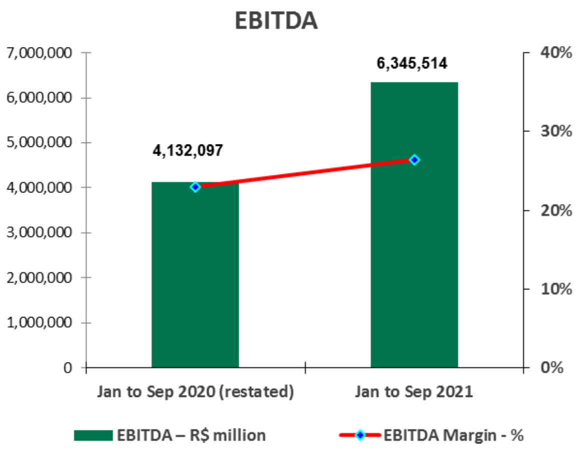
Cemig's consolidated adjusted Ebitda, with the removal of non-recurrent items, higher in 19.07% from January to September 2021 compared to the same period of 2020, whereas the adjusted Ebitda margin higher from 20.76% to 18.51%. Consolidated Ebitda higher 53.57% from January to September 2021 compared to the same period of 2020, whereas the Ebitda margin was 23.00% from January to September 2021 to 26.45% on the same period of 2021.

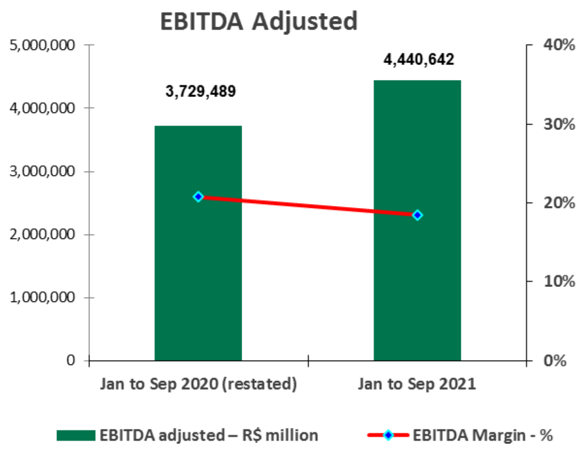
EBITDA - R$'000	Jan to Sep 2021	Jan to Sep 2020 (Restated)	Charge %
Net income for the period	2,790,467	1,592,816	75.19
+ Income tax and Social Contribution tax	849,383	547,061	55.26
+ Net financial revenue (expenses)	1,942,182	1,258,682	54.30
+ Depreciation and amortization	763,482	733,538	4.08
= Ebitda according to "CVM Instruction 527" (1)	**6,345,514**	**4,132,097**	**53.57**
Non-recurrent items			
+ Non-controlling interests	(1,147)	(769)	-
+ Impairment (reversals) of assets held for sale (Note 32)	-	270,267	-
+ Periodic Tariff Review adjustments	(217,063)	(479,703)	(54.75)
+ Gains arising from the sale of non-current asset held for sale (Note 32)	(108,550)	-	-
+ Reversal of tax provisions	(89,493)	-	-
+ Impairment loss – Receivables from Renova	-	37,361	-
+ Renegotiation of hydrological risk costs (Law 14,052/20), net	(1,031,809)	-	-
+ Renegotiation of hydrological risk costs (Law 14,052/20), net - investees	(308,460)	-	-
+ Advances for services provided, net *	(148,350)	-	-
+ Result of business combination (note 15)	-	(51,736)	-
+ Reversal of losses expected on receivables from Minas Gerais State (net of provisions made)	-	(178,028)	-
Ebitda Adjusted (2)	**4,440,642**	**3,729,489**	**19.07**

* The amount refers to early payment of amounts for provision of services of the subsidiary ESCEE to a free customer, net of PIS/Pasep and Cofins taxes.
** On September 30, 2021 the jointly-controlled subsidiaries Nesa and Aliança Energia, and the affiliated company Madeira, recognized amounts of R$30,454, R$149,136 and R$128,870, respectively, arising from renegotiation of hydrological risk.

(1) Ebitda is a non-accounting measure prepared by the Company, reconciled with its consolidated interim financial information in accordance with the specifications in CVM Circular SNC/SEP 01/2007 and CVM Instruction 527 of October 4, 2012. It comprises: net income adjusted for the effects of net financial revenue (expenses), depreciation, amortization and income tax and the social contribution tax. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it does not have a standard meaning; and it may be non-comparable with measures with similar titles provided by other companies. Cemig publishes Ebitda because it uses it to measure its own performance. Ebitda should not be considered in isolation or as a substitution for net income or operational profit, nor as an indicator of operational performance or cash flow, nor to measure liquidity nor the capacity for payment of debt.

(2) The Company adjusts the EBITDA measured according to CVM Instruction 527 removing non-current items, which, because of their nature, do not contribute towards information on the potential of future cash generation, since they are extraordinary items.





The higher adjusted Ebitda from January to September 2021 than the same period of 2020 mainly from the gains arising from renegotiation of hydrological risk, in the amount of R$1,031,809, as per the table above. The higher Ebitda calculated in accordance with CVM Instruction 527/2012 results, mainly, reflects net revenue 33.55% higher year-on-year, partially offset by operational costs, excluding depreciation and amortization, 35.78% higher YoY.

The main items affecting the revenue in the period, are as follow:

Revenue from supply of energy

Revenue from supply of energy from January to September 2021 was R$21,529,782, 11.09% higher than the same period in 2020 (R$19,380,363).

Final customers

Revenue from energy sold to final customers, excluding Cemig's own consumption, from January to September 2021 was R$19,389,531, or 14.94% higher than the figure in the same period of 2020, R$16,868,660.

Cemig's energy market

The total for sales in Cemig's consolidated energy market comprises sales to: (i) Captive customers in Cemig's concession area in the State of Minas Gerais; (ii) Free Customers in both the State of Minas Gerais and other States of Brazil, in the Free Market (*Ambiente de Contratação Livre*, or ACL); (iii) other agents of the energy sector – traders, generators and independent power producers, also in the Free Market; (iv) Distributors, in the Regulated Market (*Ambiente de Contratação Regulada*, or ACR); and (v) the Power Trading Chamber (*Câmara de Comercialização de Energia Elétrica* – CCEE), eliminating transactions between companies of the Cemig Group.

