SUMMARY

REPORT OF MANAGEMENT FOR 2024

Dear Shareholders,

Cemig Distribuição ('Cemig D' or 'the Company') submits for your consideration the Report of Management, the Financial Statements, the Opinion of the Audit Board and the Report of the Company's external auditors on the business year ended December 31, 2024. together with the statements of the executive officers who have reviewed the financial statements and the related report of the external auditors.

MESSAGE FROM MANAGEMENT

In 2024, with efforts on several fronts, we achieved some important results in line with our strategy – focused on six key drivers: delight the client; create value; innovate; uphold and maintain a culture of results; ESG and safety.

Delighting the client

Our focus on the client is a central priority. In 2024 we took numerous measures in Distribution to advance this corporate priority. We extended our service network; we modernized infrastructure; and we adopted advanced technologies to ensure that our supply of power is increasingly reliable and efficient. To resolve client needs ever faster, we launched personalized service programs and direct communication channels. We also invested in projects for energy efficiency and sustainability, creating solutions that meet specific needs of each client, providing savings and contributing to a more sustainable future.

We made investments totaling R$4.18 billion in the year – delivering our commitment to invest four times the Regulatory Depreciation Quota (*Quota de Reintegração Regulatória*, or QRR) related to our total assets. By the end of 2024, 127 projects for new substations had been delivered within the *Mais Energia* (*More Energy*) Program.

These investments contribute to improvement in our quality of service, as measured objectively through our DEC and FEC outage indicators. We were able to deliver improvements beyond the levels required by the regulations for these indicators, with a reduction in the DEC indicator perceived of around 2.5 hours.

We launched the *Cemig Agro* program, which aims to improve performance in rural areas, underlining our responsibility for efficiency and quality of our service to our rural clients – as well as promoting decarbonization of this segment of the economy. To support this segment, we highlight the *Minas Three-phase Project*, which converts single-phase into three-phase networks, as well interconnecting and expanding medium-voltage networks. In this year, we completed 3,068 kilometers of network – a significant contribution to the growth of the economy of Minas Gerais, transmitting trust and security to society as a whole.

Our vision of growth with close involvement with society also takes the form of support for the culture of Minas Gerais. Today, Cemig is the largest incentivator of culture in Minas Gerais, and one of the largest in the country.

Value creation

In 2024, Cemig consolidated its leadership in 'Retail' trading by Free Clients – expanding our range of operations and offering one more personalized solution for our clients. Cemig has stood out for its flexibility and competitiveness in the Brazilian Free Market, giving the consumer increased autonomy – and savings. Our efforts in expanding the concept and practice of the 'Retailer' Free Client have resulted in a significant growth in our client base, and in diversification of sources of revenue. We have maintained our leadership in serving Brazil's Free Market, with 14% market share.

Innovation

In 2024 we made significant progress in our digital transformation journey – within our key policy pillar of Innovation.

We have implemented the new Advanced Distribution Management System (ADMS) solution: A Supervisory Control and Data Acquisition (SCADA) solution for high voltage in 520 substations, strengthening our management of the electricity network and speeding response time to incidents. We are in the process of modernizing our SAP with an upgrade of the ERP to SAP S/4 Hana, planned for completion in 2025.

In the Brazilian energy Free Market, we have devolved our power trading platform with our new *Client Area*, 100% digital for our 'Retailer' Free Clients of Group A; also modernizing the platform and enhancing its adaptation to the sector – among other advantages.

We have launched Inova Cemig LAB, the largest open innovation program in the Brazilian energy sector, which has involved 454 startups from 15 countries and 17 Brazilian states over the course of its two first public calls for projects, engaging 336 Cemig employees from 11 main departments in promoting a culture of innovation.

In 2024 we signed partnerships with 20 institutions to support our innovation projects. The institutional partners of Inova Cemig include universities, research centers, science and technology institutes and innovation hubs of Minas Gerais and all the regions of Brazil. We launched 15 *R&D Innovation* projects with investment of R$40.7 million.

ESG

In sustainability, supporting its key ESG Policy pillar, Cemig was honored by inclusion in the 2024 Climate Change 'A List' of the Carbon Disclosure Project (CDP), achieving the maximum score in 10 of the 16 criteria assessed – and also, according to an evaluation by the Dow Jones Sustainability Index, six additional points.

In 2024 we passed the milestone of 1 million trees planted in our *Forest Restoration Program*, begun in 2019. The trees planted included saplings of Minas Gerais native species such as *ipê*, *pequi*, cedar, and *jacarandá-da-bahia* (rosewood).

Security

In our key pillar of Security, we reformed our ‘Golden Rules for Health’, to simplify and ensure compliance with them in operations, focusing on four lines of action: Risk analysis, respect for traffic laws, use of IPE, and the four-letter ASTA/ABSTA routine: (“Open, Flag, Test, Earth”).

Culture of results

Our highlights of this year include execution of the biggest investment plan in our history, disinvestments of non-strategic assets, operational efficiency, and sustainability.

We are executing our investment program diligently. It will invest a total of R$59.1 billion over the period from 2019–2029 and is already more than 60% executed or contracted.

With an increase of R$703 million, we returned the Ebitda of R$3.8 billion, with a year-on-year increase in net income of R$649 million. Fitch Ratings has given us its best classification of Brazilian credit risk – AAA. This recognition is the result of our consistent results, strong cash generation, diverse assets base and discipline in capital allocation. These important milestones demonstrate our commitment to transformation of the Company, which we believe is the basis for solid and sustainable results, supporting our *Culture of Results* Policy Pillar.

Within our financial strategy, we made the 10th and 11th debenture issues of **Cemig D**, for a total of R$4.5 billion in ‘Sustainable Debentures’ – reflecting and strengthening our ESG Policy pillar. After these transactions there was a significant increase in the average tenor of our debt, from 2.7 years at December 31, 2023 to 5.1 years at December 31, 2024.

We believe very firmly in the strategic plan that was laid out in 2019, with the slogan of ‘*Focus and Win*’. We list here some of the significant advances we have delivered for each one of the pillars of our plan. We wish to offer our warm thanks for the trust placed in us by our employees, stockholders, local communities and other stakeholders. We reaffirm our commitment to generation of sustainable value and the permanent quest for excellence in our provision of services.

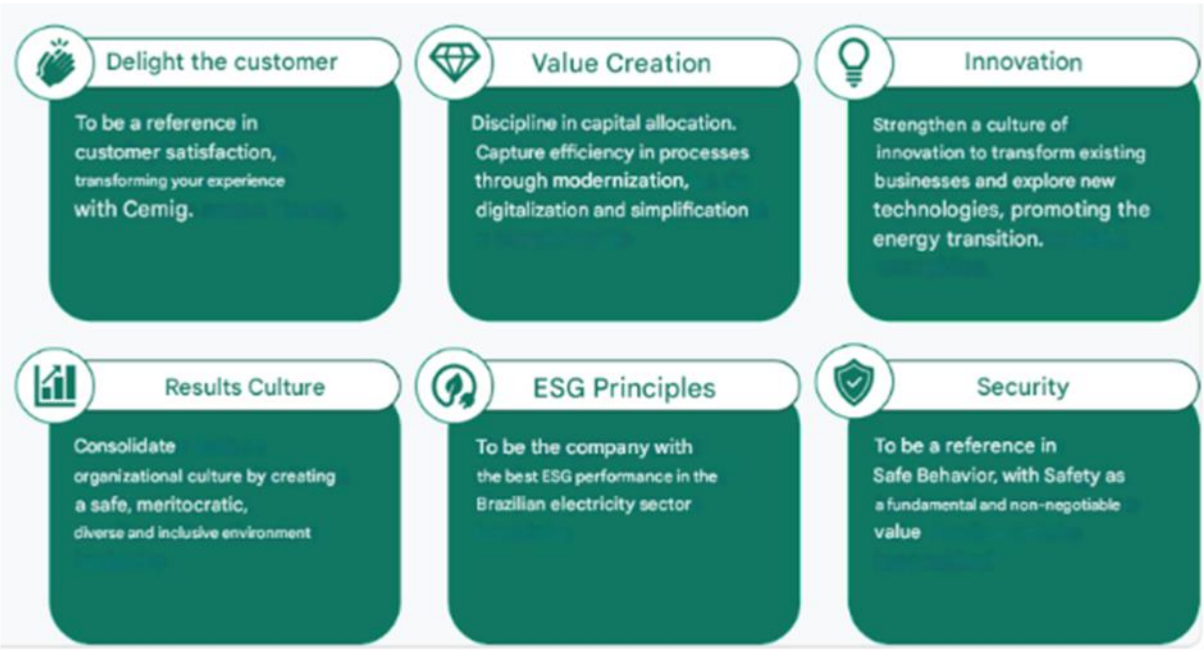
ABOUT CEMIG DISTRIBUIÇÃO

Cemig D began operating on January, 2005, pursuant to the separation of activities (‘unbundling’) of Companhia Energética de Minas Gerais - Cemig (‘Cemig’). Cemig D is one of Brazil’s leading electricity operators and is the largest distribution company in Latin America.

Cemig’s strategy

In December 2024 the Board of Directors approved Cemig’s strategy for the period 2025-2029. The strategy envisges accelerating the transformation of the Company on the basis of its six main drivers, shown in this diagram:

Strategic Drivers



This is an updating of the *Focus and Win* strategy, which has been in execution since 2020. The strategy includes the largest investment plan in Cemig's history, for a forecast of R$59.1 billion, to be invested over the period 2019-2029. These initiatives will guide the Company to achieve the principal commitments that it has outlined, which are as follows:

Our mission, vision and values

Ethical Principles and Code of Professional Conduct

<u>Code of Professional Conduct</u>

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

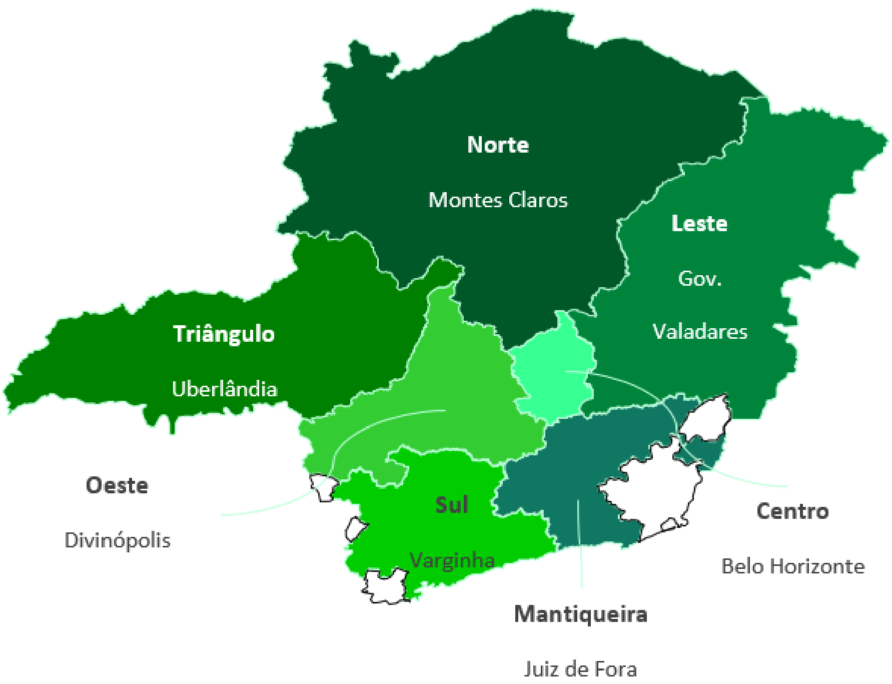
The Ethics Committee

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

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

OUR BUSINESS

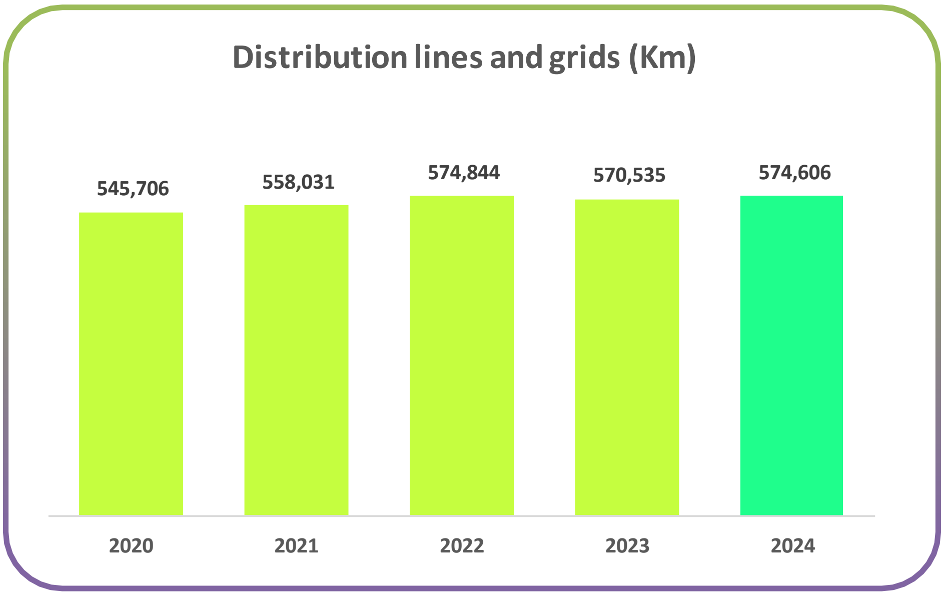
Cemig D covers 774 municipalities in Minas Gerais. Its concession area comprising 567,478 km², approximately 97% of the State of Minas Gerais, as follows:



Distribution lines and grids

Cemig D currently has 574,606 km of distribution grids comprising 142,971 km in urban areas and 412,387 km in rural regions, and 19,248 km of distribution lines, with 9,404 million customers invoiced in 2024.

In the following graph, we can observe the growth of Cemig D distribution lines and networks over the past 5 years.



Number of consumers by category

Class	Number of consumers				
	2024	2023	2022	2021	2020
Captive Customers					
Residential	7,960,300	7,725,836	7,501,704	7,297,174	7,113,837
Industrial	23,807	28,437	29,201	29,580	29,525
Commercial	916,307	943,831	948,615	793,708	776,942
Rural	405,953	422,829	462,142	673,008	688,201
Public authorities	72,681	69,670	69,302	67,584	66,388
Public lighting	7,209	6,659	7,194	6,831	6,144
Public services	13,688	13,703	13,586	13,678	13,676
Subtotal	**9,399,945**	**9,210,965**	**9,031,744**	**8,881,563**	**8,694,713**
Variation %	**2,05**	**1.98**	**1.69**	**2.15**	**1.87**
Free Customers					
Industrial	1,865	1,221	1,079	965	847
Commercial	2,377	1,714	1,462	1,263	907
Rural	84	22	14	23	17
Public services	12	22	12	6	-
Other Distribution Concessionaires	68	8	3	3	3
Subtotal	**4,406**	**2,987**	**2,570**	**2,260**	**1,774**
Total (*)	**9,404,351**	**9,213,952**	**9,034,314**	**8,883,823**	**8,696,487**
Variation %	**2.07**	**1.99**	**1.69**	**2.15**	**1.88**

In December 2024 Cemig D had Brazil’s third-largest number of clients benefiting from the Social Tariff (for low-income and other users), serving an average of 1,320,000 consumers in this profile, which represents approximately 17% of all residential consumers.

Distributed generation (GD)

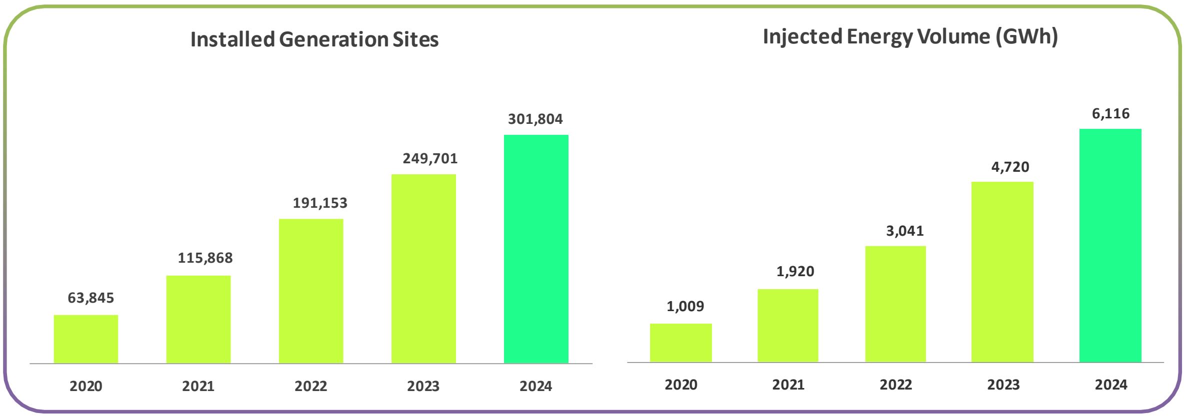
By its Normative Resolution 482, Aneel created and structured the *Electricity Offsetting System* (*Sistema de Compensação de Energia Elétrica, or* SCEE) in 2012, to motivate generation of energy from renewable sources. The system allows users to produce their own energy using renewable sources, such as solar panels, and offset the excess balance against their energy bills. The surplus is converted into credits, which can be used in other units owned by the same user, provided they are in the same concession area.

In an example, the SCEE enables energy injected by consumers' Distributed Micro-generation units (with installed power up to 75 kW) or Distributed Mini-generation units (from 75 kW to 5 MW) to be assigned, as a free loan, to the local distributor, and subsequently offset against any consumption of energy, over a period of validity of 60 months. This enables savings, is sustainable, and promotes efficient use of energy.

To access the benefits of the SCEE, users must request a connection to the distribution network by submitting an document prepared by the applicant (consumer) and delivered to the recipient (distribution company).

After approval of documentation and decisions on the necessary services, the distributor issues an Access Opinion with the final technical and commercial conditions, which also establishes the intended reserve of load and/or generation. The client can install its generation facility only after receiving a favorable Access Opinion.

Since 2012, when Aneel created the SCEE, Cemig has been a protagonist in the market for Distributed Generation connections in Brazil and is currently first placed in the total of power injected into a utility's network.