This table details Cemig's market and the changes in sales of energy by customer category, comparing the period from January to September 2021 to the same period in 2020:

Revenue from supply of energy

	Jan to Sep 2021			Jan to Sep 2020			Charge %	
	MWh (2)	R$	Average price billed (R$/MWh) (1)	MWh (2)	R$	Average price billed (R$/MWh) (1)	MWh	R$
Residential	8,399,020	8,137,611	968.88	8,095,031	7,275,465	898.76	3.76	11.85
Industrial	12,122,951	3,869,098	319.15	9,609,659	3,044,259	316.79	26.15	27.09
Commercial, Services and Others	6,116,435	3,947,505	645.39	6,410,602	3,703,102	577.65	(4.59)	6.60
Rural	3,089,080	1,928,039	624.15	2,810,932	1,616,856	575.20	9.90	19.25
Public authorities	526,237	405,600	770.76	535,169	392,207	732.87	(1.67)	3.41
Public lighting	928,034	535,882	577.44	991,695	441,318	445.01	(6.42)	21.43
Public services	1,061,925	630,718	593.94	1,022,593	543,341	531.34	3.85	16.08
Subtotal	**32,243,682**	**19,454,453**	**603.36**	**29,475,681**	**17,016,548**	**577.31**	**9.39**	**14.33**
Own consumption	24,667	-	-	24,935	-	-	(1.07)	-
Unbilled retail supply, net	-	(64,922)	-	-	(147,888)	-	-	(56.10)
	32,268,349	**19,389,531**	**600.88**	**29,500,616**	**16,868,660**	**571.81**	**9.38**	**14.94**
Wholesale supply to other concession holders (3)	7,848,816	2,161,689	275.42	9,776,846	2,406,532	246.15	(19.72)	(10.17)
Wholesale supply not yet invoiced, net	-	(21,438)	-	-	105,171	-	-	-
Total	**40,117,165**	**21,529,782**	**536.67**	**39,277,462**	**19,380,363**	**495.76**	**2.14**	**11.09**

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

The following factors that contributed significantly to the higher of 2.14% on the volume of energy sold are:

- Volume of energy sold to the industrial segment 26.15% higher, mainly reflecting migration of captive customers to the Free Market, and new contracts for sales to free clients, starting supply in January 2021.
- Energy sold to residential customers 3.76% higher from January to September 2021, mainly reflecting the number of customers 2.5% higher YoY and average monthly consumption 1.26% higher, as well as the the price of energy 7.8% higher in the same period of 2020.
- Volume of energy sold to the rural customers category 9.90% higher, mainly reflecting the fact that consumption for irrigation was higher, due to the lower volume of rains in the current period.
- Decrease of 4.59% in the volume of supply sold to the commercial customer category, mainly because of the significant migration of customers to Distributed Generation and the Free Market. In addition, this customer category still suffers the impact of the pandemic on economic activity, and thus on consumption.
- The average price of energy was 8.77% higher from January to September, 2021 than the same period of 2020, mainly reflecting the increase for energy sale contracts in the Regulated Market, of 4.05%, and also the higher incidence of 'Tariff Flag' extra charges in the tariffs of Cemig D. The higher average price of energy in the Free Market reflects shorter-term sales to traders than the same period of 2020, resulting from lower market prices in the period. Also, contracts in effect in 2020 and 2021 undergo annual price adjustments in accordance with the inflation indexes (IPCA or IGP-M) established in the contracts.
- Global increase of 8.25% in the energy price, mainly due to the increase in the 'flag' tariff rates applied in the period.

Revenue from Use of Distribution Systems (TUSD)

This is revenue from charging Free Customers the Tariff for Use of the Distribution System (TUSD), on the volume of energy distributed. From January to September 2021, this was R$2,544,329, compared to R$2,192,806 in the same period of 2020 - increase of 16.03%.

The volume of energy transported from January to September 2021 was 12.62% higher than the same period of 2020, due to: (i) the increase in consumption for irrigation by rural customers; (ii) the migration of commercial customers to Free Market; and (iii) growth in the industrial market in 2021, due to the recovery of the economy.

Additionally, this variation mainly arises from the Company's annual tariff adjustment, in effect of 10.16% for free clients, applied from June 30, 2020, which respectively affected Free Clients with increases 5.74%, on August 19, 2020. The effect of the Company's annual tariff adjustment of 2021, applicable from May 28, 2021, was 2.40% for free clients, having an impact on the increase as well.

	MWh		
	Jan to Sep, 2021	Jan to Sep, 2020	Charge %
Industrial	15,280,809	13,629,894	12.11
Commercial	1,104,780	907,221	21.78
Rural	31,831	21,941	45.08
Public service	2,631	-	-
Concessionaires	242,979	236,110	2.91
Total	**16,663,030**	**14,795,166**	**12.62**

CVA and Other financial components in tariff adjustments

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

From January to September 2021 this represented a revenue of R$1,908,899, whereas in the same period of 2020 it produced a revenue of R$98,844. The difference mainly reflects a higher recognition of CVA and Other financial components from January to September 2021, compairing with the prior period, due to the increase in the cost of energy acquired in regulated market and transmission costs. Also, the realization of amounts approved in the current tariff cycle was lower than in the prior cycle.

For further details, see Note 13.

Transmission concession revenue

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

The main items in revenue in the period, are as follow:

- The infrastructure operation and maintenance revenue was R$236,337 from January to September 2021, or 4.03% more than the same period of 2020 (R$227,175 - Restated);
- The revenues posted for construction, strengthening and enhancement of infrastructure totaled R$137,828 from January to September 2021, 17.67% less than the same period of 2020 (R$167,419 - Restated). This mainly reflects the lower investments in transmission, as a result of new decisions on investments in small-scale improvements, due to the alterations in regulatory rules and the suspension of contracts with suppliers of reinforcements works; and

- At the same time, revenues from financial remuneration of transmission contract assets were 99.73% higher from January to September 2021, at R$462,422, compared to R$231,529 (restated) results for the same period of 2020 – mainly reflecting the increase in the remuneration base of the assets linked to contracts, as from the Periodic Tariff Review (RTP) ratified the contract 006/97 by Aneel on June 30, 2020, adjusted on April, 2021, and the contract 079/00 on December 30, 2020.

More details in Note 14.

Revenue from transactions in the Power Trading Chamber (CCEE)

Revenue from transaction with energy on the CCEE (Power Trading Chamber) was R$533,590 from January to September 2021, compared to R$90,701 in the same period of 2020, an increase of 488.30%. This higher amount is due to excess of energy from January to September 2021, compared to deficit positions in the same period of 2020. From January to September 2021, short-term bilateral sales were made that increased the Company's exposure on the CCEE.

Additionally, there was an increase of 187.37% in the average spot price (PLD) in the Southeast and Center-West regions, which was R$327.91/MWh from January to September 2021, compared to R$118.35/MWh in the same period of 2020, due to the water scarcity.

Revenue from supply of gas

Cemig reports revenue from supply of gas totaling R$2,492,309 from January to September 2021, compared to R$1,390,827 in the same period of 2020 – 79.20% higher YoY. This basically reflects the increase on volume of gas sold was in fact 64.37% higher (at 1,037,785m³ from January to September 2021, vs. 631,353m³ in the same period of 2020), – under the influence, mainly, of the thermoelectric power generation, which consumption was 499.76% higher.

Construction revenue

Infrastructure construction revenue of distribution from January to September 2021 was R$1,236,369, compared to R$1,006,927 in the same period of 2020. This variation is mainly due to the execution of a larger proportion of the Investment Plan budget in assets related to distribution concession infrastructure, especially those related to the sub-transmission networks, in expansion, strengthening and enhancement of high-voltage infrastructure.

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

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

Revenue arising from advances for services provided

Revenue in the amount of R$153,970 arising from the negotiation with a free customer that resulted in a revenue recognition related to trading services provided in advance by the subsidiary ESCEE, on June 2021.

Other operating revenues

The other operating revenues line for the Company and its subsidiaries from January to September 2021 totaled R$1,282,877, compared to R$1,301,073 in the same period of 2020 – 1.40% lower YoY. See Note 27 for a breakdown of other operating revenues.

Taxes and regulatory charges reported as Deductions from revenue

The taxes and charges that are recorded as deductions from operating revenue totaled R$9,986,014 from January to September 2021, or 16.75% more than the same period of 2020 (R$8,553,424 - restated).

Customer charges – the 'Flag Tariff' system

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

From January to September, 2021 these charges produced a credit of R$137,307, which compares to an expense of R$59,672 in the same period of 2020. The difference is basically due to activation of the 'Red' flag tariff in the months of December 2020 and in May through August 2021 (affecting billing in January and June through September, 2021). In the other months of this year, the 'Flag tariff' activated was 'Yellow'. For comparison, in 2020 the 'yellow' flag was activated only in December 2019 and January 2020 (affecting billing in January and February 2020); and 'Flag Tariff' was not charged in the other months, as part of the effort to mitigate the effects of the Covid-19 pandemic.

The Energy Development Account – CDE

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

CDE charges from January to September 2021 totaled R$1,992,361, 9.07% more than the same period of 2020 (R$1,826,713). This mainly reflects (a) higher contracted demand, and (b) the start of charging of the 'Covid Account CDE' in May 2021, ratified by Dispatch 939 of April 5, 2021, under Normative Resolution 885 of June 23, 2020.

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

Other taxes and charges on revenue

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

Operating costs and expenses (excluding financial income/expenses)

Operating costs and expenses totaled R$20,203,578 from January to September 2021, or 33.90% more than the same period of 2020 (R$15,088,195 - restated). See more on the breakdown of Operating costs and expenses in Note 27.

The following paragraphs comment on the main variations:

Personnel

The expense on personnel from January to September 2021 was R$912,598, or 3.01% less than the same period of 2020 (R$940,884). This variation results, mainly:

- Reduction of 4.26% in the avarage number of employees from January to September 2021, compared to the same period of 2020, 5,102 and 5,329, respectively;
- Recognition, in 1H21, of a cost of R$35,238 on voluntary retirement plans, compared to R$58,850 in 1H20; and
- Salary increase of 4.77% under the Collective Work Agreement, as from November 2020.

Outsourced services

The expense on outsourced services from January to September 2021 was R$1,041,543, or 15.16% more than the expense of R$904,465 in the same period of 2020. The following paragraphs comment on the main variations:

- Expenses on information technology 99.08% higher from January to September 2021, at R$72,990, compared to R$36,664 in the same period of 2020. This increase reflects new contracts and investments in IT security signed and made in 2021.
- Expenses on conservation and cleaning of power line pathways, access roads and firebreaks of Cemig D were 26.38% higher year-on-year, at R$71,305 from January to September 2021 vs. R$56,421 in the same period of 2020.

- Expenses on disconnection and reconnection 175.58% higher from January to September 2021, at R$59,289, compared to R$21,514 in the same period of 2020. This reflects resumption of the services, after the energy supply suspension due to default was once again allowed for certain classes of customers.

Energy purchased for resale

The expense on energy purchased for resale from January to September 2021 was R$11,719,653, or 37.42% more than in 2020 (R$8,528,412). The difference is mainly:

- expenses on energy acquired at auction in the regulated market by Cemig D were 82.10% higher, at R$4,251,173, compared to R$2,334,514 in the same period of 2020. This increase many arises from higher variable costs in energy trading contracts in the Regulated Market, due to higher dispatching of thermal plants;
- The expense on purchase of supply at the spot price was higher 40.73% from January to September 2021, at R$1,163,634, compared to the same period of 2020 (R$826,871). This change is mainly due to the increase, in 2021, of charges costs and Itaipu effects, physical guarantee quotas and renegotiation of hydrological risk. These costs are directly affected by the higher average spot price (R$327.91 from January to September 2021, compared to R$118.35 in the same period of 2020), and to the GSF reduction.
- Higher expenses on distributed generation (‘geração distribuída’) of 78.72%: R$867,393 from January to September 2021, compared to R$485,347 in the same period of 2020. This reflects the higher number of generation units installed (100,632 on September 2021, compared to 56,856 on September 2020); and the higher volume of energy injected into the grid (1,360,509 MWh from January to September 2021, compared to 700,793 MWh in the same period of 2020);
- Costs on energy acquired in the Free Market 26.67% higher, at R$ 3,655,574 from January to September, compared to R$ 2,885,932 in the prior period, mainly associated with new purchase contracts made to mitigate the exposure risk and the replenishment of incentive-bearing energy sources in energy balance.

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

Charges for use of the transmission network and other system charges

Charges for use of the transmission network from January to September 2021 totaled R$2,101,761, compared with R$1,157,241 in the same period of 2020, an higher of 81.62%.

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

The difference is mainly due to lower transmission charges in 2Q20, resulting in lower cash outflow from distributors during the Covid-19 pandemic. The charges were increased by approximately 40% as from July 2020. Also, there was higher dispatching of thermal plants outside the 'merit order', for energy security of the system, in 2021, and consequently their high cost increased the System Service Charge (CCEE-ESS).

This is a non-manageable cost in the distribution activity: the difference between the amounts used as a reference for calculation of tariffs and the costs actually incurred is compensated for in the subsequent tariff adjustment. More details see note 13.