The figures for expansion of the number of GD clients by type, the number of generating facilities connected to the distribution network of Cemig D, and the quantities of energy injected over recent years are as follows:

	2020	2021	2022	2023	2024
Number of "GD" Customers	44,595	82,834	141,080	184,181	226,201
Residential	1,637	2,390	3,439	4,248	4,496
Industrial	4,108	7,390	15,138	23,476	28,670
Commercial	7,526	14,236	20,953	28,013	33,092
Rural	264	361	611	889	1,145
Public authorities	3	5	7	11	18
Public services	58,133	107,216	181,228	240,818	293,622
Total	**44,595**	**82,834**	**141,080**	**184,181**	**226,201**

THE MACROECONOMIC ENVIRONMENT

In the international economy, 2024 began with expectation that US inflation would accelerate its convergence toward the target. This expectation was frustrated in the first half of the year, but the labor market remained robust, linked to less favorable US inflation figures. This led to successive reassessments by market agents on when the US Fed's interest-rate easing cycle would finally begin.

Weaker numbers in the labor market and inflation led the Fed to reduce the US federal funds rate by 50 basis points at its September meeting. In the subsequent two meetings the Fed made two more cuts of 25 basis points, taking the Fed funds rate to a level of 4.25%–4.50% p.a. at the end of 2024.

The more challenging international scenario was part of the reason for the Brazilian Real weakening against the US dollar, and consequently an increase in inflation and the basic (Selic) interest rate in Brazil in 2024.

But there was economic growth in Brazil in 2024. In spite of the grain crop being significantly lower than the record crop of 2023, due to climate factors, Brazil experienced this growth due to a combination of factors: (i) an extraordinary volume of payment of government court-ordered debts (*precatórios*), totaling approximately R$90 billion, at the end of 2023; (ii) stronger cash positions of regional governments in 2023, allowing spending to expand in 2024; (iii) a continuing positive phase in the labor market, strengthened by the dynamics of the construction sector; and (iv) improvement in the credit market.

Among fiscal stimuli, it is worth noting that the injection of funds into the economy by payment of the *precatórios* in the order of R$90 billion at the end of 2023 represented approximately 0.8% of Brazil's GDP. Further stimuli came from regional governments, and resumption of the *Minha Casa Minha Vida* (*My Home, My Life*) residential construction program boosted the construction sector. The federal government also directed approximately 0.2% of GDP in funding to the state of Rio Grande do Sul after its massive and tragic flooding from late May into June 2024. Reconstruction efforts have strengthened the expansion of the construction sector, and also consumer goods industries (especially durables).

The credit market benefited from reduction of the basic (Selic) interest rate, begun in 2023, and which extended into the first half of 2024. Lending to households benefited from the *Desenrola* program, at the end of 2023, which reduced default rates; and also from income growth.

Total gross income rose by approximately 7% in real terms in 2024, even after two years of substantial expansion in 2022 and 2023. Part of this increase reflected increased occupation in the workforce, with growth in employees' average real income, caused both by the real-terms increase in the minimum wage and also by a historically low unemployment rate (lower than the neutral unemployment rate). Formal (employment-law registered) employment also expanded in the year, with net creation of approximately 1.4 million job positions in 2024.

In the foreign exchange market, the Brazilian real depreciated against the US dollar in 2024 (+24.50% variation from Dec/2023 to Dec/2024), partly due to the international scenario. The currency depreciation was not greater because, until November, the balance of payments remained strong.

The depreciation of the Real, as well as the less favorable climatic conditions, exerted significant pressure on inflation. The tight labor market was also reflected in price formation being more sensitive to economic activity, such as services. On these factors, inflation in the year was higher than the target (4.5%) for the IPCA index.

Inflation expectations continued to diverge from the targets over the year, closing with 4.83% on December 31, 2024. The decision to reduce the Selic rate in May 2024, which was not unanimous – some committee members voted for a smaller reduction – was interpreted as a signal of 'leniency' in relation to inflation and set off a leap in inflation expectations for the following years.

In reaction to this worsening of inflation expectations, at the same time as an increase in the core inflation readings due to stronger economic activity, the Monetary Policy Committee (Copom) suspended the cycle of reductions of the Selic rate earlier than expected, when the Selic was at 10.50% per year. In September, only two meetings after having halted the cycle of reductions, as the future inflation outlook became more adverse, the Monetary Policy Committee once again increased the Selic, with a rise of 25 basis points. In November, they increased the rate of increases with a rise of 50 basis points, and in December, an increase of 100 basis points, signaling, further, at least two more increases of 100 basis points in the first two meetings of the Copom in 2025. Thus, the Selic was 12.5% p.a. at the end of 2024, higher than its closing level in 2023, of 11.75% p.a.

In spite of the good performance of economic activity and the labor market in 2024, worsening of both the international scenario and the domestic fiscal scenario resulted in clearly more adverse financial conditions, with depreciation of the Real, and increases in inflation and interest rates.

THE REGULATORY ENVIRONMENT

Brazil's electricity Free Market

From January 1, 2024, consumers classified as Group A, that is to say, those that receive supply at high and medium voltage, may choose to buy from any holders of electricity concessions, permissions or authorizations that participate in the National Grid. Consumers with individual load below 500 kW will need to be represented, in the power Trading Exchange (CCEE), by a Retail Trading Agent.

Consumers who choose to migrate to the energy Free Market will pay (i) their local electricity distribution concession holder for the service of distribution, and any charges or taxes related to it, and (ii) the electricity trader that they have chosen for the actual consumption of electricity, plus the applicable charges/taxes.

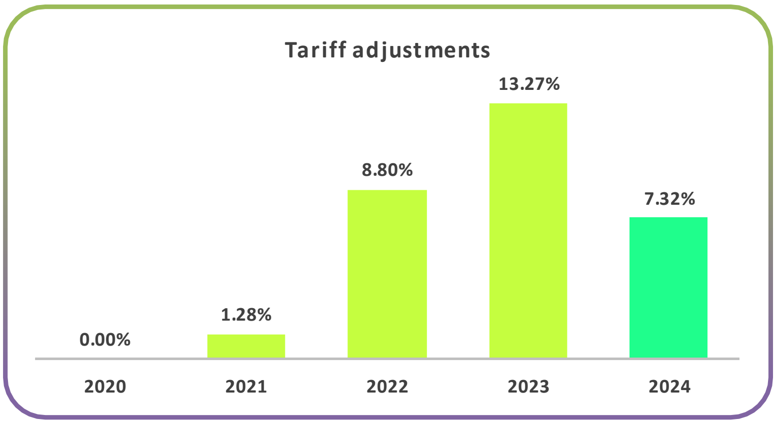
The Annual Tariff Adjustment

Cemig D's Tariff Adjustment occurs annually on May 28 and every five years, under the concession contract, there is also an overall Periodic Tariff Revision, also in May. The aim of the tariff adjustment is to pass on the non-manageable costs in full, and to provide inflation adjustment for the manageable costs which are established in the Tariff Review. Manageable costs are adjusted by the IPCA inflation index, less a deduction factor known as the X Factor, intended to capture productivity improvement, under a methodology using the price-cap regulatory model.

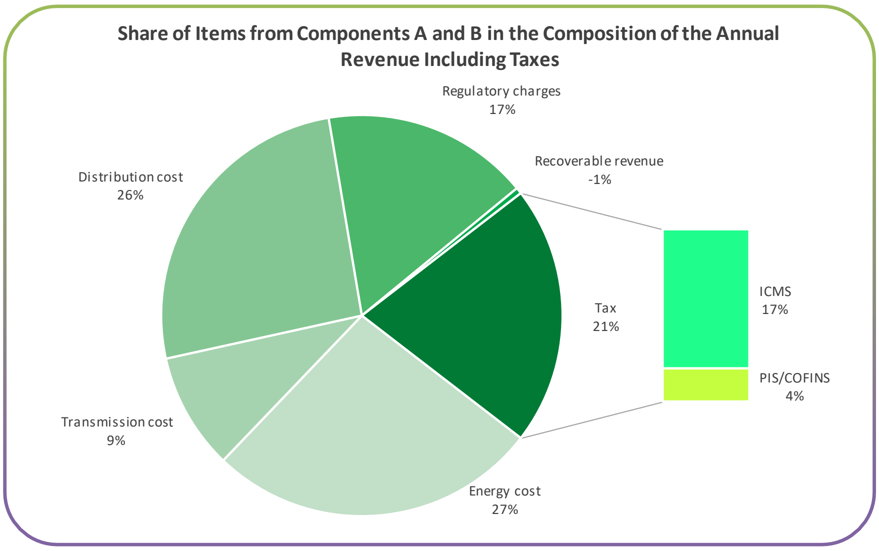
On May 21, 2024 Aneel ratified the result of the Annual Tariff Adjustment of Cemig D (Distribution), effective for the period from May 28, 2024 to May 27, 2025, with average effect perceived by consumers of 7.32%, as detailed below. For residential consumers connected to the low-voltage network, the average tariff impact was 6.7%.

Voltage Level	Average Impact on the Consumer
High and Medium Voltage – Group A	8.63%
Low Voltage – Group B	6.72%
Average adjustment	**7.32%**

This variation results from: adjustment of the cost items of both 'Portion A' and 'Portion B'; the inclusion of new 'financial components' for compensation in the subsequent 12 months, and withdrawal of those that were in effect for the prior cycle; plus the accumulated variation of the IPCA inflation index from May 2023 to April 2024.



It is important to note that of the amounts charged to clients in their electricity bills, only 26% stays with the Company for remuneration of investment, depreciation and the concession holder's costs: this is 'Portion B'. The other 74% is passed through to the consumer to cover the Company's non-manageable costs, a major component of which is purchase of power supply, and taxes.



Criteria of efficiency

One of the requirements of Cemig D's concession contract is associated with the fulfillment of efficiency criteria related to the continuity of supply and the economic and financial management for the maintenance of the concession.

Any non-compliance for three consecutive years with the criteria of efficiency in continuity of supply, or for two consecutive years with the criteria of efficiency in economic and financial management, will result in opening of proceedings which could lead to cancellation of the concession. This rule was regulated by Normative Resolution No. 948/2021, summarized as follows:

Indicator	Criteria	Measures arising from non-compliance
Economic and financial management	In the base year	Capital contribution (1) Limitation on distribution of dividends and Interest on Equity Restrictive regime for contracts with related parties
Economic and financial management	2 consecutive years	Expiry of the concession
Quality of retail supply	In the base year	Results Plan (2)
Quality of retail supply	2 consecutive years or 3 of the previous 5 calendar years	Limitation on distribution of dividends and Interest on Equity (3)
Quality of retail supply	3 consecutive years	Expiry of the concession

(1) Within 180 calendar days from the end of each business year, the minimum necessary to reach the threshold parameter for economic and financial sustainability.

(2) Failure to comply with any of the limits of the DEC or FEC for one year obliges the concession holder to present a Plan of Results, which has to be approved by Aneel, and its execution monitored by Aneel's inspection and monitoring departments.

(3) This limitation will apply from January 1 of the calendar year following the year of non-compliance with the indicator.

The quality of supply criterion is measured by the collective continuity indicators: **DEC** (Equivalent Average Outage Duration per Consumer) and **FEC** (Average Outage Frequency per Consumer).

The efficiency criterion in relation to economic and financial management is stated by the following inequality:

$$\frac{Net\ debt^{1}}{Ebitda^{2} - QRR^{3}} \leq \frac{1}{(1.11 * Selic^{4})}$$

1. Net debt is defined as: (Gross debt) less (Financial assets, other than any financial assets or liabilities that are the subject of administrative or court proceedings). Gross debt is defined as the sum of the following liabilities: loans, financing, debentures, actuarial liabilities (private pension plan, and post-employment benefits), tax being paid by installments, derivative financial instruments, overdue taxes, overdue costs and sector charges that are in arrears or have been renegotiated, sector financial liabilities that are not the subject of any court or administrative proceedings, supply/purchase of electricity for resale (spot, without tariff coverage).
2. Ebitda calculated according to the methodology defined by Aneel.
3. QRR: This (the *Quota de Reintegração Regulatória* – or 'Regulatory Depreciation Expense') will be the value set by the last Periodic Tariff Review (RTP), updated by the variation of the Regulatory Amount for 'Portion B' expense, and calculated pro rata.
4. Selic: Limited to 9.009% per year, as upper limit, and 6.006%, as lower limit (i.e. in the event that the Selic is in fact outside this range).

The efficiency criteria related to the continuity of supply and the economic and financial management for the maintenance of Cemig D's concession were met in the year ended December 31, 2023. The calculation has not yet been made for the 2024 business year: it will be made when the Regulatory Financial Statements are published.

Inclusion of distributed generation in the calculation of distributors' non-technical' losses

On March 11, 2024, Aneel approved a change in the method of calculating non-technical losses of distributors, including distributed generation. As a result, energy injected into the grid via micro- and mini- Distributed Generation will be taken into account in the calculation of non-technical losses. According to the new rule, the calculation will be based on the consumption measured by the distributors and no longer based on the billed market, which takes into account commercial aspects such as backdated charging, credits and availability.

This improvement in regulation increases companies' limits of losses and will have an impact as from the tariff adjustment processes of 2025.

Regulatory Capital Remuneration Rate (WACC)

On April 23, 2024, Aneel published its update of the values of the Regulatory Rates for Remuneration of Capital (WACC) for the generation, transmission and distribution segments, applied to processes begun in March 2024 through February 2025. The WACC (real, after tax) applied to distributors was 7.72% (7.42% in 2023) and to the transmission companies and plants operating under the quota system, 7.56% (7.26% in 2023).

OPERATING CONTEXT

Energy balance

	2024	2023	2022	2021	2020
Sales of energy	**28,923,620**	**28,114,542**	**26,628,031**	**26,137,805**	**25,357,962**
Retail supply	28,923,620	28,114,542	26,628,031	26,137,805	25,357,962
Free Consumers, distributors, and generators	25,609,642	23,919,345	22,779,582	22,356,887	20,195,618
Market served	**54,533,262**	**52,033,887**	**49,407,613**	**48,494,692**	**45,553,580**
Losses in the national grid	**405,766**	**419,740**	**501,407**	**470,140**	**466,904**
Losses in distribution	**6,305,781**	**6,239,227**	**6,172,362**	**6,135,258**	**6,545,110**
Technical losses	4,875,397	4,842,855	4,872,141	4,788,861	4,566,971
Non-technical losses (NTL)	1,430,383	1,396,372	1,300,221	1,346,397	1,978,139
NTL / Total energy received, %	**2,3%**	**2,40%**	**2,32%**	**2,40%**	**3,76%**
Total losses (TL), %	6,711,546	6,658,967	6,673,769	6,605,398	7,012,014
TL / Total energy received, %	**11,00%**	**11,30%**	**11,90%**	**11,99%**	**13,34%**
Total energy received	**61,244,808**	**58,692,854**	**56,081,382**	**55,100,090**	**52,565,594**

FINANCIAL RESULTS

Net income for the year

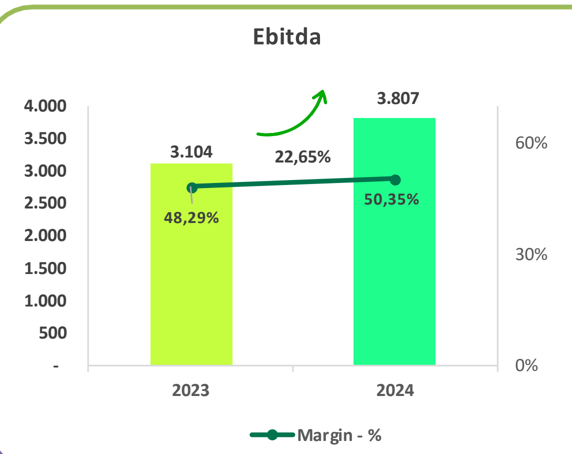
Cemig Distribuição experienced a 36.91% increase in net income, reaching R$2.206 million in 2024, compared to R$1.611 million in 2023. The main variations in the comparison of the results for 2024 and 2023 are presented below:

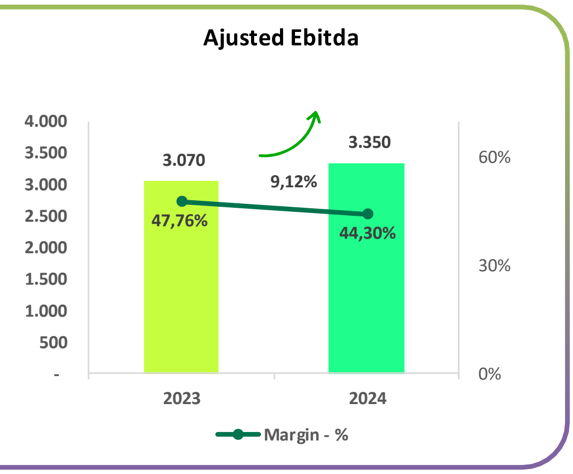
Ebitda (Earnings before interest, tax, depreciation and amortization)

EBITDA - R$ Million	Note	2024	2023	Changes %
Net income for the year		**2.206**	**1.611**	**36,91**
+/- Income tax and Social Contribution tax	9c	662	405	63,38
+/- Net financial revenue (expenses)	226	17	253	(93,36)
+ Amortization	25c	922	834	10,56
= EBITDA according to 'CVM Resolution 156' (1)		**3.807**	**3.104**	**22,66**
- Remeasurement of post-employment liabilities		56	(34)	-
- Reversal of tax provisions - Social security contributions on profit sharing		(513)	-	-
= Adjusted EBITDA (2)		**3.350**	**3.070**	**9,14**

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

(2) The Company presents the adjusted Lajida for a better understanding of how its operating performance was impacted by extraordinary events which, by their nature, do not contribute to information on the potential for gross cash generation.

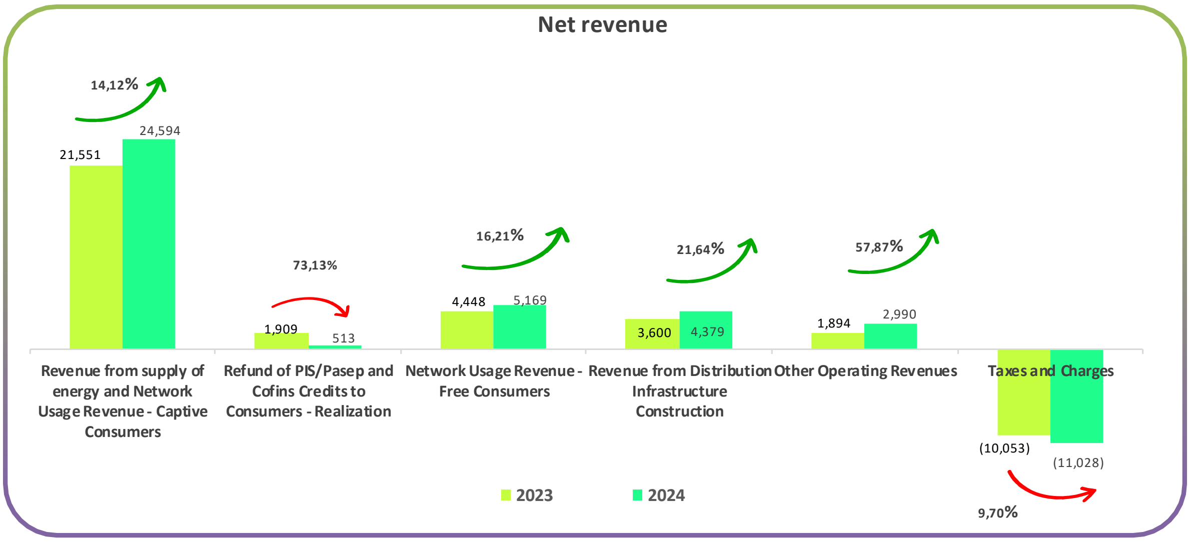




Net revenue

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

	2024	2023
Revenue from supply of energy - captive customers, in Cemig's concession area	24,594	21,551
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization	513	1,909
Revenue from use of the energy distribution systems (TUSD) - free customers	5,169	4,448
Sectoral financial assets and liabilities, net	423	(213)
Distribution construction revenue	4,379	3,600
Adjustment to expectation from reimbursement of distribution concession financial assets	104	149
Fine for violation of service continuity indicator	(157)	(139)
Mechanism for the sale of surplus	-	(4)
Other operating revenues	2,620	2,100
Taxes and charges levied on revenues	(11,028)	(10,053)
	26,617	**23,348**



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

Total revenue from energy sold to final customers in was R$24,594 million in 2024, compared to R$21,551 million in 2023, representing in increase of 14.00%.

	2024			2023			Changes %	
	MWh(1)	R$million	Average Price Billed (R$/MWh) (2)	MWh	R$million	Average MWh Price Billed (R$/MWh) (2)	MWh	R$million
Residential	14,430,057	12,971	898,89	13,310,995	10,794	810,93	8.41	20.16
Industrial	1,356,598	1,134	835,56	1,552,419	1,174	756,28	(12.61)	(3.45)
Commercial, services and others	6,399,845	5,304	828,77	6,354,344	5,019	789,84	0.72	5.68
Rural	3,533,721	2,497	706,64	3,447,474	2,224	645,18	2.50	12.27
Public authorities	1,040,795	936	899,47	973,118	786	807,50	6.95	19.13
Public lighting	972,909	546	560,77	1,056,276	498	471,12	(7.89)	9.63
Public services	936,690	728	776,94	1,055,300	744	704,82	(11.24)	(2.16)
Subtotal	**28,670,615**	**24,115**	**841,11**	**27,749,926**	**21,239**	**765,36**	**3.32**	**13.54**
Own consumption	30,339	-	-	30,942	-	-	(1.95)	-
Wholesale supply to other concession holders (3)	-	366	-	-	172	-	-	-
Wholesale supply unbilled, net	-	113	-	-	140	-	-	-
Total	**28,700,954**	**24,594**	**-**	**27,780,868**	**21,551**	**-**	**3.31**	**14.12**

(1) Data not audited by external auditors.
(2) Calculation of the average price excludes: Revenue related to the Company's own consumption, supply to other concession holders, and supply not yet invoiced.
(3) Includes a CCEAR (Regulated Market Sales Contract), 'bilateral contracts' with other agents.

The energy billed to captive customers and the energy transported for free market customers in the 2024 fiscal year increased by 3.31% compared to the 2023 fiscal year. This result is composed of a 1.6% reduction in captive market consumption and a 7.1% increase in network usage by free market customers.

The main changes in supply of electricity are as follows:

Residential

Residential consumption increased by 8.41% in 2024 compared to 2023. This variation is related, among others, to the following factors:

- increase of 3% in the number of consumers;
- increase of 2.1% in the average monthly consumption per consumer (from 130.4 kWh/month to 133.1 kWh/month);
- higher than average temperatures in some months; and
- Improvement in the macroeconomic environment;

Industrial

The class showed a reduction of 12.61% compared to 2023. This reduction is mainly related to the migration of consumers to the free market. On the other hand, the energy transported for industrial free market customers showed a variation of 4.95%, in line with the behavior of physical production.

Public authorities

The energy billed increased by 6.95% in the 2024 fiscal year compared to the previous year, mainly due to the increase in the number of consumers (4.4% compared to the previous year)

Public services

The amount of energy billed to this category was 11.24% lower in 2024 than 2023, mainly due to migration of captive clients to the Free Market.

Public lighting

The amount of energy invoiced in this segment was 7.89% lower in 2024, due to replacement of incandescent lamps with LED lamps.

Revenue from Use of Distribution Systems (the TUSD charge)

This is revenue from charging Free Customers the Tariff for Use of the Distribution System (TUSD), on the volume of energy distributed. From 2024 this was R$5,169 million, compared to R$4,448 million in the same period in 2023, an increase of 16.22%.

This variation is mainly due to an 18.60% increase in network usage by free market customers in the commercial class, and 4.95% and 35.98% in the industrial and public service classes, respectively, in the 2024 fiscal year compared to the previous year, in addition to the annual tariff adjustment of the distributor.

	MWh(1)		
	2024	2023	Changes %
Industrial	22,035,453	20,996,914	4,95
Commercial	2,414,550	2,035,821	18,60
Rural	77,159	45,673	68,94
Public services	597,273	439,225	35,98
Public authorities	7,021	1,622	332,86
Concessionaire	329,352	317,569	3,71
Total energy transported	**25,460,808**	**23,836,824**	**6,81**

(1) Data not audited by external auditors.

CVA and Other financial components in tariff adjustments

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

In 2024, revenue in the amount of R$423 million was recognized, compared to an expense of R$213 million recorded in the same period of 2023. The difference mainly reflects higher costs of energy acquired in auctions in the Regulated Market, and a lower total of financial components passed through to the tariff.

See more information in note 11b of these financial statements.

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

In May 2024 Cemig D concluded repayment to consumers of the amounts related to refund of credits of PIS/Pasep and Cofins taxes, which were being returned to consumers through reductions in tariffs. As a result, the adjustment to revenue resulting from this repayment to consumers took place up to the second quarter of 2024, so that it was R$513 million in the year, compared to R$1,908 million in 2023. For more details see Note 17.

Construction revenue

The revenue posted for construction of assets related to electricity distribution infrastructure was R$4,379 million in 2024, compared to R$3,600 million in 2023, an increase of 21.62%. A higher number of works, principally in energy distribution networks, in line with the Distribution Department Plan (PDD).

Construction costs, of the same amount, and corresponds to the Company’s investments in assets of the concession.

Taxes and charges reported as deductions from revenue

Sector charges and other deductions on revenue, including taxes, totaled R$11,028 million in 2024, compared to R$10,053 million in 2023, an increase of 9.7%. This variation arises substantially from the variation in the ICMS tax calculation base between the two periods - for all consumer categories - as already mentioned.

Operating costs and expenses

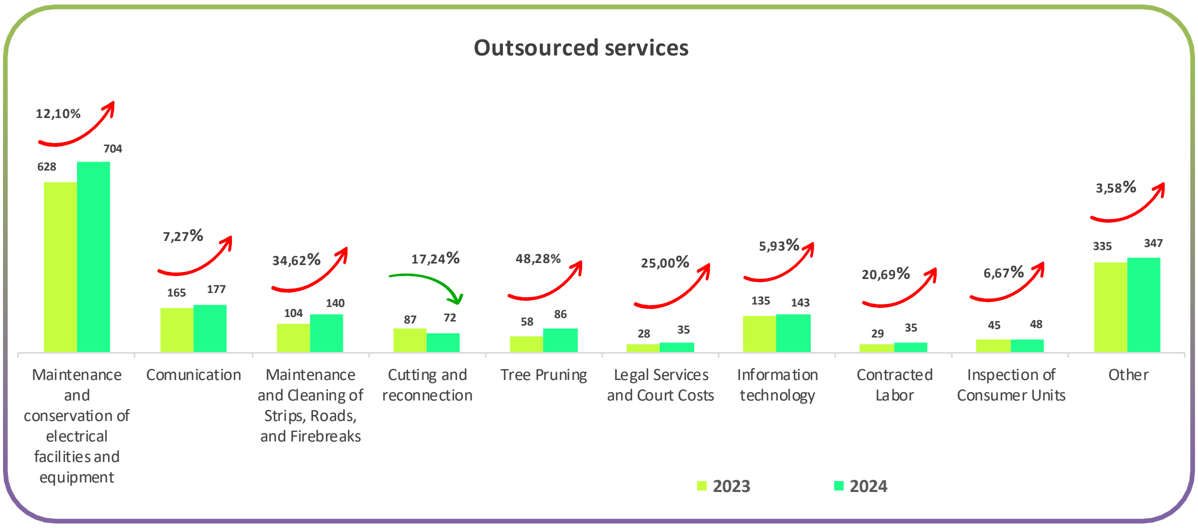
Operating costs and expenses totaled R$23,732 million in 2024, or 12,59% higher than in 2023 (R$21,079 million).

The following paragraphs comment on the main variations. See more on the breakdown of Operating costs and expenses in Note 23 of these financial statements.

Employees' and managers' profit shares

The impact of the Company's post-employment obligations on the operating result for the 2024 fiscal year was an expense of R$323 million, compared to an expense of R$400 million in the 2023 fiscal year. This variation is mainly due to the reduction in participants of the Integrated Health Plan (PSI), due to the voluntary adherence of active employees to the new health plan, the Premium Plan, offered by the Company.

Outsourced services



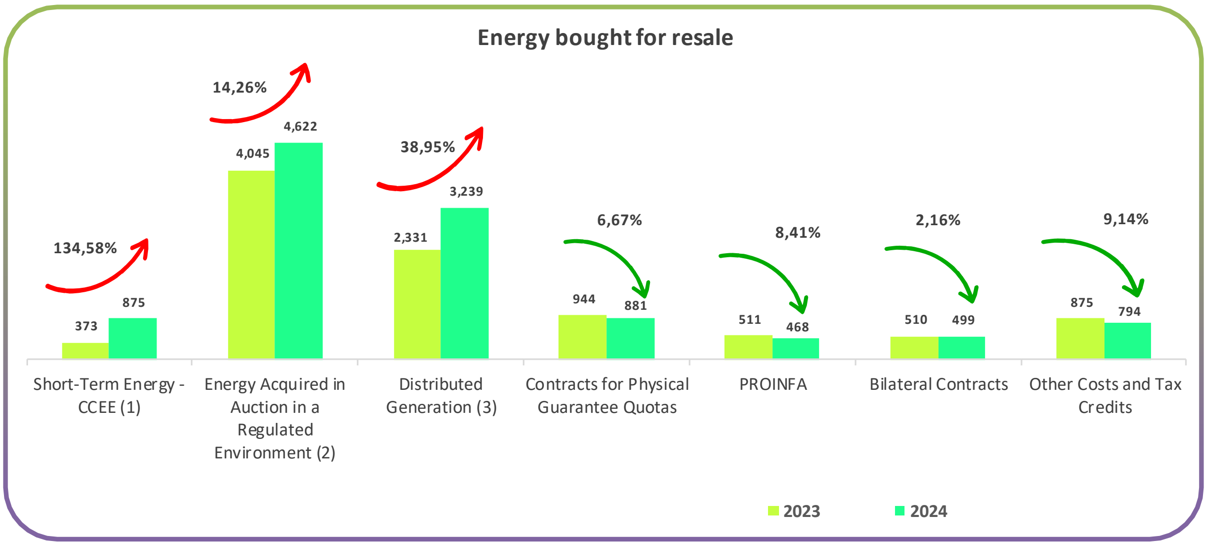
The expense on outsourced services in 2024 was R$1,787 million, 10.72% higher than in 2023 (R$1,614 million). The main factors are:

- The expense on maintenance and conservation of electrical facilities and equipment was 12.10% higher, at R$704 million in 2024, compared to R$628 million in 2023, eflecting the higher volume of maintenance activities carried out during the period.
- Expenses on conservation and cleaning of power line pathways, roads and firebreaks 34.62% higher, at R$139 million in 2024, compared to R$104 million in 2023; and expenses on tree pruning 48.59% higher, at R$86 million in 2024, compared to R$57

million in 2023. Both variations are linked to an increased execution of these services in order to prevent and reduce the duration of power outages when they occur.

- Reduction of 16.81% in disconnection and reconnection expenses, amounting to R$72 million in the fiscal year 2024 compared to R$87 million in the fiscal year 2023. This variation is mainly due to the use of more advanced technologies in target programming and the expansion of the installation of smart meters, enabling remote disconnection and reconnection operations.

Energy bought for resale



The expense on electricity purchased for resale in 2024 was R$11,379 million, or 18,67% more than in 2023 (R$9,589 million). The main factors are:

- In 2024, there was an increase in short-term energy costs, primarily due to the rise in hydrological risk costs, caused by the low hydrology observed in 2024, and a 21% reduction in revenue from settled energy impacted by the modulation of the hourly Settlement Price of Differences (PLD). This resulted in a cost of R$875 million in the fiscal year 2024 compared to R$373 million in the previous year.
- Expenses on electricity acquired at auctions in the Regulated Market 14.26% higher, at R$4,622 million in 2024, compared to R$4,045 million in 2023. This increase reflects (i) the annual adjustments to contracts, by the IPCA inflation index, and (ii) entry of new contracts;
- Expenses on Distributed Generation 38.95% higher in 2024, at R$3,239 million, compared to R$2,331 million in 2023. This higher figure reflects the higher number of generation units installed (301,804 in December 2024, compared to 249,701 in December 2023); and the higher volume of energy injected into the grid (6,116 GWh in 2024, compared to 4,720 GWh in 2023);

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

For more details, please see Note 24a of these financial statements.

Charges for use of the transmission network and other system charges

Charges for use of the transmission network in 2024 totaled R$3,356 million, compared with 2023 (R$3,067 million), an increase of 9,43%.

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

The variation is mainly justified by the increased contracting of Transmission System Usage Amounts in the fiscal year 2024, reflecting the load increase of Cemig D. Additionally, there was an increase in the Transmission System Usage Tariff during the annual tariff adjustment, approved in May 2024.

This is a non-manageable cost: the difference between the amounts used as a reference for calculation of tariffs and the costs actually incurred is compensated for in the subsequent tariff adjustment. More details see note 11b of these financial statements.

Provisions

Operational provisions totaled R$205million in 2024, compared to R$285 million in 2023. The main factors in this difference are:

- Employment-law contingencies 32.99% higher: net new provisions were R$129 million in 2024, compared to R$97 million in 2023. This variation is mainly due to the procedural progress of collective labor actions, which conducted a review of the expert calculation after the definition of the list of substitutes.
- Net new provisions for third-party damage contingencies 58.75% higher, at R$127 million in 2024, compared to net new provisions of R$80 million in 2023. This variation is mainly due to unfavorable decisions against the Company regarding irregularities in the provision of electricity supply services.
- Variation in provisions for tax contingencies, which represented a reversal of provision of R$490 million in 2024, compared to a net constitution of R$96 million in 2023. This variation is mainly due to a favorable decision for the Company in the first instance, which determined the cancellation of the charge and the extinction of the tax execution process related to social security contributions on Profit Sharing (PLR), resulting in the recognition of a provision reversal amounting to R$513 million.

Net financial revenue (expenses)

Cemig D posted net financial expenses of R$16 million in 2024, compared to net financial expenses of R$253 million in 2023. The most significant variations in components of Net financial revenue (expenses) between the two years were:

- Reduction of 78.64% in financial revenue related to the monetary variation of CVA and other financial components, amounting to R$16 million in the fiscal year 2024, compared to financial revenue of R$76 million in the previous year. This variation is primarily due to the lower amount of items that are financially updated, approved in the 2024 tariff adjustment, compared to the value of these items in the 2023 tariff adjustment.

- Increase of 22.22% in financial revenue from investment income, amounting to R$123 million in 2024, compared to R$100 million in 2023. This variation is mainly justified by a higher average volume of cash available for investments.
- Variation in the update of tax credits related to PIS/Pasep and Cofins due to the exclusion of ICMS from their calculation base, resulting in financial revenue of R$371 million in 2024, compared to a financial expense of R$129 million in 2023. In May 2024, the remaining balance of the liability "Amounts to be refunded to consumers" was written off, which had been returned through tariff revisions, reducing the calculation base of this financial expense. More details can be found in explanatory note 16.
- An increase of 71.70% in the expense of monetary variation of debentures, amounting to R$231 million in 2024, compared to R$135 million in 2023, and an increase of 42.61% in debenture charges, amounting to R$551 million in 2024, compared to R$386 million in 2023. This variation is mainly due to the issuance of the 10th series of debentures, which increased the Company's debt amount and, consequently, the expense of monetary variation. Additionally, the impact of the variation in the IPCA, the main index used for the monetary update of the Company's debts, showed a variation of 4.83% in 2024, compared to a variation of 4.62% in 2023.

For a breakdown of financial revenues and expenses see Note 24 of these financial statements.

Income tax and Social Contribution tax

For 2024 the Company posted an expense of R$662 million in income tax and the Social Contribution tax, on pre-tax profit (profit before income tax and Social Contribution) of R$2,868 million. In 2023 the Company posted a gain (revenue item) of R$405 million on income tax and the Social Contribution tax, on pretax profit of R$2,017 million.