Operating provisions

Operating provisions from January to September 2021 totaled R$169,496, or 33.56% less than the same period of 2020 (R$255,123). This arises mainly from the following factors:

- Expected losses on doubtful receivables from clients 36.37% higher, at R$79,463 from January to September 2021, compared to R$58,271 in the same period of 2020, mainly reflecting the resumption of irregular consumption billing, which has a lower probability of being paid, the greater difficulty in receipt of older debts compared to 2020, in which the Company had greater success negotiating larger debts, as well as the worsening of the macroeconomic scenario after the pandemic and the pressures which increased energy bills, including activation of 'Flag tariff' rates.
- Difference in the provisions for tax contingencies, with a net reversal of R$16,765 from January to September 2021, compared to a positive amount (constitution of new provisions) of R$42,186 in the same period of 2020. The improvement resulted, among other factors, from a judgment given in favor of the Company in one of the administrative cases relating to social security contributions, which resulted in cancellations of tax debits, according to calculations by the tax authority (Receita Federal).
- Constitution of estimated provisions for losses on loans to related parties, from January to September 2021, referring to credits owed by Renova totaling R$37,361.

For further details, please see Note 24.

Construction cost

Infrastructure construction costs from January to September 2021 totaled R$1,338,097, or 19.19% more than the same period of 2020 (R$1,122,636). The difference mainly arises the higher volume of investments in distribution on January to September 2021, compared to the same period of 2020, especially in sub-transmission, in expansion, reinforcement and improvement of high-voltage infrastructure.

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

Gas bought for resale

From January to September 2021, the Company recorded an expense of R$1,428,052 on acquisition of gas, 90.24% more than its comparable expense of R$750,664 in the same period of 2020. This basically reflects the increase of volume of gas sold was in fact 64.37% higher (at 1,037,785m³ on January to September 2021, vs. 631,353m³ in the same period of 2020), – under the influence, mainly, of the thermoelectric power generation, which consumption was 499.76% higher.

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

The result of equity method valuation of interests in non-consolidated investees was a gain of R$438,798 from January to September 2021, compared to a gain of R$262,298 in the same period of 2020, which is 67.29% higher from January to September 2021 compared to the same period of 2020. The difference is mainly due to the equity income from the investee Aliança Geração 237.31% higher and lower losses in the investees Amazônia Energia and Aliança Norte (shareholders of Norte Energia S.A. – NESA), which posted negative equity income of R$ 42,315 from January to September of 2021, compared to R$ 63,944 in the prior period, reflecting recognition of renegotiation of hydrology risk (GSF); and also an increase of 24.43% in the result from the investee Taesa.

The breakdown of the results from the investees recognized under this line is given in detail in Note 15.

Net financial revenue (expenses)

Cemig reports net financial expenses from January to September 2021 of R$1,942,182, compared to net financial expenses of R$1,258,682 in the same period of 2020 (increase of 54.30%). The main factors are:

- Appreciation of the dollar against the real from January to September 2021 of 4.67%, compared to appreciation, of 39.94%, in the same period of 2020 – generating a posting of revenues of R$212,850 from January to September 2021, vs. expenses, of R$2,415,000, in the same period of 2020;
- Negative variation in the fair value of the financial instrument contracted to hedge the risks of the Eurobond from January to September 2021, in contrast to the positive effect at September 30, 2020. From January to September 2021, the variation in the fair value of the hedge instrument generated an expense of R$577,129, compared to a gain of R$1,803,611 in the same period of 2020. The reduction in the fair value of the hedge instrument from January to September arises from the higher future interest curve;
- Recognition of the premium on repurchase of debt securities in the amount of R$491,036 as a result of the partial buyback of its Eurobonds – *Tender Offer*. For further information, see Note 21.

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

Income tax and social contribution tax

From January to September 2021, the expense on income tax and the social contribution tax totaled R$849,383, on pre-tax profit of R$3,639,850, an effective rate of 23.34%. From January to September 2020, the expense on income tax and the social contribution tax was R$547,061 (restated), on pre-tax loss of R$2,139,877 (restated) an effective rate of 25.57%.

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

Results for the quarter

From 3Q21, Cemig reports profit of R$421,477, compared to a profit of R$579,299 (restated) in the same period in 2020, a reduction of 27.24%. The lower Ebitda calculated in accordance with CVM Instruction 527/2012 results, basically, the increase in the cost of energy purchased for resale. The following items describe the main variations between the two periods in revenues, costs, expenses and financial items.

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

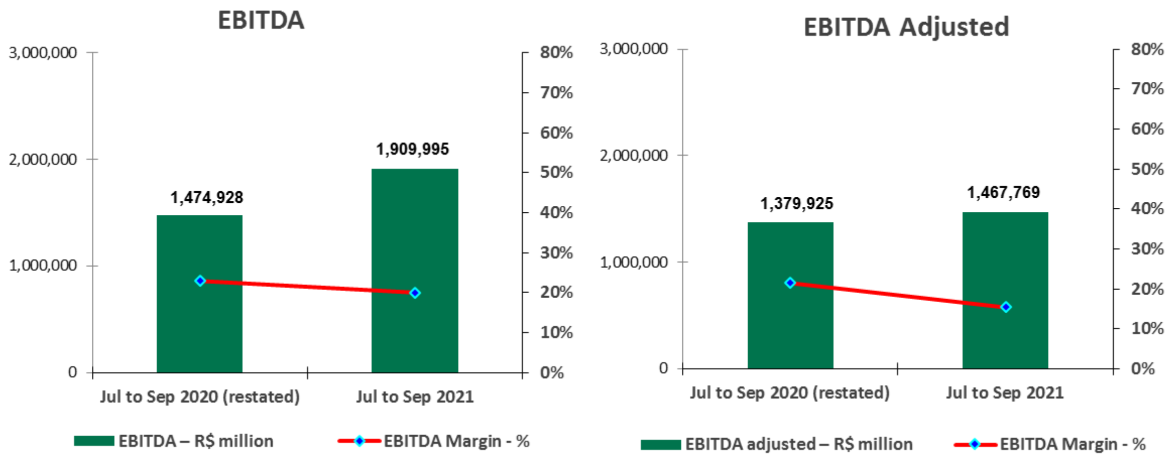
Cemig's consolidated adjusted Ebitda, with the removal of non-recurrent items, higher in 6.37% on 3Q21 compared to the same period of 2020, whereas the adjusted Ebitda margin lower from 21.49% to 15.41%. Consolidated Ebitda higher 29.50% on 3Q21 compared to the same period of 2020, whereas the Ebitda margin was 22.97% on 3Q20 to 20.05% on the same period of 2021.