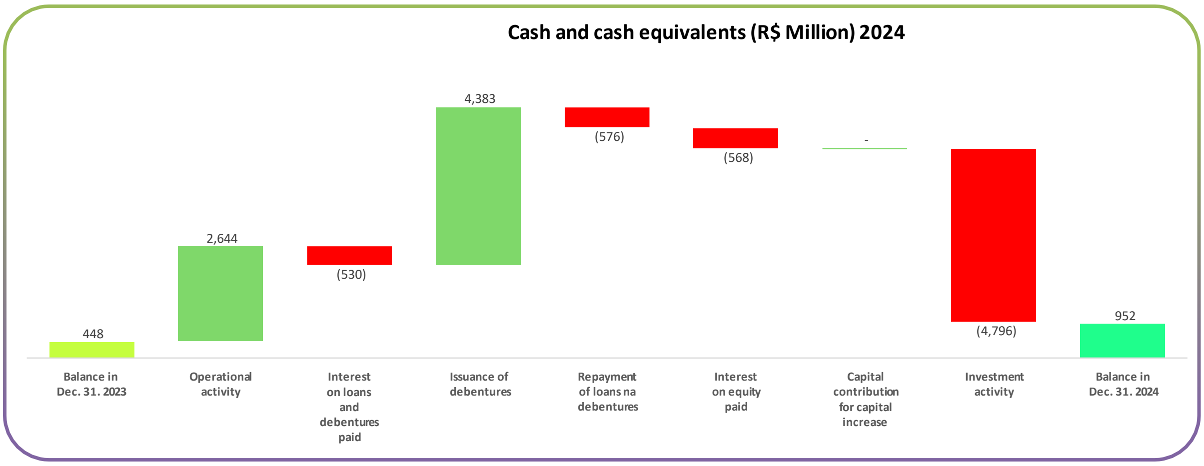
These effective rates are reconciled with the nominal tax rates in Note 8d of these financial statements.

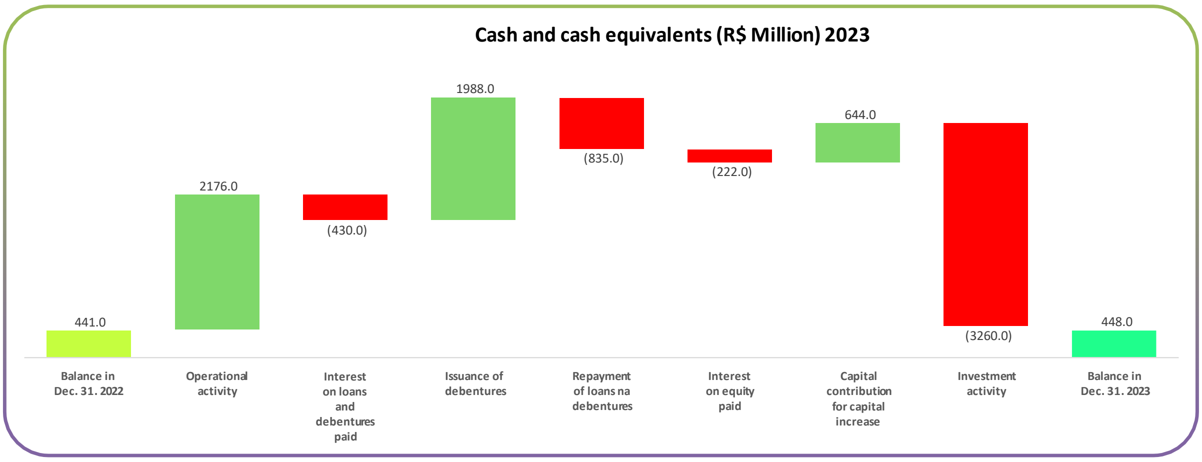
Liquidity and capital resources

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

Cash and cash equivalents

The evolution of the Company's cash flows for the fiscal years 2024 and 2023 is demonstrated below:





The main events that impacted the total Cash and cash equivalents and Securities during the fiscal year 2024 were:

- Throughout 2024, Cemig D completed the issuance of the 10th and 11th series of debentures, resulting in a net cash inflow, after transaction costs, of R$4,383 million. More details about these fundraisings can be found in explanatory note 18.

- Conversely, in line with the current investment policy, Cemig D invested R$4,090 million in distribution infrastructure during the fiscal year 2024.

FUNDING AND DEBT MANAGEMENT POLICY

To provide funding for implementation of Cemig's Multi-Year Strategic Plan, Cemig has planned and identified funding sources in the Brazilian capital market providing conditions compatible with its projects and businesses.

The Company demonstrated significant cash generation from its operating activities, as a result of a high collection rate, strict measures against delinquency, and operational losses and expenses aligned with regulatory limits.

As a result, the substantial volume of investments was partially financed with operational cash generation, contributing to the sustainability of its operations and the continuity of its investment program. In addition to its own resources, third-party resources were used to finance the investment program.

In March 2024, Cemig D raised R$2 billion in its 10th debenture issue, in two series. The First Series was for a total of R$400 million, with remuneratory interest of 0.80% p.a. above the CDI rate, and amortization in the 4th and 5th years. The Second Series, for R$1.6 billion, pays remuneratory interest of 6.1469% above the IPCA, with maturity at 10 years and amortizations in the 8th, 9th and 10th years. The amount outstanding on this debt at December 31, 2024 was R$2,114 million.

In September 2024, Cemig D again raised funding with its 11th debenture issue, for a total of R$2,5 billion, in two series. The First Series, for R$1 billion, pays remuneratory interest of 0.55% p.a. above the CDI rate, with maturity at 7 years and amortizations in the 6th and 7th years. The Second Series, for R$1.5 billion, pays remuneratory interest of 6.5769% p.a. above IPCA inflation, with maturity at 12 years and amortizations in the 11th and 12th years. The balance due on this debt on December 31, 2024 was R$2,581 million.

In 2024 Cemig D paid R$1,106 million on servicing of debt (principal + interest), of which R$576 million was amortization of the principal.

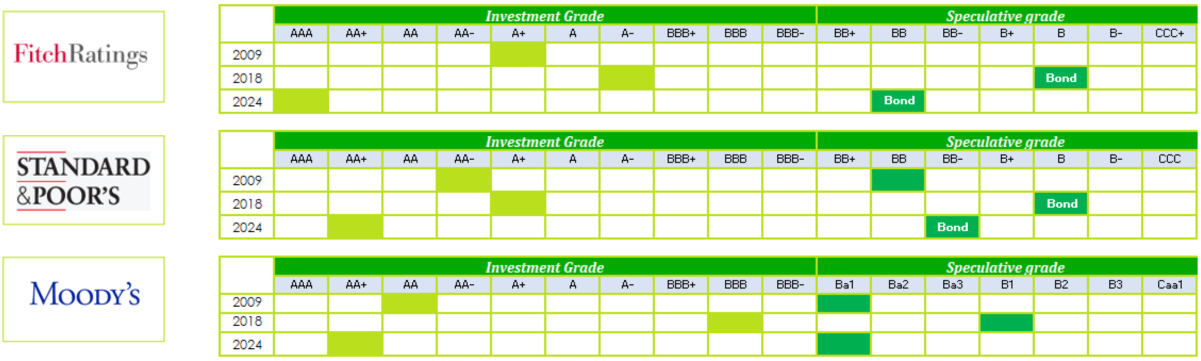
As a result of the new issuances, which were carried out with extended maturities, Cemig D significantly increased the average term of its debt from 2.7 years on December 31, 2023, to 5.1 years on December 31, 2024. Despite the substantial increase in the average term, which contributes to the Company's liquidity, the nominal and real costs of the debt changed marginally. On December 31, 2023, they were 11.50% per annum and 6.55% per annum, respectively, while on December 31, 2024, they were 12.01% per annum and 6.79% per annum, respectively.

Regarding corporate credit risk, the main credit rating agencies assess Cemig's ratings on a consolidated basis—that is, Cemig, Cemig D, and Cemig GT share the same ratings from each agency.

Considering this context, local ratings were either maintained or upgraded throughout the year. Fitch upgraded Cemig's rating to AAA, while Moody's raised it to AA+. Lastly, Standard & Poor's reaffirmed its AA+ rating but improved its outlook from stable to positive. Accordingly, all agencies enhanced their consolidated credit view of Cemig, reflecting its diversified operations, sound financial management, improved liquidity profile, and stronger operational performance indicators.

As for global ratings, Fitch and Standard & Poor's reaffirmed their ratings at BB and BB-, respectively, while Moody's upgraded its rating from Ba2 to Ba1.

The following table presents the Company's rating position in the three main agencies:

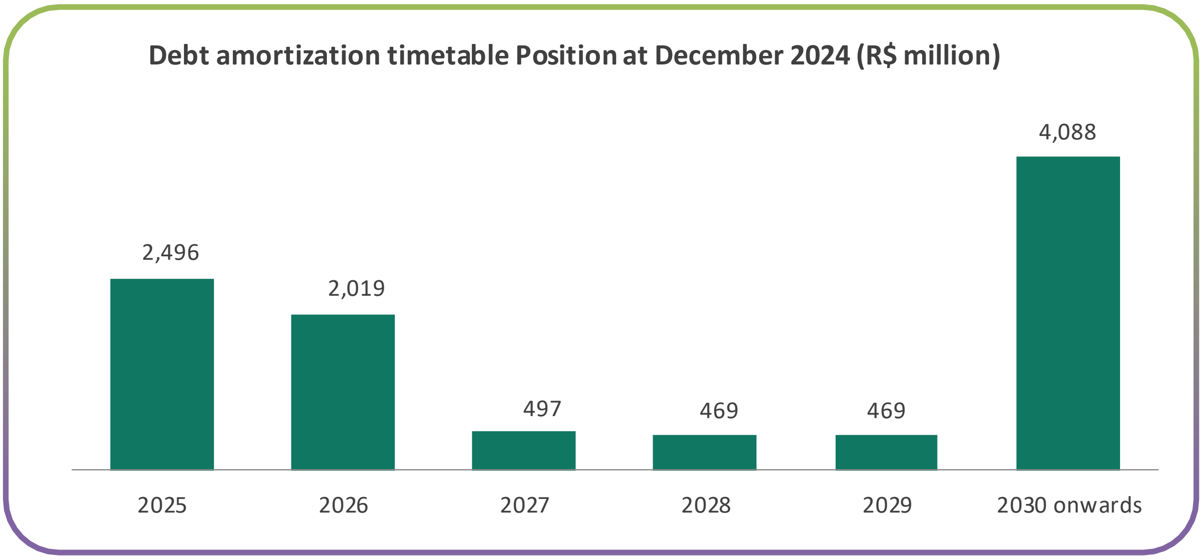


Details on the debentures issued by Cemig D, including costs and maturities, are set out in Explanatory Note 18 to the Financial Statements for 2024.

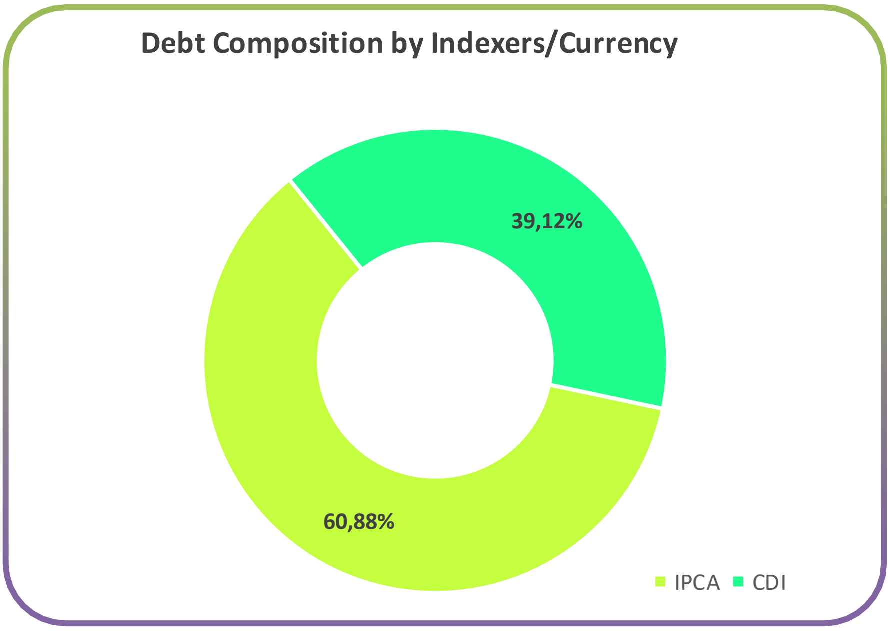
The Company has financial covenants, linked to debenture issues, related to levels of debt and distribution of dividends.

Cemig D's gross debt as of December 31, 2024, amounting to R$10 million, has an amortization schedule with an average term of 5.1 years.

The debt repayment schedule can be seen in the graph below:



The Company's debt indexes, at December 31, 2024 are shown in the graph below:



he Company has a natural hedge, adjusted by the IPCA, an index that updates its distribution services. Cemig D's real debt cost is 6.79% per annum and 12.10% per annum in nominal cost.

Capital management

The Company monitors its capital using a leverage ratio represented by net debt divided by adjusted EBITDA. Net debt is calculated as the total of loans and debentures, minus cash and cash equivalents and securities.

The Company's net debt is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Debentures (note 18)	10,038	5,888
(-) Cash and cash equivalents (note 5)	(952)	(448)
(-) Marketable securities (note 6)	(163)	(3)
Net debt	**8,923**	**5,437**
Ebtida adjusted (1)	**3,350**	**3,070**
Net debt / Ebtida adjusted	**2.66**	**1.77**

(1) The reconciliation of the adjusted Ebitda with the Ebitda calculated in accordance with CVM Resolution No. 156/2022 is presented in the Financial results.

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

	Dec. 31, 2024	Dec. 31, 2023
Total liabilities	21,172	18,699
(-) Cash and cash equivalents	(952)	(448)
(-) Restricted cash	(118)	(3)
Net liabilities	**20,102**	**18,248**
Total equity	**11,281**	**8,883**
Net liabilities / equity	**1.78**	**2.05**

PROPOSAL FOR ALLOCATION OF NET INCOME

The Board of Directors decided to propose to the Annual General Meeting to be held on April 30, 2025 the following allocation of the net income for 2024, totaling R$2,206 million, as follow:

- R$108 million, being 5% of net profit after adjustment for the Tax incentives reserve, should be allocated to the Legal reserve;
- R$51 million to be held in Stockholders' equity in the Tax incentives reserve, for tax incentive amounts gained in 2024 due to investments in the region of Sudene;
- R$742 million to be paid as dividends, in the form of Interest on Equity;
- R$472 million as payment of the minimum mandatory dividend be returned to shareholders' equity in the Profit Retention Reserve account to guarantee the Company's investments planned for the 2025 financial year; and
- R$833 to be held in Stockholders' equity in the Retained earnings reserve, to ensure funding for the Company's planned investments for 2025.

INVESTING IN OPERATIONS

In strategy of concentrating investment in Minas Gerais, Cemig D invested R$4.18 billion in our distribution business, in 2024, – a very significant amount, representing a change of level in our investment in the distribution concession. This means more supply of energy, boosting growth in the State, and providing a higher quality of service to customers.

This increased investment by Cemig D will also have positive impacts on improving the quality of electricity supply, customer service, and reducing operation and maintenance costs, considering the greater reliability of the electrical system.

Cemig D is planning to strengthen its investment program, in line with the Cemig Group's strategic planning: It expects to make significant investments of R$23.5 billion over the period 2025–2029, which will reflect positively in the Company's Regulatory Remuneration Base (BRR), and consequently increase revenue.

The Distribution Development Plan (PDD)

Through its Distribution Development Plan (PDD) Cemig has set the priorities for its investments, which will increase the Regulatory Remuneration Base (BRR), and the related prudent management of resources in the current tariff cycle. The objective is to increase the availability of electricity with continuity, quality and safety, in the quantity required by clients, promoting social and economic development in Cemig D's concession area.

In 2023, the 5th five-year cycle of investments was started, in accordance with the regulation of the sector, covering the period 2023–2027, for which the amount of R$21.9 billion has been approved. The PDD currently approved, 3 times larger than the previous PDD cycle, provides for structural investments, and strong modernization and digitalization of assets, resulting in improved electricity supply quality and efficiency of operational processes.

The plan is for projects to expand, strengthen, overhaul and renew Cemig D's electric power system, such as substations and distribution lines. The plan is divided into Macroprojects that group various projects of the same nature.

The *Urban Service* macroproject concentrates the investments necessary to meet demands for supply of energy from consumer units in the urban area – which are always provided without charge for the requesting party. Investments totaling approximately R$290 million were completed in 2024, extending existing networks by 74 kilometers, and adding 314,323 urban consumer units to the electricity system.

The service to consumer units in rural areas that have the right to service without charge is carried out through the *Rural Service* macroproject. In 2024 a total of 11,000 new connections were made with consumer units, through extensions of the medium and low voltage networks totaling 1,767 km, for a total of R$361 million in investments in the infrastructure of rural distribution networks.

Connections of consumer units that do not qualify for connection free of charge as defined by the regulation of the electricity sector are provided by works that are part of the *Complementation Service* macroproject. In 2024 Cemig invested approximately R$667 million in the energy system at medium and low voltage, and R$540 million was invested by the requesting parties, in financing of works. This enabled connection of 11,463 clients and projects to Cemig D's distribution system.

For the distribution system to be able to absorb all the client and project connections served by the Urban, Rural and Complementary Service Macroprojects, a range of works needs to be carried out on the distribution assets, such as: expansion of power capacity, conversion of single-phase networks to 3-phase, connections between feeds, overhaul of networks, and operational contingency works. Strengthening and upgrades to the electricity system are made by the *Network Strengthening and Upgrade* Macroprojects – in 2024 works were carried out on 999 kilometers of medium and low voltage networks, for total investment of R$443 million.

The *Public Safety* macroproject was created to eliminate electric shock risk situations in Cemig D's distribution networks. This aims to carry out the investments necessary for removal or transfer of distribution networks to eliminate risk of accidents by direct or indirect contact, or other risk situations, for members of the public. In the last year, 567 installations have been regularized, for investment of R$10.6 million.

Another component of the Investment Plan is regularization of the energy supply of low-income families living in the State's main urban centers, through the *Energia Legal* Program. This investment covers implementation of new networks, inclusion in the Social Tariff, and donations of efficient energy systems and lamps. In 2024, approximately R$38.6 million was invested the regularization of these connections.

With a focus on improving supply quality, renewal of assets, expanding supply capacity and changing the level of technology, the PDD also provides for automation of network equipment, replacement of obsolete meters, installation of new meters with capacity for smart solutions – such as remote reading, cutting of supply and reconnecting, investments in telecommunications and the environment; and actions for maintenance and operation of distribution lines and networks, such as tree pruning and inspection, to reduce the time taken to restart supply when there are adverse events. Approximately R$782 million was invested in these programs in 2024.

In the second year of the cycle, the investment made by Cemig D was R$4.18 million of an approved total of R$4.15 billion – 101% of the planned execution for the year. This table summarizes the amounts in the projects that comprise the PDD:

Macroproject	Amount invested (R$ mn)
High voltage expansion and strengthening	1,232
Service to consumers and user access (Cemig participation)	353
High voltage operation and maintenance	75
Medium and low voltage operation and maintenance	309
Strengthening of medium and low voltage networks	304
Overhaul of medium and low voltage networks	139
Medium and low voltage service to the urban market	290
Medium and low voltage service to the rural market	361
Low and high voltage Complementation Program (Cemig participation)	667
Change of metering / frontier metering	197
BT Zero – Communities regularization program	39
Telecoms	135
Master plan for medium voltage automation	65
Third-party safety (Cemig participation)	11
Environment	1
Total	**4,177**

The Minas 3-Phase Program

One highlight of Cemig's investment plan is the Minas Three-Phase Program, which will transform about 30,000 kilometers of single-phase rural electricity networks into three-phase networks by 2027. With it, Cemig D will bring energy with more quality and quantity to the population living in countryside areas. The program will benefit almost all of the 774 municipalities in Cemig D's concession area, accelerating the growth and strength potential of local agribusiness, more development, employment and income for all regions of the State.

It aims to improve the reliability and quality of electricity supply to rural customers, providing more energy and supporting the transformation of subsistence agriculture into agribusiness.

Approximately R$682 million was invested in the Minas 3-Phase Program in 2024, extending the 3-phase network by 3,068 kilometers.

The *Mais Energia* ('*More Energy*') program

This is another highlight of Cemig D's investment plan, aiming to provide a robust electricity distribution system capable of meeting new loads and bringing more energy to the development of Minas Gerais State.

It plans construction of more than 200 up-to-date, digitalized substations, expanding by more than 50% the current number of substations that today serve about 9 million consumers within our concession area. These will support the growth coming from the Minas 3-Phase Program and from the various initiatives of Cemig and the State of Minas – empowering the growth of several sectors of the economy, in particular agribusiness, eliminating the difficulties for both service to the customer and construction integration of distributed generation plants.

A total of R$5 billion will be invested in 2023–2027, helping to bring economic and social development to all regions of the State, fostering the expansion of industry, commerce and agribusiness, as well as generating jobs and income.

The new substations will be more efficient and modern, making it possible to expand capacity to serve new requests for supply, reducing the average time and cost of works to connect new plants, and providing reliable, quality energy to our customers.

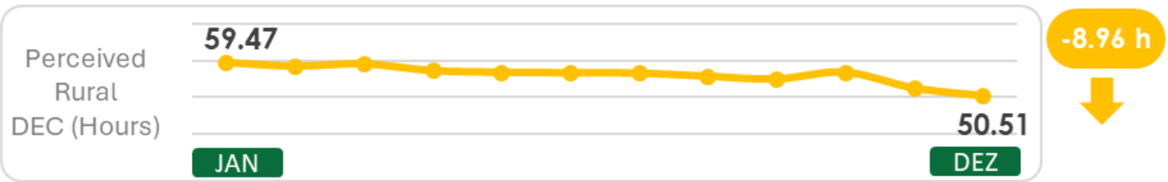
A total of R$1,232 million was invested in the *Mais Energia* Program in 2024, with 31 substations energized, and construction of 1,109 kilometers of distribution lines.

Cemig Agro: Energy and innovation for the countryside

Agribusiness is one of the engines of the Minas Gerais economy, driving development and job creation throughout the state. In the last five years, the Minas farming sector's GDP has grown 16%, with optimistic projections for a further 11% in coming years. To accompany this evolution and offer efficient energy solutions to rural producers, **Cemig D** has created and structured Cemig Agro, a wide-ranging program that combines innovation, infrastructure and specialized service and attention.

This follows Cemig' 6-part strategy of: Energy transition, preventive maintenance, customer relationships, innovation, automation and network resilience. Each of these is essential for improving power infrastructure in Brazil's countryside, reducing outages and provide more agile and efficient service to rural producers.

Recognizing the importance of agribusiness for the state's economy, in 2024 **Cemig D** invested R$2.3 billion in improvements targeting the sector. ***Cemig Agro*** is not only widening supply of energy in the countryside, but also contributes to the energy transition in the rural sector, ensuring a more reliable and sustainable supply, reducing outages and time of service.



Cemig Agro is a commitment to the sustainable growth of agribusiness in the State of Minas Gerais. By modernizing and expanding the rural electrical infrastructure, the Company enhances the sector's competitiveness, supports the productivity of rural producers, and contributes to a safer and more efficient future for the entire agricultural and livestock value chain.

RELATIONSHIP WITH OUR CLIENTS

Focus on the client

The continuous quest for customer satisfaction is part of Cemig's Vision. Commitment to excellence in provision of services and good relationship with clients is one of the principles expressed in the Cemig Code of Conduct.

Our clients

The relationship with Cemig customers, both in regulated and free contracts, is based on Cemig's Energy Trading Policy. To offer the customer the best service, the Company has teams of professionals with specific technical knowledge, who manage contracts and all customer demands, as well as prospecting and attracting new customers.

Cemig customer types are:

- Cemig D captive consumers, with demand less than 500 kWh/month: these are located in Minas Gerais, in the following categories: Residential, Industrial, Commercial, Rural, Public Authorities, Public Lighting and Public Services;

- Free Consumers, who have no link with distributors, and consumption demand above 500 kWh/month. They are in the following categories: Industrial, Commercial and Rural in Minas Gerais, the Federal District or other states in which Cemig operates.

- Distributors that operate under concession in other areas, served via the Regulated Market (*Ambiente de Contratação Regulada*, or ACR).

As from January 1, 2024, consumers classified as Group A, that is, consumers at high and medium voltage, were able to choose to buy in the Free Market (*Ambiente de Contratação Livre*, or ACL).

The Consumer Council

Cemig has a Consumer Council, which represents the interests of all consumer categories collectively and promotes the defense of their rights. It is made up of six members and six alternates, representing the following consumer categories: Residential, Industrial, Commercial, Rural and Authorities.

Awards for customer relationship

Cemig receives sector 'Client Recommends' seal, and client satisfaction certificate of excellence

Cemig was awarded the *Experience Certified* certificate and the *The Client Recommends* seal at the *Experience Awards* ceremony, promoted by SoluCX, in São Paulo, which seeks to highlight companies with the best customer satisfaction rates in several sectors, evaluating the performance of brands in 71 categories. In the award's *Utilities* sector – which includes Energy, Piped gas, Canister gas, and Water and sanitation – Cemig stood out among the 42 companies registered, receiving a satisfaction rate higher than the average of 32 points.

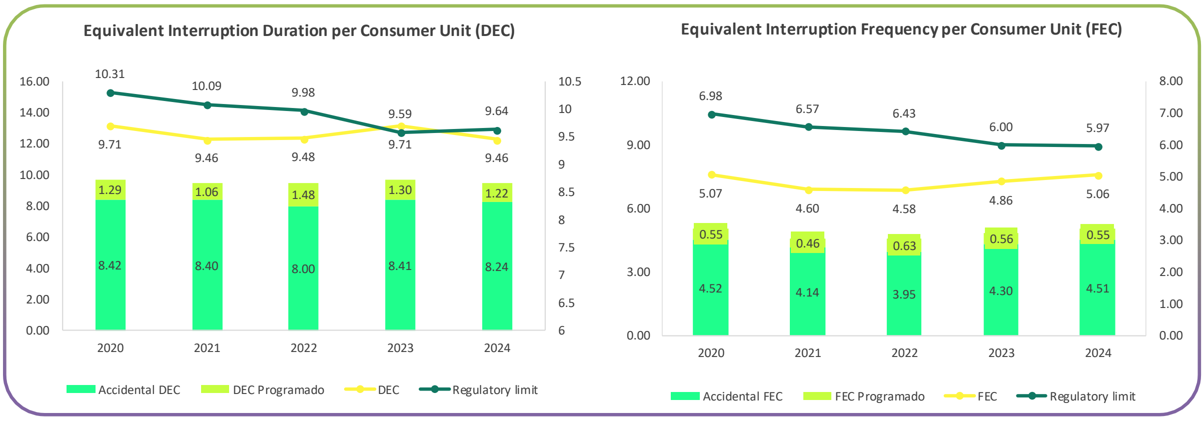
The award was based on 41,767 customer reviews throughout Brazil, using the *double-blind*' NPS perception method, which measures consumers' opinion independently. To qualify for the award, companies needed to accumulate at least 400 assessments that reach the industry's average NPS.

Quality of retail supply

The quality of service is the product of various internal actions, including management of operations, logistics planning for emergency service, inspections, and preventive maintenance of substations, lines and distribution networks. There is also investment in training human resources, new technologies, and standardization of work processes. The effectiveness of these actions is measured by two indicators: the DEC (Consumer Average Outage Duration – *Duração Equivalente de Interrupção por Unidade Consumidora*) and the FEC (*Frequência Equivalente de Interrupção por Unidade Consumidora* - Consumer Average Outage Frequency).

In 2024, the DEC indicator was 86% under the regulatory target, a significant reduction compared to 2023. Cemig D achieved 9.46 (hours) against the limit of 9.64 (hours). The FEC indicator also increased compared to the previous year, and was below the regulatory limit. In 2024, the figure was 5.06 (interruptions) compared to the regulatory limit of 5.97 (interruptions).

The table below depicts the DEC and FEC results for the last five years:



Service policy

Aiming to provide quality customer service, and facilitate customer access, Cemig D makes a mix of customer service channels available in various means of communication, both in-person and by telephone or online, serving the various segments of the market.

Cemig D's concession area is in the State of Minas Gerais; it serves all the State's 774 municipalities. In-person customer service is given by the *Cemig Fácil* service network, operating through 88 Branches and 689 Service Posts. The number of client contacts reported in 2024 was 127 million.

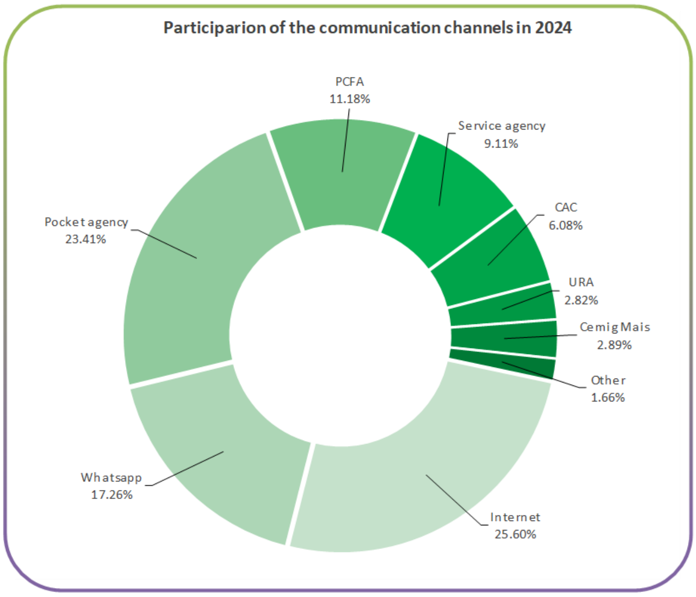
Telephone service is provided through the *Fale com a Cemig* (*Talk to Cemig*) facility. This includes a specific phone number for the hearing-challenged. This channel also handles the customer service via video and chat.

As well as its website, which received 21 million contacts in 2024, Cemig also has service channels via WhatsApp and chatbots, for its main services – these received more than 15 million contacts in the year.

We also highlight the *Cemig Atende* ('Cemig Responds') app, available for Android and iOS smartphones and tablets, which attended 19.6 million contacts in 2024.

A further 1.3 million contacts were made via self-service 'totems' inside the street branches, and five outside.

The chart below shows the percentage participation of the various client communication channels in 2024:



Consumer satisfaction

Consumer satisfaction is inherent to the Company's culture, and is a responsibility of all employees. This attitude increases the value of the brand, the Company's good reputation in the markets in which it operates, and its recognition through satisfaction surveys. This is seen, in particular, in the residential Consumer Satisfaction Index (*Índice Aneel de Satisfação do Consumidor Residencial,* or IASC), researched by the regulator, Aneel, and the Perceived Quality Satisfaction Index (*Índice de Satisfação com a Qualidade Percebida*, or ISQP), researched by the Electricity Distributors' Association (*Associação Brasileira das Distribuidoras de Energia Elétrica*, or Abradee), which provides an important reference for Cemig's work in improving service to its clients.

The result was disclosed at the end of May 2024: Cemig scored 72.1 points in the satisfaction index. This was 5.3% lower than its score of 76.2 points in 2023; and in response to this result, Cemig began work on a structural plan to improve this score in 2025, working with various areas of the Company. There are now more than 50 actions in progress aiming at improving customer satisfaction.

In this quest for continuous improvement in client service, we have updated our monthly NPS (Net Promoter Score) surveys, to improve our understanding of clients' needs and be more efficient in meeting them.

NPS surveys also enable clients to make comments on their experience with Cemig, providing one more space for them to express their opinion on our services. Since the most recent ISQP result, the Company has started to categorize the opinions received from clients, based on the categories in the ISQP and IASC surveys, using AI to read all the opinions in an effort to establish a full profile of the main points clients have indicated. Based on this information, a monthly report is prepared for senior management, to enhance understanding of client opinions and optimum directions for action.

The 2024 Aneel IASC survey, designed to cover the whole of Brazil, was taken in July through October of the year, applying questionnaires in randomly selected municipalities in each concession area, with results to be published in first half 2025. In 2023, Cemig's result was 60.45.

Transformation of customer service

As part of its commitment to client satisfaction, Cemig has developed its "Client Plus" (*Cliente+*) program, a strategic, technological and operational partnership with tech sector leader IBM, which currently operates all the Company's service channels.

Among the principal objectives of this project is the addition of new, innovative and disruptive digital and cognitive technologies, to improve the client's experience when contacting the Company, as well as reducing the total cost of the entire client service operation.

The Generative AI solutions used in Cemig's Call Center aim to increase operational efficiency for those client contacts that were not retained in the Cognitive IVR solution. In other words, despite the effort made during the construction of the cognitive assistant for continuous improvement of the IVR processes, the client expressed the need for the services to be completed by a human attendant.

To provide new tech instruments to help our client service agents in their work, contributing directly or indirectly to the improvement of the indicators referred to, the *Client Plus* Project has implemented, and is using and improving, two tools integrated to the CRM client service system:

"Cochicho": This system uses IBM *WatsonX* to generate a summary of the customer's interaction with the cognitive IVR, highlighting the main points of the contact, such as the reason for it, identification of the client, and other significant information. With this summary in hand, the human agent continues the service without the need for any new explanations from the client, such as the reason for the contact – improving the client's experience and decreasing the average time taken by the contact.

AgentAssist: A tool using generative AI (*WatsonX*) to support the client service agent in getting faster and better-targeted answers during the contact with the client. This solution aims to be able to read documents of instruction or relevant information, to answer client service attendants' questions in natural language, primarily to gain time, reduce errors of procedure – and improve the client's experience.

These two tools together have been fundamental in achieving the accessibility and quality results of the Call Center: the overall improvement of the operation has been visible since they were put in place.

Management of billing

At the end of 2024 Cemig was sending electricity bills by email to 1,630,000 clients (compared to 1,315,000 at the end of 2023) – an increase of 20.8%. We took several steps in 2024 to increase acceptance of billing by email: Campaigns included *Cemig gives you that 'power'* ('*Cemig dá aquela força')*; a QR Code on the back of bills sent by post; sending 'taster' copies of e-mail invoices for clients to try out; e-mail marketing encouraging clients to accept billing by e-mail; and prizes for client contact staff who sign up the most users. This project is an important initiative for sustainability and environmental preservation, which also has a direct effect on client satisfaction and cost reduction for the Company.

Management of default; revenue collection

In 2024 Cemig maintained its robust plan to combat default, with monitoring of rates of default and collection.

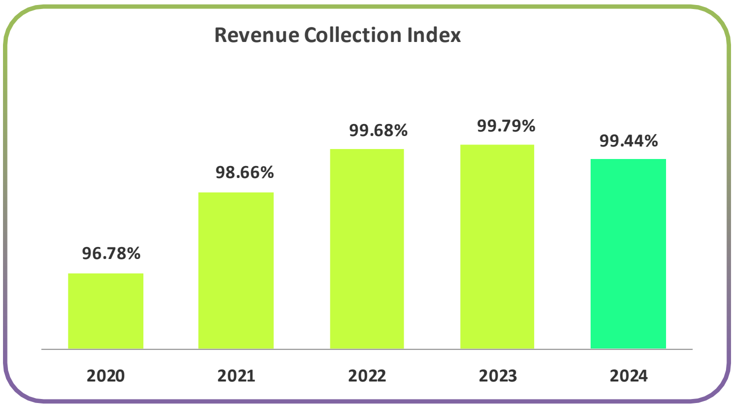
Our distribution segment was able to return positive results, due to the initiatives and strategies adopted by the Company, as follows:

- Intensification and enhancement of collection activities – with 12% more collection actions than in 2023: More than 69 million collection communications were issued by phone, text message and email (including notifications prior to electricity bill due dates); 6 million collection letters were issued and delivered jointly with new bills delivered by meter readers; 5.1 million accounts were reported to credit record agencies; supply was suspended to 1.8 million accounts; and 91,000 legal protest demands were issued in the public notaries' system.
- Optimization techniques including machine learning were used to classify clients' solvency patterns, aiming to apply the most appropriate collection tool and the optimum cost-benefit for each customer's profile and behavior.
- Third-party collection agencies were used for past due bills for retail supply that had proved more difficult to collect: bills more than one year past due, or those arising from irregular consumption.
- The specific group dedicated to collection of a specific portfolio of debts for irregular consumption was strengthened.
- Another specialized team worked systematically on collection from large clients, hospitals and public authorities.