EBITDA - R$'000	Jul to Sep 2021	Jul to Sep 2020 (Restated)	Charge %
Net income for the period	421,477	579,299	**(27.24)**
+ Income tax and Social Contribution tax	49,710	153,921	**(67.70)**
+ Net financial revenue (expenses)	1,155,490	496,619	**132.67**
+ Depreciation and amortization	283,318	245,089	**15.60**
= Ebitda according to "CVM Instruction 527" (1)	**1,909,995**	**1,474,928**	**29.50**
Non-recurrent items			
+ Non-controlling interests	(426)	(312)	36.54
+ Impairment (reversals) of assets held for sale (Note 32)	-	136,244	-
+ Renegotiation of hydrological risk costs (Law 14,052/20), net	(122,208)	-	-
+ Renegotiation of hydrological risk costs (Law 14,052/20), net – investees	(308,460)	-	-
+ Reversal of tax provisions	(11,132)	-	-
+ Reversal of losses expected on receivables from Minas Gerais State (net of provisions made)	-	(230,935)	-
Ebitda Adjusted (2)	**1,467,769**	**1,379,925**	**6.37**

* On September 30, 2021 the jointly-controlled subsidiaries Nesa and Aliança Energia, and the affiliated company Madeira, recognized amounts of R$ 30,454, R$ 149,136 and R$ 128,870, respectively, arising from renegotiation of hydrological risk.

(1) Ebitda is a non-accounting measure prepared by the Company, reconciled with its consolidated interim financial information in accordance with the specifications in CVM Circular SNC/SEP 01/2007 and CVM Instruction 527 of October 4, 2012. It comprises: net income adjusted for the effects of net financial revenue (expenses), depreciation, amortization and income tax and the social contribution tax. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it does not have a standard meaning; and it may be non-comparable with measures with similar titles provided by other companies. Cemig publishes Ebitda because it uses it to measure its own performance. Ebitda should not be considered in isolation or as a substitution for net income or operational profit, nor as an indicator of operational performance or cash flow, nor to measure liquidity nor the capacity for payment of debt.

(2) The Company adjusts the EBITDA measured according to CVM Instruction 527 removing non-current items, which, because of their nature, do not contribute towards information on the potential of future cash generation, since they are extraordinary items.



The higher adjusted Ebitda in 3Q21 than 3Q20 mainly reflects the positive effects on revenues in 3Q21, and posting of the gains arising from renegotiation of hydrological risk, in the amount of R$308,460, for the investess NESA, Aliança Energia and Madeira. The higher Ebitda – calculated in accordance with CVM Instruction 527/2012 – mainly reflects net revenue 48.33% higher year-on-year, partially offset by operational costs, excluding depreciation and amortization, 63.50% higher YoY.

The main items affecting revenue in the period, are as follow:

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

Revenue from supply of energy on 3Q21 was R$7,740,212, 15.65% higher than the same period in 2020 (R$6,692,911).

Final customers

Revenue from energy sold to final customers, excluding Cemig's own consumption, on 3Q21 was R$6,912,454, or 19.49% higher than the figure in the same period of 2020, R$5,785,202.

Cemig's energy market

The total for sales in Cemig's consolidated energy market comprises sales to: (i) Captive customers in Cemig's concession area in the State of Minas Gerais; (ii) Free Customers in both the State of Minas Gerais and other States of Brazil, in the Free Market (*Ambiente de Contratação Livre*, or ACL); (iii) other agents of the energy sector – traders, generators and independent power producers, also in the Free Market; (iv) Distributors, in the Regulated Market (*Ambiente de Contratação Regulada*, or ACR); and (v) the Power Trading Chamber (*Câmara de Comercialização de Energia Elétrica* – CCEE), eliminating transactions between companies of the Cemig Group.

This table details Cemig's market and the changes in sales of energy by customer category, comparing on 3Q21 to the same period in 2020:

Revenue from supply of energy

	Jul to Sep 2021			Jul to Sep 2020			Charge %	
	MWh (2)	R$	Average price billed (R$/MWh) (1)	MWh (2)	R$	Average price billed (R$/MWh) (1)	MWh	R$
Residential	2,757,428	2,857,041	1,036.13	2,652,121	2,408,833	908.27	3.97	18.61
Industrial	4,263,189	1,389,273	325.88	3,282,736	1,062,910	323.79	29.87	30.70
Commercial, Services and Others	2,017,714	1,363,317	675.67	1,938,028	1,125,855	580.93	4.11	21.09
Rural	1,169,780	764,005	653.12	1,139,551	632,227	554.80	2.65	20.84
Public authorities	167,875	140,233	835.34	149,154	112,958	757.32	12.55	24.15
Public lighting	257,999	174,829	677.63	327,039	145,863	446.01	(21.11)	19.86
Public services	362,058	238,744	659.41	347,469	186,818	537.65	4.20	27.79
Subtotal	**10,996,043**	**6,927,442**	**629.99**	**9,836,098**	**5,675,464**	**577.00**	**11.79**	**22.06**
Own consumption	7,835	-	-	7,559	-	-	3.65	-
Unbilled retail supply, net	-	(14,988)	-	-	109,738	-	-	-
	11,003,878	**6,912,454**	**628.18**	**9,843,657**	**5,785,202**	**587.71**	**11.79**	**19.49**
Wholesale supply to other concession holders (3)	2,520,569	757,429	300.5	3,150,749	818,168	259.67	(20.00)	(7.42)
Wholesale supply not yet invoiced, net	-	70,329	-	-	89,541	-	-	(21.46)
Total	**13,524,447**	**7,740,212**	**568.22**	**12,994,406**	**6,692,911**	**499.73**	**4.08**	**15.65**

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

The following factors that contributed significantly to the increased of 4.08% on the volume of energy sold are:

- the volume of energy sold to the industrial customer category was 29.87% higher, mainly reflecting migration of captive customers to the Free Market, and new contracts for sales to free clients, starting supply in January 2021.
- increase of 4.11% in the volume of supply sold to the commercial customer category, associated with growth in the base of captive and free clients.
- Volume of energy sold to the rural customer category 2.65% higher YoY, mainly due to increased consumption for irrigation, the largest factor in rural users' consumption, reflecting the lower rainfall in 3Q21 than in 3Q20.
- The average price of energy was 13.71% higher in 3Q21 than the same period of 2020, mainly reflecting the increase for energy sale contracts in the Regulated Market, of 5.68%, and also the higher incidence of 'Tariff Flag' extra charges in the tariffs of Cemig D. The higher average price of energy in the Free Market reflects shorter-term sales to traders than the same period of 2020, resulting from lower market prices in the period Also, contracts in effect in 2020 and 2021 undergo annual price adjustments in accordance with the inflation indexes (IPCA or IGP-M) established in the contracts.
- Supply of energy to other concession holders 20.00% lower, mainly due to the high volume of spot sales to traders in the early months of 2020, and also the difference in volume contracted with Trader clients.