- Stimuli were applied to encourage use of electronic means of payment – increasing accessibility. In 2024 Cemig D carried out a promotional campaign, "*Cemig Dá Aquela Força*". This has helped to increase the percentage of payments made by this method to 31.31% of all monthly invoices collected, in December, 2024, compared to 21.83% in December of 2023.
- The Company also carried out negotiation campaigns: with the digital channels, the federal Public Prosecutor's Office and local consumer protection agencies (Procons), and with selected publics, enabling not only collection and negotiation of credits but also building of a closer relationship with various sector bodies, and better user experience.
- The rules relating to measurement and reporting of the total Expected credit losses were enhanced.

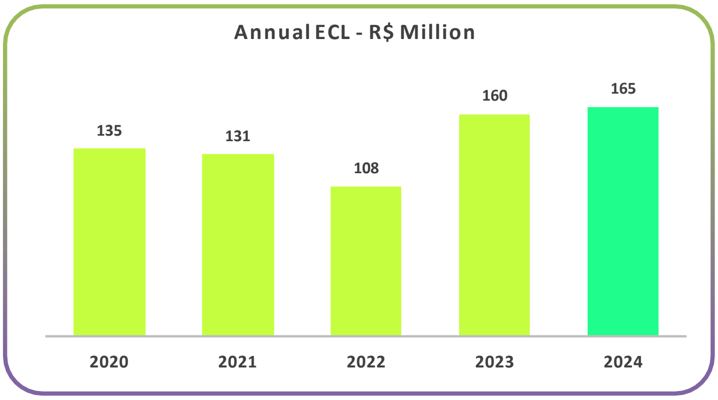
The ARFA collection index

The collection rate, in the moving window of the last 12 months, for the third consecutive year, surpassed 99%, as can be seen in the following graph:



Expected credit losses (ECL)

The index result for 2024 was R$164.68 million. The comparison with previous fiscal years is limited due to enhancements in the criteria aimed at providing a more accurate representation of the Company's credit loss ('default'), which has implemented several collection initiatives and payment methods in recent years

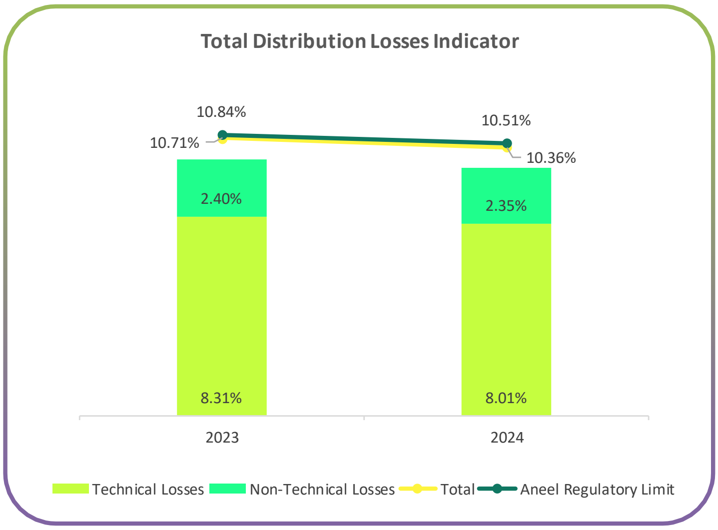


Combating energy losses

Reducing energy losses is one of Cemig's strategic goals, since energy losses represent revenue not received and, indirectly, impacts on the environment such as increased greenhouse gas emissions. Control of energy losses is also related to the quality of energy supply and the safety of the population – factors to which the Company attaches great importance.

Cemig monitors energy losses with its Total Distribution Losses indicator (*Indicador de Perdas Totais da Distribuição*, or IPTD), which reports the difference between the total energy invoiced and the total energy injected into the distribution system (as calculated by the Power Trading Exchange – CCEE), expressed as a percentage of the total energy injected. The IPTD is segmented internally into (i) Technical Losses ('TL', or in Portuguese, PPTD), which are inherent in the transport and transformation of energy, and (ii) Non-technical Losses ('NTL', or in our definition PPNT), which occur in the electricity system especially due to irregularities in the measurement of consumption, or unauthorized (clandestine) connections to the grid.

It is worth highlighting that, for the fourth consecutive year, Cemig D maintained its level of losses below the regulatory limits for the third consecutive year, thanks to implementation of various actions coordinated by our Office for Combating Energy Losses (PMO), which we set up for the purpose.



Among the main actions of the PMO to combat losses implemented in 2024, we highlight: 385,000 inspections in consumer units in the concession area; replacement of 553,000 obsolete meters; regularization of the energy supply of 21,000 families living in informal occupation and low-income areas, including the use of BT Zero network technology; installation of 21,000 smart meters; and intensification of collection related to irregular consumption (R$116 million).

It is important to highlight that Cemig D, through its Integrated Metering Center, carries out remote metering of large captive and Free clients receiving high, medium and low voltage supply, which represents remote monitoring of approximately 65% of the associated consumption. This monitoring makes it possible to identify and prevent attempts to carry out or repeat fraud in the metering systems.

Various types of action to combat and control losses are planned for 2025, aiming to maintain the trend to reduction of losses to levels below regulatory limits. These include: (i) inspections at consumer units; (ii) campaigns of communication to the population; (iii) criminal proceedings for repeated fraud offenders; (iv) modernization of the metering system; (v) increase in the number of smart meters; and (vi) regularization of clandestine connections in low-income communities (the '*Legal Energy*' Program – *Programa Energia Legal*).

RELATIONSHIP WITH EXTERNAL AUDITORS

KPMG Auditores Independentes Ltda has provided external audit services to Cemig and its subsidiaries since April 2022. These services include, for example: audit of the annual and interim financial statements, and reviews of their respective translations into English; reports on internal controls; tax compliance; and, as applicable, audit of regulatory financial statements, the balance sheet. The current contract is for 60 (sixty) months, with price adjustment limited to the National Consumer Price Index (I*Índice Nacional de Preços ao Consumidor, or IPCA*) published by the IBGE. KPMG was also contracted to issue comfort letters for the 10th (tenth) and 11th (eleventh) public debenture issues of the wholly-owned subsidiary Cemig D.

Ernst & Young Auditores Independentes S/S Ltda ('EY'), the prior auditor, was contracted for the issue of comfort letters regarding the 10th (tenth) debenture issue of the Cemig D.

The amount payable to KPMG in 2024 was R$6 million, of which R$1,3 million was for the recurring auditing contract, R$2,4 million for the 10th debenture issue, and R$2,4 million for the 11th debenture issue.

In the same period, EY received fees of R$1.5 million, related to the 10th debenture issue by the Company's.

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

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

It should be noted that any additional services to be provided by the external auditors, are subject to obligatory prior approval by the Audit Committee, taking account of any conflict of interest, loss of independence or objectivity of the auditors, in accordance with the terms specified in the Sarbanes-Oxley Law and Resolutions n. 23/2022 and 80/2022.

SUSTAINABILITY - ESG PERFORMANCE

Cemig's commitment to ethical and sustainable development is at the heart of its activity. The company has been in the Dow Jones Sustainability World Index (the 'DJSI World') for 25 years, and in the ISE Corporate Sustainability Index (Índice de Sustentabilidade Empresarial) since that Cemig was created, in 2005. Cemig has also been recognized for its leadership in corporate sustainability by its award of the maximum score in the 'A List' of the Carbon Disclosure Project (CDP) for water safety and climate change.

ESG Indicators

Cemig publishes its environmental, social and governance indicators quarterly in its Quarterly ESG Report, and annually in its Annual and Sustainability Report. For more details on annual Cemig's performance, the report can be accessed at: reports.

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

Environmental performance

Cemig recognizes its responsibility to the environment and expresses its commitment by adopting and disseminating good environmental management practices. Cemig's Environmental Policy, which is publicly available, provides orientation on inclusion of environmental aspects in the Company's processes of decision-making, and establishes respect for the environment as a value to be practiced by all employees and other interested parties who act on its behalf, including its suppliers.

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

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

In 2024, the total amount invested by Cemig Distribuição in environmental initiatives was just over R$19.6 million. Of this total, almost R$6 million was used for reforestation. The remainder was allocated to environmental adaptation works, environmental studies, land regularization, and other activities necessary to fulfill the Company's socio-environmental obligations and responsibilities.

Innovation

The electricity sector is undergoing transformational changes, driven by the intersection of several factors, such as:

- growing decentralization of energy generation systems;
- advances in energy storage technologies;
- proliferation of digital technologies, which enable energy to be produced, transmitted and consumed more intelligently and efficiently;
- growth in various sources of renewable energy, such as wind and solar; and
- the trend to decarbonization of the energy system, as part of global efforts to mitigate climate change.

Cemig, already a benchmark for sustainability in the electricity sector, continually seeks to expand and diversify its activities in innovation, always adopting innovative practices that dialog with protection of the environment, and structured processes for prospecting and discovering new products, equipment, and solutions which, linked to the use of up-to-the-minute technologies, align with ESG principles. As an example, in its above-ground distribution network the Company is installing aluminum cable with insulation made of material containing plastic of plant origin.

Storage system

Cemig is making innovative and sustainable advances in improving its supply of energy to its clients. The Company has developed a system, unprecedented in Brazil, that uses a remotely-operated battery bank to support the traditional distribution network. Among the advantages are greater stability of the network and fewer outages, especially in places with very specific demands. The Company has begun the process of implementing this technology, and expects it to be in operation soon in its network.

Green Cable

The Company is installing, on its overhead distribution network, an aluminum cable insulated with a material made from plant-based plastic.

The installation of this 'Green Cable' is 20% vegetable-origin polyethylene, sourced from sugarcane, unlike the traditional established aluminum cable, which has insulation of 100% fossil-origin polyethylene, sourced from petroleum. By using sustainable cable, Cemig contributes to reduction of CO_2 emissions.

The cables were installed in 2023 in the network of a region of greater Belo Horizonte, and performed satisfactorily, earning accreditation for use in the Company's network.

Green transformers

Cemig's distribution network already has other equipment with sustainable characteristics. An example is the use of distribution network transformers with insulating liquid based on vegetable oil. About 6,000 of these units are installed in various regions of Minas Gerais.

The vegetable oil used not only is biodegradable, but also provides a longer useful life due to its thermal stability. Another of its advantages over traditional mineral oil is a lower risk of flammability, and higher thermal refrigeration capacity.

Renewable Energy Certificates

With 100% of its generation capacity producing energy from clean and renewable sources, Cemig has now issued more than 12 million Renewable Energy Certificates (RECs) to Free Market customers since 2019. These documents certify the use of clean, renewable and traceable energy, totally in compliance with the United Nations Sustainable Development Goals (SDGs) on energy production and preservation of the environment.

The Green Hydrogen ('Green H2') market in Minas Gerais

This is a method for strategic planning of Green H2 in the context of developing a Technological-Strategic Roadmap for the State of Minas Gerais.

Brazil is known worldwide as a reference for its energy matrix based on renewable sources. Green H2 is the name given to hydrogen produced from electricity generated from clean and renewable sources, such as Brazil's hydroelectric network, wind, solar power, and generation from biomass, biogas, etc. That is to say, Green H2 is obtained without causing any CO2 emissions. The project, in line with this sustainable stance, aims to draw up an overview of the Green H2 market in Minas Gerais, to be followed by creation and application of a methodology for a technological and strategic roadmap on the subject.

Various works will be created at the project's various stages. The main results will be an overview of the Green H2 market at the global, national and regional levels; creation of a methodology for developing the regional roadmap; and application of the Green H2 Technological Strategic Roadmap in the business environment of Minas Gerais.

The project proposes developing a methodology for construction of a Technological Strategic Roadmap to orient diffusion of Green H2 in the productive chains of the regions where each electricity company operates. This methodology will be applied to the business environment of the state of Minas Gerais.

Implementation in Minas Gerais should enable increased productivity of renewable-source energy to supply Green H2 production plants. The project will also show Cemig as a protagonist in a new market in the process of formation.

The project was begun in March 2024, planned for completion in 12 months, with investment of R$2.5 million.

Environmental authorizations for expansion of the electricity system

Cemig has reached an important milestone in its number of environmental permits for interventions in areas chosen for expansion and modernization of the electricity system in Minas Gerais. In 2024, 97 permits were obtained for construction of distribution or transmission lines and substations – an increase of almost 100% over the previous year (when 49 authorizations were granted).

The growth in the number of permits reflects Cemig's commitment to the expansion of the state's energy infrastructure. For all works Cemig conducts detailed environmental studies and obtains all permissions necessary to comply with environmental legislation.

In some cases, new structures require suppression of native vegetation. To mitigate the environmental impacts of these interventions, Cemig invests in environmental offsetting projects and recovery of degraded areas. Between 2019 and 2024, Cemig has carried out a comprehensive forest restoration program, planting of more than 1 million seedlings of native species, such as *ipé*, *pequi*, cedar and *jacaranda-da-bahia*, helping preserve biodiversity in Minas Gerais.

Waste Management

Cemig manages its waste in accordance with the National Solid Waste Policy (PNRS), and to this end, its units follow the process of identifying, segregating, packaging and transporting their waste to the temporary storage of Cemig GT and D waste at the Igarapé Advanced Distribution Center (CDA-IG), from which point the Logistic Superintendence is responsible for the final disposal of the waste.

In 2024, 51.2 thousand tons of waste and scrap were sent for final disposal, with almost all of it being recycled or sold, generating gross revenue of approximately R$48 million for the Company, higher than in 2023 (R$38 million). Additionally, 63.7 tons of industrial waste were co-processed.

In 2024 our *Reverse Logistics* operation model proved to be robust and efficient: withdrawal of scrap and unserviceable materials was faster, and internal management controls were improved. We adopted this new method of logistics operation and management om 2H22 to modernize processes and make them more efficient. Since then, the logistics operation of delivery of new materials and return of unusable materials has provided more speed, efficiency and technology for both employees and clients. With this experience the reverse logistics operation model was tested and approved; and As a result Cemig has signed a new contract for 2025 and the next 4 years, on a similar basis to the current contract. The new contract, though, is more functional and operationally robust, aiming to raise our level of service to our internal clients even further.

The entire process of reverse logistics and waste disposal is carried out in an environmentally correct and responsible manner, in compliance with internal standards and current environmental legislation, Cemig ensures that all scrap and industrial waste generated is disposed of correctly.

Climate change

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

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

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

In 2024, Cemig was the first Brazilian electricity company to join the *Utilities for Net Zero Alliance* (Uneza), a global initiative of *Net Zero*. Cemig CEO Reynaldo Passanezi announced this decision at COP 29 in Azerbaijan. Uneza brings together the main concession-holding and public service companies of the electricity sector to promote clean energy solutions, and advance the global energy transition and decarbonization of the economy.

Social Performance

Human resources

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

Industrial Learning Program

Cemig has now begun its 2024 Industrial Apprenticeship Program, focused on the Aerial Distribution Line Electricians' Course. With 125 apprentices, this initiative represents a solid commitment by the Company to professional and social development.

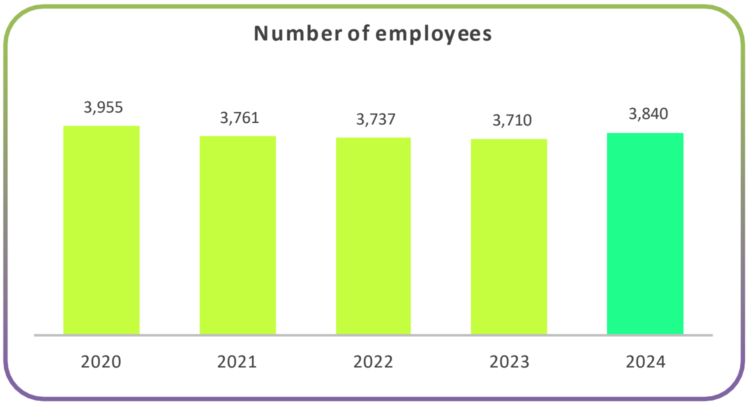
Social responsibility

Cemig has directed efforts to serving a number of vulnerable groups, including apprentices coming out of the army, direct family members of homeless people, adolescents from shelters, and refugees from Morocco, Venezuela and Colombia. A total of 66 people in vulnerable situations had the opportunity to participate in the course in 2024.

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

Number of employees

Faced with the reality imposed by the current regulatory conditions of the energy sector, Cemig continues to work in search of more efficiency and greater alignment with the sector's references. In order to incorporate new talents, promote the natural rotation of the staff, taking advantage of opportunities to review processes and improve efficiency, the company has implemented voluntary severance programs in recent years, which resulted in a significant reduction in the number of employees in recent years, from 3,955 in 2020 to 3,840 employees in 2024, as shown in the graph below:



Cemig hired 463 people in 2024. These hirings were to fill vacancies at the technical, operational, administrative and university levels, replenishing the Company's team principally in essentially technical areas.

In addition to admissions through public competitions, admissions were also made to fill managerial positions in cases where external recruitment was more appropriate, in accordance with the new personnel policy, which now allows the hiring of market professionals for managerial positions, up to 40% of managerial positions.

Training and development

Cemig considers its employees to be strategic partners in the fulfillment of its mission, responsible for economic, social and environmental sustainability. As a result, it carries out training and continuous development, aiming to improve employees' skills and promote their professional and personal growth.

After hiring its employees, Cemig offers a full range of technical, behavioral and management training, aiming to enable every employee to develop their knowledge for the exercise of their role and progression of their career. One of the highlights of this portfolio of organizational learning is training in "Improvement in Consumer Units". Another example is the training in "Risk Management and Internal Controls", which provides employees with a critical view of how Cemig, based on best market practices and a strategic approach, interacts with the practices of governance, risk management and internal controls, and procedures to prevent and mitigate risks, in the Company.