Revenue from Use of Distribution Systems (TUSD)

This is revenue from charging Free Customers the Tariff for Use of the Distribution System (TUSD), on the volume of energy distributed. On 3Q21, this was R$886,721, compared to R$793,698 in the same period of 2020 - increase of 11.72%.

The volume of energy transported on 3Q21 was 7.86% higher than the same period of 2020, due to: (i) the increase in consumption for irrigation by rural customers; (ii) the migration of commercial customers to Free Market; and (iii) growth in the industrial market in 2021, due to the recovery of the economy.

Additionally, the effect the Company's annual tariff adjustment 2021, applied from May 28, 2021, was 2.40% which affected Free Clients, having an impact on the increase as well.

	MWh		
	Jul to Sep, 2021	Jul to Sep, 2020	Charge %
Industrial	5,179,727	4,879,603	6.15
Commercial	381,813	299,125	27.64
Rural	11,484	7,667	49.78
Public service	1,080	-	-
Concessionaires	118,642	91,645	29.46
Total	**5,692,746**	**5,278,040**	**7.86**

CVA and Other financial components in tariff adjustments

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

On 3Q21 this represented a gain (posted in revenue) of R$1,116,248, whereas in the same period in 2020 it produced a gain of R$17,192. This difference mainly reflects a higher posting of CVA and Other financial components in tariff adjustments in 3Q21, compared to 3Q20, due to the increase in the costs of energy purchased in the regulated market, and transmission costs. Also, realization of amounts approved in the current tariff cycle was lower than in the prior cycle.

For further details, see Note 13.

Transmission concession revenue

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

The main items in revenue in the period, are as follow:

- The infrastructure operation and maintenance revenue was R$72,139 on 3Q21, or 19.72% less than the same period of 2020 (R$89,863 - Restated);
- The revenues posted for construction, reinforcement and improvement of infrastructure totaled R$75,695 on 3Q21, 19.46% more than the same period of 2020 (R$63,363 - Restated). This mainly reflects the lower investments in transmission, as a result of new decisions on investments in small-scale improvements, due to the alterations in regulatory rules and the suspension of contracts with suppliers of reinforcement works; and
- At the same time, revenues from financial remuneration of transmission contract assets were 42.16% higher on 3Q21, at R$165,300, compared to R$116,277 recognized in (Restated) results for the same period of 2020 – mainly reflecting the increase in the remuneration base of the assets linked to contracts, as from the Periodic Tariff Review (RTP) ratified the contract 006/97 by Aneel on June 30, 2020, adjusted on April, 2021, and the contract 079/00 on December 30, 2020.

More details in Note 14.

Revenue from supply of gas

Cemig reports revenue from supply of gas totaling R$948,680 on 3Q21, compared to R$427,940 in the same period of 2020 – 121.69% higher YoY. This basically reflects the increase on volume of gas sold was in fact 81.79% higher (at 360,083m³ on July to September 2021, vs. 198,080m³ in the same period of 2020), – under the influence, mainly, of the thermoelectric power generation, caused by the current low level of hydroelectric reservoirs.

Construction revenue

Infrastructure construction revenue of distribution on 3Q21 was R$497,932, compared to R$397,295 in the same period of 2020. This variation is mainly due to the execution of a larger proportion of the Investment Plan budget in assets related to distribution concession infrastructure, especially those related to the sub-transmission networks, in expansion, strengthening and enhancement of high-voltage infrastructure.

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

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

Other operating revenues

The other operating revenues line for the Company and its subsidiaries on 3Q21 totaled R$433,111, compared to R$414,461 in the same period of 2020 – 4.50% higher YoY. See Note 26 for a breakdown of other operating revenues.

Taxes and regulatory charges reported as Deductions from revenue

The taxes and charges that are recorded as deductions from operating revenue totaled R$3,644,128 on 3Q21, or 27.47% more than the same period of 2020 (R$2,858,810 - restated).

Customer charges – the 'Flag Tariff' system

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

In 3Q21 these charges produced a credit of R$130,290, which compares to an expense of R$16 in 3Q20. This significant change arises from activation of the 'Red Level 2' flag tariff from June to August 2021 (affecting billing from July to September 2021), compared to no flag tariff being activated in the same period of 2020, as part of the measures to mitigate the impacts of the Covid-19 pandemic.

The Energy Development Account – CDE

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

CDE charges in 3Q21 totaled R$667,763, 9.68% more than in 3Q20 (R$608,848). This mainly reflects (a) higher contracted demand, and (b) the start of charging of the 'Covid Account CDE' in May 2021, ratified by Dispatch 939 of April 5, 2021, under Normative Resolution 885 of June 23, 2020.

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

Other taxes and charges on revenue

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

Operating costs and expenses (excluding financial income/expenses)

Operating costs and expenses totaled R$8,307,517 on 3Q21, or 61.22% more than the same period of 2020 (R$5,152,922 - restated). See more on the breakdown of Operating costs and expenses in Note 27.

The following paragraphs comment on the main variations:

Personnel

The expense on personnel on 3Q21 was R$262,275, or 9.59% less than the same period of 2020 (R$290,095).

This variation results, mainly, reduction of 4.05% in the avarage number of employees from July to September 2021, compared to the same period of 2020.

Outsourced services

The expense on outsourced services in 3Q21 was R$354,468, or 17.07% more than the expense of R$302,775 in 3Q20. The main impacts arise from the factors detailed below:

- Expenses on information technology 108.52% higher in 3Q21, at R$24,463, compared to R$11,732 in 3Q20. This increase reflects new contracts and investments in IT security signed and made in 2021.
- Expenses on disconnection and reconnection 271.95% higher in 3Q21, at R$23,195, compared to R$6,236 in 3Q20. This reflects resumption of the services, after the energy supply suspension due to default was once again allowed for certain classes of customers.

Energy purchased for resale

The expense on energy purchased for resale on 3Q21 was R$5,302,305, or 79.21% more than in 2020 (R$2,958,679). The difference is mainly:

- expenses on energy acquired at auction in the regulated market by Cemig D were 172.83% higher, at R$2,091,386, compared to R$766,561 in the same period of 2020. This increase many arises from higher variable costs in energy trading contracts in the Regulated Market, due to higher dispatching of thermal plants;
- The expense on purchase of supply at the spot price was higher 312.85% on 3Q21, at R$800,388, compared to the same period of 2020 (R$193,868). The result expressed for spot-price supply is the net balance between revenues and expenses of transactions on the Power Trading Chamber (CCEE). The lower figure is mainly due to the increase, in the third quarter of 2021, of charges costs and Itaipu effects, physical guarantee quotas and renegotiation of hydrological risk. These costs are directly affected by the higher average spot price (R$581,71 in the third quarter of 2021, compared to R$91,68 in the prior period) and to the GSF reduction;

- Higher expenses on distributed generation ('geração distribuída') of 114.92%: R$338,612 in 3Q21, compared to R$157,551 in 3Q20. This reflects the higher number of generation units installed and the higher volume of energy injected into the grid (494,016 MWh in 3Q21, compared to 273,184 MWh in 3Q20).