Cemig also invests in strengthening its leadership through the *Cemig Leadership Development Program*. Implemented in 2021, this develops skills that are considered to be critical, aligned with the cultural and strategic transformations of the Company. The initiative stimulates the ability of leaders to influence their contexts of action, promoting consistent results.

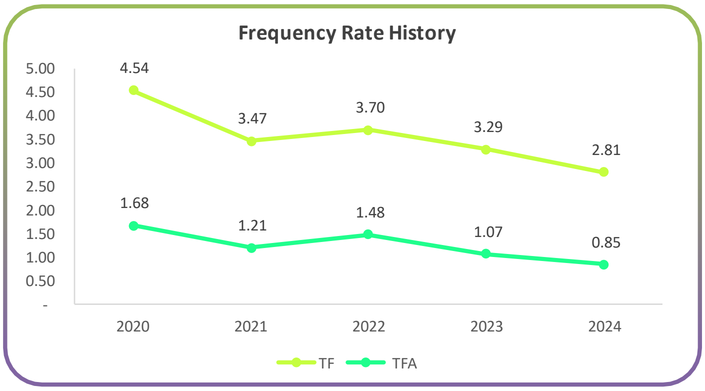
Health, Hygiene and Safety in the workplace

The protection of its entire workforce is central to Cemig's activity, reaffirmed by the value of "Respect for Life" in its Code of Conduct, aligned with its *Occupational Safety, Health and Well-being Policy*.

Cemig takes a comprehensive approach to prevent and mitigate significant impacts on health and safety at work, which are directly linked to its operations, products and services, as well as its business relationships.

Throughout 2024, Cemig's workforce continued to adopt preventive actions to preserve its teams' workplace health and safety.

With regard to the corporate indicators monitored by the Frequency Rate of Accidents (TF – *Taxa de Frequência de Acidentes*) and the Frequency Rate of Accidents with Time Off (*TFA – Taxa de Frequência de Acidentes com Afastamento*), we present the 2024 data for Cemig D, Cemig GT and Cemig Holding, as well as the data for the last 5 years.



Compared to 2023, we have seen a reduction in TFA and in TF, showing a downward trend compared to the last 5 years. The Company has been promoting internal actions and reviewing processes in order to maintain the trend of reducing TF and TFA in the coming years, including educational campaigns aimed at raising awareness among the professionals who make up the workforce.

Organization culture

Cemig's culture has been evolving, especially its culture for interaction with the client, which is in effect one of the drivers of its strategic planning. The Company will focus, in 2025, on a more specific development of this aspect – especially with the near-term challenges in which it no longer has captive consumers, but clients who will be able to choose their energy supplier.

Cemig has 5,000 formal employees, and at any time almost 15,000 people may be providing outsourced services. Of this total, some 60% have interface with the client in the areas of Distribution and Trading. Cemig provides customer service through its online and phone channels, plus 777 Service Locations spread throughout the 774 municipalities of its concession area.

While client management is the responsibility of Cemig D, operation of all these Service Locations is carried out by the strategic partner, under the '*Client Plus*' Project (a strategic, technological and operational partnership agreement working since 2021).

The scenario of the opening of the electricity market, from January 2024, imposes a new context on Brazil's power sector: All clients served at high voltage can now choose their supplier. This opening to free choice is planned to be extended in 2026 to low-voltage clients (other than residential or Rural) – and there is a possibility of total opening of the market by 2030.

This transformation of the power sector, from a basic service to a client-focused experience, is both a challenge and an opportunity for companies to adapt to a new dynamism in the market. Cemig has made important progress with for example, investments in infrastructure, improvements of processes, and development of technology – but these have not been perceived by clients to the point of improving the indices of client satisfaction with the Company's services, nor its reputation.

It is in response to this scenario that the Client Culture Project (*Projeto Cultura de Cliente*) was begun in October 2024, with completion or re-assessment planned for October 2025. The development work directly involves more than 400 leaders, from the construction of the desired Culture with a focus on the client to the development of skills for the process of fostering the desired culture within the organization and sustaining it. The objectives are:

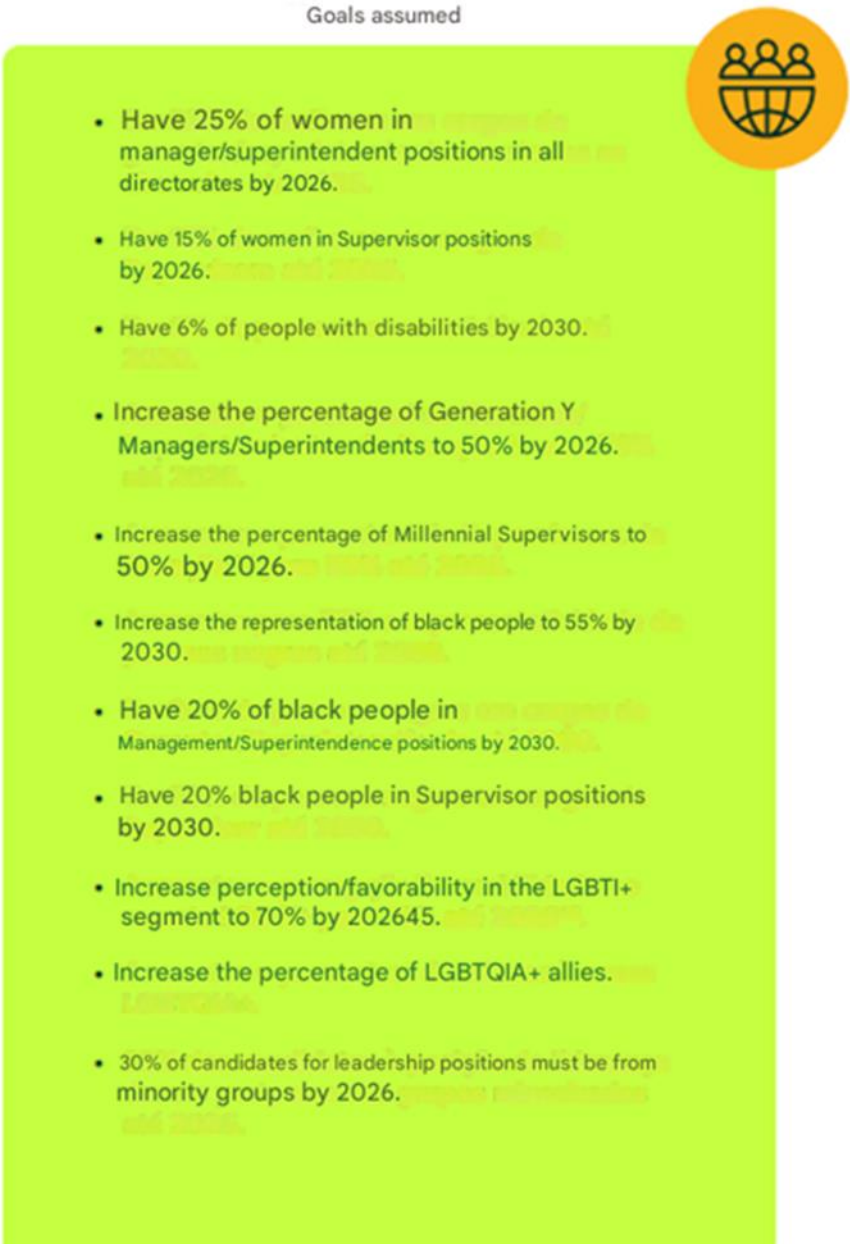
- Define the *Culture with a focus on the Client* that will support the strategies for the new scenario and generate exceptional results;
- develop and strengthen leadership to model people and teams for the practice of *Culture with a focus on the Client*; and
- involve and mobilize all Cemig's employees, and also any providers of outsourced services, for practice of the *Culture with a focus on the Client*.

Diversity

Cemig makes efforts to promote appreciation of diversity and inclusion in its organizational culture, through its *Policy to Value Diversity and Inclusion*, which has as its basic guideline respect for people and appreciation of the differences and individuality of each person. The Company seeks to create a work environment free of prejudice, aligned with its Code of Conduct and commitment to human rights. Cemig's *Diversity Appreciation Group* has been in existence since 2019, under the *Corporate Sustainability Committee*, made up of representatives from various areas. This group has the responsibility of identifying and implementing actions that promote gender equity and the appreciation of diversity in the working context.

The Diversity Program was launched in 2023, and set medium- and long-term goals, approved by senior management. These goals reflect the Company's commitment to seek a representation that is more consistent with Brazilian society as a whole.

One of Cemig's important initiatives in diversity has been the appointment of three women to free-appointment positions on the Executive Board – a significant action to increase female representation in the company's leadership. The Company is always looking for ways to increase the participation of minority groups in its workforce, expanding its approach to diversity and inclusion.



One of the directives of Cemig's *Policy to Value Diversity and Inclusion* is to "respect people, valuing the differences and individuality of each person, creating an environment free of prejudice".

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The Company is always looking for ways to increase the participation of all minority groups in its workforce and to widen the view of diversity to other publics. One example is the *Industrial Learning Program*: In 2023, Cemig was rated No. 1 in the *Ser Humano* ('*Being Human*') award by ABRH (the Brazilian HR Association), for having given jobs to homeless people, and 50% of the amplified-competition job vacancies for work on electricity lines and aerial networks to women. This program aims to reconcile rescue of socially vulnerable young people with opportunities for specialized training, as well as to increase the participation of women in this segment of the market.

Cemig in communities

Cemig is dedicated to promoting the safe use of electric energy, providing continuous information and clarification to the public. The company conducts information campaigns, offers technical instructions and provides teams to guide on risk situations. It also promotes accident prevention actions in its concession area, using various media, such as radio, newspaper, digital media, TV and social networks, as well as educational materials such as booklets and folders.

Every year, Cemig re-issues its Strategic Integrated Communication Plan for Safety of the Population – updating actions and strategies to ensure effectiveness with its stakeholders in relation to the safe use of electricity. The plan's objectives include: Raising awareness of the population; mobilization of the Company's various stakeholders to include agendas on safety in the use of electricity; and employee awareness programs for preventive attitudes inside and outside the Company.

The plan also aims to: (i) disseminate mass communication campaigns, providing information of public utility to a wide audience, and (ii) launch targeted communication campaigns, providing information of the interest to specific publics.

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

Cemig also conducts energy efficiency visits in the homes of thousands of families in low-income communities, clusters and housing projects in Minas Gerais. In these visits, community support staff exchange old lamps for LED lamps. If the home already has LED lamps, they can also give important tips on saving energy. This service is completely free, as part of the company's *Energy Efficiency Program*, regulated by Aneel.

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

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

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

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Projects in culture, sport and health

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

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

Culture

Cemig is the biggest promoter of culture in Minas Gerais and one of the biggest in Brazil. In 2024 Cemig invested R$126 million in 289 projects. As well as incentivating producers and artists, Cemig's support created direct benefits for the population, which gains access to cultural goods in a secure and democratic way.

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

Health

In 2024, through its *Energy Efficiency Program* (regulated by Aneel), Cemig invested R$14.8 million in various regions of Minas Gerais, serving 55 public and philanthropic hospital units, in 55 municipalities of the concession area. The *Cemig in Hospitals* initiative has arranged replacement of autoclaves, dryers, calendars, surgery lighting and lighting systems in general, plus installation of photovoltaic plants, creating savings for hospitals and improvement of care for Minas Gerais people.

Sport

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

Every year Cemig issues a public call for projects to promote sports and offer social and citizenship benefits, especially for children and adolescents. These projects also reinforce the company's image as committed to the well-being and development of local communities. Cemig has allocated more than R$40 million to sports projects since 2019. Around 12% of these funds for sport were allocated to projects that work exclusively with people with disabilities in various types of sport and regions of the state. For Cemig, diversity is a core value and should also be present in sport.

An example of this is the fact that Cemig has expanded support for Olympic and Paralympic sport in Minas Gerais with allocation of an additional R$1 million in sponsorship to Praia Clube, of Uberlândia. Cemig has supported this club's paralympic swimming since 2019 – it was one of the highlights of the Brazilian delegation in the Paris 2024 Paralympics, with 10 medals won in this sport. Now, Cemig will also sponsor the athletics teams, making it one of the biggest supporters of Olympic sport in Brazil.

Fundo do Idoso

Fund for the Elderly: The over-60 population has grown, and with it, life expectancy. Through allocation of incentive-bearing funds, Cemig seeks to enable projects for protection of and service to the elderly in Minas Gerais, widening and improvement activities for this population. Cemig also centers efforts on supporting proposals for structuring of the Municipal and State Funds for the Elderly in the state, improving the activities destined for this public.

Since 2020 annual Requests for Proposals have been published to select projects to support the elderly, aligned with the organizational guidelines. One of the institutions supported by Cemig in this context is the Mario Penna Hospital, which has received more than R$ 700,000 in incentive-bearing funds from the Company. The number of beneficiaries of initiatives aimed at supporting the elderly grows each year, and in 2024 more than R$ 3 million was invested in these projects.

Suppliers

Cemig understands that the success of its business is directly related to its supplier strategy and adopts the same principles and values in relation to its supply chain: The Company establishes a relationship with its supply chain guided by the document *ESG Requirements for the Supply Chain*, by its *Declaration of Ethical Principles and Code of Professional Conduct*, and by federal and state legislation.

The supplier management process, including procurement practices, is continually reviewed to ensure alignment with ESG best practices and requirements. The team is fully trained in its role, to ensure compliance with ESG strategy and objectives.

Since 2015 Cemig has included in all its contracts with suppliers a requirement for them to comply in full with the Anti-Corruption Law. Thus, the Company's value chain makes an undertaking not to commit acts capable of harming the public administration, and also to denounce any practice of irregularities that it has becomes aware of, through the reporting channels that Cemig makes available.

The greater the risk in terms of the environment, social responsibility and health and safety, the stricter are the requirements for registration and contracting of suppliers.

The Cemig *Best Suppliers* Award

The Cemig *Best Suppliers* Award aims to externalize the Company's values beyond the organization, recognizing and honoring companies that strongly help Cemig to achieve its social role of generating, transmitting and distributing electricity, meeting the expectations of its consumers, shareholders and society in general. The initiative aims for continuous improvement of results and fostering of sustainable initiatives and practices.

In 2024, the '*Highlight in Innovation*' award, given by Cemig for the first time, was won by the company **Prysmian Cabos e Sistemas do Brasil**, with its *Cabo Green* ('Green Cable') project). The product uses a coating made of 20% polyethylene of vegetable origin, obtained from sugarcane, unlike traditional cables that are coated with 100% polyethylene material originating from petroleum, a fossil fuel. Cemig is the first Brazilian distributor to use this more sustainable technology. The cables were installed as a test in 2023 in a network of the Metropolitan Region of Belo Horizonte, and performed very well, qualifying them for use in the Company's network.

Corporate citizenship and social investments

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

Access to electricity

Cemig also operates with the Social Tariff, which provides a discount on electricity bills for low-income families. In 2024, about 1.3 million Cemig customers received monthly electricity rate benefits, with total value of R$461.4 million.

The benefit enables more people to have access to quality supply of energy, improving their quality of life with dignity. Moreover, it serves as an important instrument in reducing socioeconomic inequalities, including among different regions and states of Brazil, which have experienced varying impacts from the rising costs of electricity supply in recent years.

The *Energia Legal* program

Cemig is committed to improving the energy supply to the communities where it operates, prioritizing public safety in relation to risks of electrical accidents, and promoting local development throughout its concession area.

Cemig's *Energia Legal* Program aims to regularize access to electricity for approximately 240,000 families, located in low-income communities and/or invaded areas in Greater Belo Horizonte, and some other regions of the e state.

The program provides these advantages:

- more safety from electric shocks;
- care to avoid overload or burn-out of household appliances;
- regularization of power supply;
- ability to provide proof of address (by the electricity bill);
- rights to social benefits;
- ease in making new electricity connections;
- assistance 24h per day.

The *Energy Efficiency Program* (PEE)

Historically, Cemig has invested in energy efficiency, reducing consumption and demand at peak times, and disseminating knowledge on safe, rational and efficient use of electricity, aiming to combat waste of energy, and preserve natural resources.

Since 2000, Cemig's *Programa de Eficiência Energética*, regulated by the national regulator, Aneel, has acted to encourage change in electricity consumption habits, and optimize energy consumption in various sectors of society. Since the implementation of the Program, the Company has consistently undertaken efforts to demonstrate to society that it is possible to reduce energy waste in a straightforward manner, through the adjustment of daily operational behaviors.

It currently operates through five sub-programs – *Cemig in Cities*, *Cemig in Hospitals*, *Cemig in the Countryside*, *Cemig in Schools* and *Cemig in Communities*, carrying out projects directly, to replace inefficient and obsolete equipment with more up-to-date and efficient equipment, and install solar generation.

Annually, Cemig publishes a Public Call for Projects, under the auspices of Aneel, aiming to democratize access to efficiency projects, in that its enables clients themselves to submit projects to increase the energy efficiency of their consumer units. Cemig selects and finances viable projects, which are then executed by companies specialized in energy conservation services (referred to as 'ESCOs').

In 2024 alone this program has invested more than R$ 65 million in its own energy efficiency projects and made another R$ 50 million available for Public Call projects – of which about R$ 19 million has been allocated for execution in 2025. In 2024, Cemig's Efficiency Program served 320 municipalities in the concession area, benefiting more than 95,000 clients (including residential, commercial, public services, etc.) and more than 2 million people. Beneficiaries include public and philanthropic health institutions, social welfare charities, public schools, low-income families in urban and rural communities, public service providers, and bodies of the state and municipal public administration.

Cemig plans to invest more than R$ 500 million through its Energy Efficiency program by the end of 2027, expanding existing subprograms and opening new fronts, focusing on innovation and social responsibility allied to energy efficiency. This goal represents the Company's public commitment to global efforts for sustainable development and the energy transition: over the next 4 years, it plans to invest 50% of the total amount it has invested over the past 25 years.