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

Charges for use of the transmission network and other system charges

Charges for use of the transmission network on 3Q21 totaled R$653,534, compared with R$534,788 in the same period of 2020, an higher of 22.20%.

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

The difference is, mainly, there was higher dispatching of thermal plants outside the 'merit order', for energy security of the system, in 2021, and consequently their high cost and dollar US$ increased the System Service Charge (CCEE-ESS), which is also part of this account line. The charges were increased by approximately 40% as from July 2020.

This is a non-manageable cost in the distribution activity: the difference between the amounts used as a reference for calculation of tariffs and the costs actually incurred is compensated for in the subsequent tariff adjustment. More details see note 13.

Operating provisions

Operating provisions on 3Q21 totaled R$76,117, or 174.91% less than the same period of 2020 (R$101,606). This arises mainly from the following factors:

- Expected losses on doubtful receivables from clients, at losses of R$37,295 on 3Q21, compared to losses of R$156,829 in the same period of 2020. This mainly reflects the negotiation of a long-standing debt from the State of Minas Gerais government. For further information, see Note 7.
- Provisions for the SAAG put option higher YoY: a R$22,977 in 3Q21, compared to posting of a provision of R$10,246 in 3Q20. For more information on the criteria and variables for calculation of these options, please see Note 30b;
- Provisions for employment-law contingencies lower year-on-year: net reversal of R$6,410 were made in 3Q21, compared to net new provisions of R$18,063 made in 3Q20. This was mainly the result of recalculation of employment-law contingencies due to a Federal Supreme Court decision which changed the inflation index applying to employment-law liabilities with application of the Selic rate.

  For further details, please see Note 24.

Construction cost

Infrastructure construction costs on 3Q21 totaled R$552,536, or 25.87% more than the same period of 2020 (R$438,960). The difference mainly arises the higher volume of investments in distribution on 3Q21, compared to the same period of 2020, especially in sub-transmission, in expansion, reinforcement and improvement of high-voltage infrastructure.

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

Gas bought for resale

On 3Q21, the Company recorded an expense of R$560,010 on acquisition of gas, 170.07% more than its comparable expense of R$207,361 in the same period of 2020. This basically reflects the increase of volume of gas sold was in fact 81.79% higher (at 360,083m³ on 3Q21, vs. 198,080m³ in the same period of 2020), – under the influence, mainly, of the thermoelectric power generation, which increased significantly.

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

The result of equity method valuation of interests in non-consolidated investees was a gain of R$287,319 on 3Q21, compared to a gain of R$97,822 in the same period of 2020, which is 193.72% lower on 3Q21, compared to the same period of 2020. The change mainly reflects net profit of the investee Aliança Geração being 994.82% higher, and lower losses in the investees Amazônia Energia and Aliança Norte (shareholders in Norte Energia S.A. – 'NESA') and Santo Antônio Energia, due to the recognition of renegotiation of hydrological risk (GSF).

The breakdown of the results from the investees recognized under this line is given in detail in Note 15.

Net financial revenue (expenses)

Cemig reports net financial revenues on 3Q21 of R$1,155,490, compared to net financial expenses of R$496,619 in the same period of 2020. The main factors are:

- The dollar appreciated by 8.74% against the Real in 3Q21, compared to appreciation of 3.01% in 3Q20, resulting in a expense arising from FX variations from debt in foreign currency of R$504,600 in 3Q21, compared to an expense of R$247,050 in 3Q20;
- Positive variation in the fair value of the financial instrument contracted to hedge the risks of the Eurobond in 3Q21, in contrast to the positive effect at September 30, 2020. In 3Q21 the variation in the fair value of the hedge instrument generated a gain of R$35,636, compared to a gain of R$2,651 in 3Q20. The reduction in the fair value of the hedge instrument in 3Q21 arises from the higher future interest curve;
- Recognition of the premium on repurchase of debt securities in the amount of R$491,036. For further information, see Note 21.

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

Income tax and social contribution tax

On 3Q21, the expense on income tax and the social contribution tax totaled R$49,710, on pre-tax profit of R$471,187, an effective rate of 10.55%. On 3Q20, the expense on income tax and the social contribution tax was R$153,921 (restated), on pre-tax profit of R$733,220 (restated) an effective rate of 20.99%.

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

OTHER INFORMATION THAT THE COMPANY BELIEVES TO BE MATERIAL

Board of Directors

Meetings

The Board of Directors met 18 times up to September 30, 2021, to discuss strategic planning, projects, acquisition of new assets, various investments, and other subjects.

Membership, election and period of office

The present period of office began with the EGM on July 31, 2020, with election by the multiple voting system.

The periods of office of the present members of the Board of Directors expire at the Annual General Meeting of Shareholders to be held in 2022.

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

Principal responsibilities and duties:

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

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

Qualification and remuneration

The Board of Directors of the Company comprises 9 (nine) sitting members and the same number of substitute members. One is the Chair, and another Deputy Chair. The members of the Board of Directors are elected for concurrent periods of office of 2 (two) years, and may be dismissed at any time, by the General Meeting of Shareholders. Re-election for a maximum of 3 (three) consecutive periods of office is permitted, subject to any requirements and prohibitions in applicable legislation and regulations.

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

The Audit Committee

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

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

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

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

Executive Board

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

Members are allowed simultaneously also to hold non-remunerated positions in the management of wholly-owned subsidiaries, subsidiaries or affiliates of Cemig, upon decision by the Board of Directors. They are also, obligatorily under the by-laws, members, with the same positions, of the Boards of Directors of Cemig GT (Generation and Transmission) and Cemig D (Distribution). The period of office of the present Chief Officers expires at the first meeting of the Board of Directors held after the Annual General Meeting of 2022.

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

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

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

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

Audit Board

<u>Meetings</u>

- The Audit Board held ten meetings through the third quarter of 2021.

<u>Membership, election and period of office</u>

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

  a) 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.

b) The majority of the members must be elected by the Company's controlling shareholder; at least one must be a public employee, with a permanent employment link to the Public Administration.

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

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

Qualification and remuneration

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

Résumé information on its members is on our website: http://ri.cemig.com.br.

Corporate risk management and internal controls

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

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

Thus, in 2019, the Executive Board and the Board of Directors approved the 'Top Risks' corporate risk matrix, for the years 2019/2020, which comprehends business such as Generation, Transmission, Distribution, Trading, Distributed Generation ('Geração Distribuída'), Holding as well as ordinary business risks.

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

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

In 2019, the Company hired an expert consulting firm to support the review of internal control and risk matrix as well as to monitor periodically the execution and sufficiency of controls, analysis of failure/weakness and to support the remediation plans development and execution.

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

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

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

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

Statement of Ethical Principles and Code of Professional Conduct

On May 11, 2004 Cemig's Board of Directors approved the Statement of Ethical Principles and Code of Professional Conduct, which aims to orient and discipline everyone acting in the name of, or interacting with, Cemig, to ensure ethical behavior at all times, and always in accordance with the law and regulations. The code can be seen at http://ri.cemig.com.br. It was updated in 2018 and in 2019 to comply with the laws n. 12,486/2013 and n. 13,303/2016. Annually, the Company provide training on Statement of Ethical Principles and Code of Professional Conduct for all its employees.

The Ethics Committee

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

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

The Ethics Channel

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

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

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

Anti-fraud Policy

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

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

SHAREHOLDING POSITION OF HOLDERS OF MORE THAN 5% OF THE VOTING STOCK ON SEPTEMBER 30, 2021

	COMMON SHARES	%	PREFERRED SHARES	%	TOTAL SHARES	%
State of Minas Gerais	288,485,632	50.97	13,143	-	288,498,775	17.04
Other entities of Minas Gerais State	23,094	-	12,376,443	1.10	12,399,537	0.73
FIA Dinâmica Energia S.A.	151,115,628	26.70	69,731,458	6.18	220,847,086	13.05
BNDES Participações	63,082,911	11.14	30,438,020	2.70	93,520,931	5.52
BlackRock	-	-	123,325,741	10.94	123,325,741	7.28
Others	63,329,369	11.19	891,440,629	79.08	954,769,998	56.38
In Brazil	46,878,321	8.28	155,455,326	13.79	202,333,647	11.95
Foreign shareholders	16,451,048	2.91	735,985,303	65.29	752,436,351	44.43
Total	**566,036,634**	**100.00**	**1,127,325,434**	**100.00**	**1,693,362,068**	**100.00**

CONSOLIDATED SHAREHOLDING POSITION OF THE CONTROLLING SHAREHOLDERS AND MANAGERS, AND FREE FLOAT, ON SEPTEMBER 30, 2021

	January to September 2021	
	ON	PN
Controlling shareholder	288,485,632	13,143
Board of Directors	-	81,252
Executive Board	11,498	9,291
Shares in Treasury	79	650,817
Free float	277,539,425	1,126,570,931
TOTAL	**566,036,634**	**1,127,325,434**

Investor Relations

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

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

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

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

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

Corporate governance

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

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

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

In June 11, 2018 an Extraordinary Meeting of Shareholders approved alterations to the Company's bylaws, to maintain best corporate governance practices, and adapt to Law 13,303/2016 (also known as the State Companies Law).

The improvements now formally incorporated in the by-laws include:

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

- The CEO now to be responsible for directing compliance and corporate risk management activities.
- Greater emphasis on the Company's control functions: internal audit, compliance, and corporate risk management.
- Adoption of an arbitration chamber for resolution of any disputes between the Company, its shareholders, managers, and/or members of the Audit Board.

* * * * * * * * * * * *

(The original is signed by the following signatories)

Reynaldo Passanezi Filho Chief Executive Officer	**Dimas Costa** Chief Trading Officer	**Leonardo George de Magalhães** Chief Finance and Investor Relations Officer
Marney Tadeu Antunes Chief Distribution Officer		**Maurício Dall'Agneses** Chief Officer Cemigpar
Thadeu Carneiro da Silva Chief Generation and Transmission Officer		**Eduardo Soares** Chief Regulation and Legal
Mário Lúcio Braga Controller CRC-MG 47.822		**Carolina Luiza F. A. C. de Senna** Financial Accounting and Equity Interests Manager Accountant – CRC-MG 77.839

Edifício Phelps Offices Towers
Rua Antônio de Albuquerque, 156
11º andar - Savassi
30112-010 - Belo Horizonte - MG - Brasil
Tel: +55 31 3232-2100
Fax: +55 31 3232-2106
ey.com.br

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

Independent Auditor's Review Report on Quarterly Information - ITR

To the Shareholders and Management of
Companhia Energética de Minas Gerais - CEMIG
Belo Horizonte - MG

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Companhia Energética de Minas Gerais – Cemig (the "Company"), for the quarter ended September 30, 2021, comprising the statement of financial position as at September 30, 2021, and the related statements of profit or loss, of comprehensive income for three and nine-month periods then ended, and of changes in equity and cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

Edifício Phelps Offices Towers
Rua Antônio de Albuquerque, 156
11º andar - Savassi
30112-010 - Belo Horizonte - MG - Brasil
Tel: +55 31 3232-2100
Fax: +55 31 3232-2106
ey.com.br

Emphasis of matters

Restatement of corresponding figures

As described in Note 2.3, due to the impacts on the statement of profit and loss of the adjustments in discounts rates of the financial inflows of the concession contract related to the transmission segment and the respective impact on the construction margin allocation, the quarter and the three and nine-month period ended September 30, 2020, presented for comparative purposes, are being restated in accordance with NBC TG 23 - Accounting Policies, Changes in Accounting Estimates and Errors. Additionally, as described in Note 25, due to the increase in the number of shares as a result of capitalization of reserves, the Company adjusted the earnings per share and the respective explanatory notes for the three and nine-month period ended September 30, 2020. Our conclusion is not modified in respect to this matter.

Risk regarding the ability of the jointly-controlled entity Renova Energia S.A. to continue as a going concern

As described in Note 15 to the individual and consolidated interim financial information, on December 18, 2020 were approved in the General Meeting of Creditors and ratified by the 2nd State of São Paulo In-Court Reorganization and Bankruptcy Court, the court-supervised reorganization plans of the jointly-controlled entity Renova Energia S.A. – in-court supervised reorganization and some of its subsidiaries, which accounting effects were recorded in the financial statements of the jointly-controlled entity for the year ended December 31, 2020. Although the in-court reorganization plans effects have been approved and recorded, there are events or conditions together with other matters described in referred note that may indicate significant doubt about its ability to continue as a going concern. Our conclusion is not modified in respect to this matter.

Edifício Phelps Offices Towers
Rua Antônio de Albuquerque, 156
11º andar - Savassi
30112-010 - Belo Horizonte - MG - Brasil
Tel: +55 31 3232-2100
Fax: +55 31 3232-2106
ey.com.br

Other matters
Statements of value added

The above mentioned quarterly information include the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2021, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Belo Horizonte (MG), November 11, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Shirley Nara S. Silva
Accountant CRC-1BA022650/O-0