The following are some of the highlights of 2024:

<u>The AI6% Program:</u> This program encourages employees and retires of Cemig to use a program in which until 6% of their income tax liability is paid to Infancy and Adolescents' Funds (*Fundos da Infância e da Adolescência*, or FIAs). The 2024 AI6% Campaign involved the participation of 1,445 employees, who voluntarily allocated R$1.4 million to benefit 146 institutions serving over 20,000 children and teenagers in vulnerable situations. The Company also allocated part of its income tax payable to the same FIA's.

The amount invested by the Company and its affiliates totaled approximately R$1.3 million. In total, R$3 million was donated to entities spread out over the 75 municipalities in the Company's area of influence. The action has the voluntary support of 146 "patrons", who raise funds.

With the aim of becoming an increasingly socially responsible Company, Cemig seeks to promote volunteer projects and initiatives that play a transformative role in society.

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

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

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

One of these, called "You - Business Volunteering" (*Você – Voluntariado Empresarial)*, stood out in 2024 among volunteer actions in the community: With the participation of 214 employees volunteering, it provided 898 hours of community support, directly benefiting 553 people. Actions like these not only promote human development and the well-being of communities but also reinforce the Company's culture of social solidarity and participatory citizenship. The voluntary action of employees is fundamental to social transformation, while evidencing Cemig's commitment to being socially responsible, and engaged with community causes.

The *Energia Jovem* (*Young Energy*) program aims to train and develop young people at public schools for the employment market, helping them to understand how to begin their professional life and enter an organization. The learning includes modules on subjects that are relevant when entering the employment market, such as self-knowledge, networking, skills to be developed, and how to prepare for an interview and structure a CV. In 2024 the program trained 92 young people in the city of Belo Horizonte, under the guidance of 7 volunteers from Cemig.

Project Management in the Career: Project management is one of the professions of the future – it has been growing, becoming essential and required in several companies. This initiative aims to give students learning by experience in project management, helping them understand, plan, carryout, monitor and evaluate a project – of which management of their own career is an example. The content addresses what constitutes a project, and its application in everyday life. With a simple and practical approach, the program intends to lead the young person to understand his/her role as manager of this project, how to do good management, and how to define targets, scope and deadlines. In 2024 the program trained 89 young people in the city of Belo Horizonte, under the guidance of 9 volunteers from Cemig.

Start+Up: This is a free course promoted by Cemig to guide young people on entrepreneurship and creation of startups, on the 'learn-it-by doing-it' method. The program's training consists of modules addressing important topics in entrepreneurship, including, for example, what it is; how to develop a startup; building a brand; product development; and sources of financing. At the end of the program participants present their company or project to a jury board in a 'Pitch' – a short and direct presentation aimed to arouse the interest of an investor, partner or client. In 2024, 22 young people were trained, in Uberlândia and Belo Horizonte, under the guidance of 11 Cemig volunteers.

Connecting Energies: Created in 2024, this brings together energy efficiency and the *You Volunteering* program. For 2025 it has mobilized 210 volunteers, distributed in 44 teams registered to operate in 28 municipalities of Minas Gerais, who will visit more than 40 charity institutions in the year, aiming to promote energy savings and reduce waste.

Here is a list of numerous other voluntary or charitable Cemig initiatives: *Easter solidarity:* Volunteers personally made 3,000 chocolate eggs for 350 children in the *Associação das Obras Pavonianas* of Belo Horizonte; *SOS Rio Grande do Sul:* Collection of essential items for donation to those harmed by the intense rains in Brazil's southernmost state, with volunteers available during working hours for separation and allocation; *Christmas letters:* Volunteers adopted 104 letters from social institutions and the Christmas Solidarity Network, jointly with the companies participating in the 2030 challenge network in the *Children's City,* at Ribeirão das Neves, which serves more than 2,700 children and young people. The company sent the interactive activities truck of the Energy Efficiency Program, regulated by Aneel.

Human rights

In line with the UN Universal Declaration of Human Rights and its Guiding Principles, the basic standards of the ILO (International Labor Organization), and the UN Global Compact, Cemig declares that it respects and supports the protection of human rights, internationally recognized in its area of influence.

Cemig seeks to prevent or mitigate negative impacts on human rights in its operations, services and business relations, even in cases where it has not caused them, in line with the UN Guiding Principles on Business and Human Rights.

Annually, Cemig reports on its actions on human rights through the United Nations Global Compact Report, its Annual Sustainability Report (RAS), the ISE index of the B3 (the São Paulo stock exchange) and the Dow Jones Sustainability Index (S&P Global).

Mitigation

As examples of mitigation actions, Cemig:

- holds safety inspections and training for the entire workforce;
- Publishes campaigns for awareness on valuing diversity, for employees, and on social networks;
- creates educational booklets for suppliers, and requires inclusion of clauses in their contracts;
- gives lectures, and carries out educational work, in schools on the use of energy.

Monitoring

As examples of monitoring actions, Cemig:

- carries out safety audits in the field;
- submits suppliers to human rights audits;
- monitors and investigates any cases of harassment or discrimination.

Technological management and innovation

For Cemig, technology management and innovation are two pillars of its strategy for ensuring operational efficiency, information security, and regulatory compliance. The Company continuously invests in improving the governance and management of its IT services, and in modernization of its technology infrastructure, aligning itself with international best practices, and regulatory requirements, including the Sarbanes-Oxley Act.

Cemig's IT governance system is based on COBIT 2019, a reference model for IT process control and management, and is evaluated annually by internal and external audits. The Company structures its information security management on the basis of Brazilian Standard (ABNT) NBR ISO/IEC 27001:2013, ensuring implementation of a robust Information Security Management System (ISMS), which covers policies, processes and controls for protection of critical assets. This system includes processes for risk management, information classification and protection, response to incidents, and continuous auditing.

As well as its investments in governance and security, Cemig adopts a structured approach to digital innovation and transformation, prioritizing emerging technologies to modernize its processes and services and improve architecture and governance.

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

In response to this environment of changes, in 2018 Cemig created its *Strategic Digital Technology Plan*, which covers training, diagnostics, prospecting and technological ways forward, for the following areas of activity:

- training for the new types of business that are emerging in the country and the world;
- seeking and receiving proposals for R&D in the digital technologies, to place the company in harmony with technological evolution and the major digital transformations; and
- creation of projects to boost new businesses that are economically and socially beneficial for the Company.

This challenge was opened to the general public, which was invited to present ideas for structuring of R&D projects, in accordance with the rules of Aneel and in alignment with the

Company's strategy. The most promising ideas will become projects to be assessed under the guidelines of the Innovation Strategy and those that are approved will be formalized in new draft contracts for development of their ideas.

The Cemig Challenge (*Desafio Cemig*) is structured in four main themes aligned with Cemig's strategy, comprising the components of its innovation portfolio:

- Smart Products and Services;
- Electricity Systems of the Future;
- Electrification and Electromobility; and
- Alternatives in Sustainable Generation.

Data protection

Cemig acknowledges its responsibility for the protection of personal data of all those with whom it has any relations and underlines its commitment to protect each individual's fundamental rights to freedom, privacy and free development of the personality.

To make this process robust, and to ensure that Cemig complies with all requirements of Brazil's General Law on Protection of Personal Data (LGPD), it as a structure dedicated to fulfillment of all legal requirements on the subject. This structure includes:

- A Data Protection Officer (Director of Compliance);
- a team dedicated to Privacy and Protection of Personal Data;
- policies and procedures establishing clear guidelines on how data should be collected, stored, processed and shared, ensuring that the organization respects all personal data privacy rights;
- a market-leading solution that supports the whole of the Company's privacy program; and
- exclusive service channels enabling individuals to exercise their rights, and to receive reports of any incidents involving personal data.

Research, Development and Innovation Program

Brazil's power sector is undergoing a group of transformative changes, and bodies with worldwide importance in the energy sector, such as the Energy Center of the MIT Technology Review Brazil, in partnership with the energy it, recognize that there are already major global movements for a common objective: the energy transition, based on 'the four Ds': decarbonization, digitization, decentralization and democratization. These guiding principles seek to transform the energy sector into a more sustainable, efficient and inclusive system, promoting adoption of new technologies and practices that reduce dependence on fossil fuels and minimize environmental impacts.

Cemig's Research, Development and Innovation (PDI) Program issues public calls for partnerships to develop technologies of interest to Cemig and the sector, aiming to serve the interests of the general public.Institutions are invited to submit R&D&I project proposals aimed at: (i) developing or enhancing solutions to address challenges faced by Cemig, other companies in the power sector, electricity consumers, or users of electricity distribution services; and/or (ii) the industrial and/or commercial exploitation of the developed solutions.

In these calls, Cemig aims to identify and develop projects that are:

- innovative and practical – capable of addressing real challenges in the power sector;
- strategic – focused on topics of relevance to the Company; and
- concrete – delivering solutions with economic, financial, and implementation feasibility.

In line with the directives of the Brazilian regulator, Aneel, and the Strategic Quality And Innovation Program (PEQUI), Cemig has developed strategic guidelines for promoting continuous innovation, seeking to increasingly add value to the Brazilian electricity system. In 2024 Cemig invested in R&D projects R$40.7 million in Cemig D, a total of 15 projects in various areas. The company completed one more cycle of challenges in February 2025, receiving important innovation projects on the following macro subjects: Smart Products and Services; Electrical Systems of the Future; Electrification and Electromobility; and Alternatives in Sustainable Generation. Outstanding projects include:

- Mobile BESS Project : Development of a mobile device for charging and discharging energy in batteries, for emergency situations and to ensure continuity of power supply in critical situations.
- EnergyGPT Project : Creation and implementation of a generative artificial intelligence (AI) solution, specifically designed to meet the complex demands of the Brazilian electricity sector, providing advanced and predictive analysis for optimization of the system.
- H2 Biogas Project: Development of a prototype plant producing hydrogen from methane generated in landfills – use of waste as an energy resource.
- Intelligent IPE Project : Creation of an individual safety wearable for electricians, able to warn of proximity to energized systems, detect toxic gases, prevent work accidents and issue fall alerts or incidents during the working day, providing enhanced safety for employees.

Cemig continues to drive innovation through its *Inova Cemig Lab* and *Inova Cemig Tec* channels, dedicated to the search for innovative and technological solutions. The company prioritizes innovation allied to sustainability, seeking increasingly sustainable and efficient results for the Brazilian electricity system – reflecting its vision of being a leader in innovation in the sector, promoting sustainable development and contributing to a cleaner and more efficient energy future.

In 2024, this initiative completed its first cycle with contracts signed with 13 startups, which will each receive financial support of up to R$ 1.6 million for development of creative and sustainable solutions to challenges proposed by Cemig.

The process of selecting startups for the first cycle was launched in March 2024 by an international call for projects, which attracted more than 250 proposals, from 17 Brazilian states and 10 countries from all the continents. Minas Gerais stood out with 48 selected startups. Theme areas proposed ranged from digitalization of the sector to use of hydrogen as a clean and renewable energy source.

Cycle 2 is already underway and has 15 challenges focused on trading, distributed generation, compliance, distribution, transmission, supplier management, revenue collection and agribusiness. Cemig is working on Cycle 3, which will feature 15 new challenges.

Artificial Intelligence – *EnergyGPT*

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

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

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

Natural Language Processing (NLP)

This 12-month course, launched in August 2024, is part of the EnergyGPT - Research, Development and Innovation Project, and aims to empower Cemig employees to deal with technological challenges in the electricity sector. A pioneer course in Brazil, it is divided into three modules, addressing basic and specific fundamentals on language models.

The first class of the Lato Sensu postgraduate course in NLP promoted by Cemig in partnership with the Federal University of Goiás (UFG) and the Center of Excellence in Artificial Intelligence (CEIA) have completed their first semester with promising results. In this semester the 30 selected employees had contact with topics such as machine learning, deep learning and neural networks. The specialization also focuses on the practical application of technologies, with emphasis on the development of EnergyGPT.

Management systems: Certification

Cemig’s processes aim to achieve strategic objectives, which in turn aim for client satisfaction. It seeks continuous improvement of its management in several ways, including adoption of some of the practices and methodologies of the NBR ISO Standards.

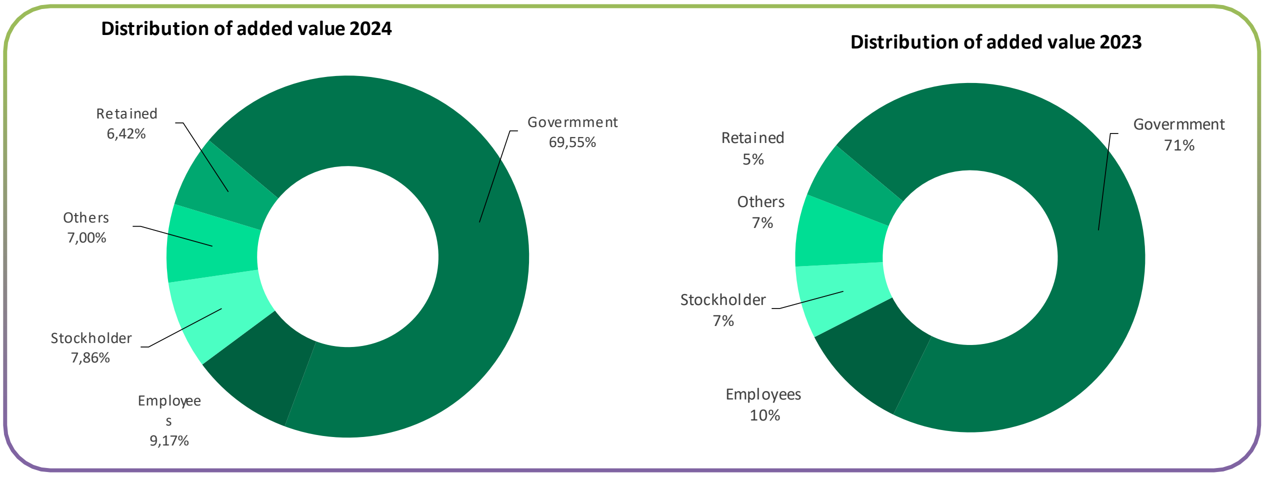
For this purpose Cemig maintains certification of its processes under three Brazilian ISO standards: NBR ISO 9001 – *Quality Management System*; NBR 14001 – *Environmental Management System*; and NBR 45001 – *Health and Safety Management System*. Recently, it also earned certification under NBR ISO 37001 – *Corporate Risk Management*. To further improve its risk management practices, the Company has implemented the principles and recommendations of NBR ISO 31000 – *Risk Management*, obtaining the Statement of Compliance with that standard from the recognized certifying body.

Currently, there are four certified scopes in the company: the Cemig GT Unit; the Cemig D Unit; the Corporate Risk Management and Ombudsman Unit; and Compliance. The scope of each of these areas includes management and support processes.

Maintenance of certification was recommended for all these units, underlining the commitment of all those involved in meeting the requirements of the ISO standards – which have international recognition as witnessing the best management practices in the market.

Value added

The Value-Added Statement (*Demonstração do Valor Adicionado*, or DVA) is an indicator of wealth creation and of the Company's importance for society in general: the added value created in 2024 was R$15,447 million, compared to R$13,513 million in 2023.

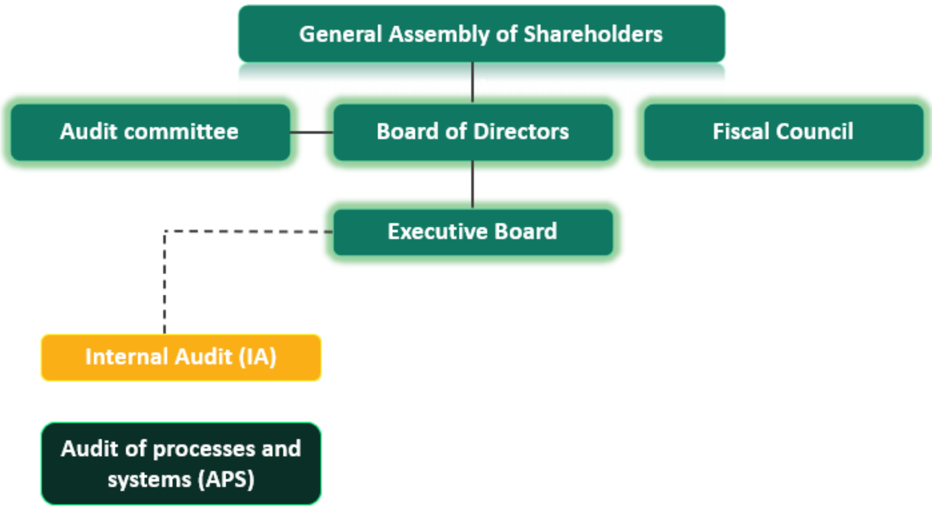


Performance in Corporate governance

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

The focus of the Company's governance has been a balance between the economic, financial and environmental aspects of Cemig, aiming to continue contributing to sustainable development, and continuous improvement of its relationship with stockholders, clients, employees, society and other stakeholders. Since 2001 Cemig has followed the Level I Corporate Governance Practices of the São Paulo stock exchange (B3).

Governance Structure of Cemig



Board of Directors

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

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

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

Membership, election and period of office

The Board of Directors has 9 sitting members, 8 nominated and elected by the stockholders, and one elected by the employees. One member of the Board of Directors is its Chair, and another is its Deputy Chair. The members of the Board of Directors are elected for concurrent periods of office of 2 (two) years, and may be dismissed at any time, by the General Meeting of Shareholders, Re-election for a maximum of 3 (three) consecutive periods of office is permitted, subject to any requirements and prohibitions in applicable legislation and regulations.

Of the 9 members of the Board of Directors, 8 have the characteristics of an Independent Member, under the criteria adopted by the Dow Jones Sustaitability Index (DJSI) and according to the criteria of the Code of Best Corporate Governance Practices of the Brazilian Corporate Governance Institute (IBGC), as attested in the Board's Statement of Independence.

The current term of office of the Board of Directors began at the Annual General Meeting (AGM) held on April 29, 2024, through the multiple voting mechanism.

The term of office of the current members expires at the AGM to be held in 2026.

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

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

Meetings

The Board of Directors held 17 meetings until December 31, 2024, dealing with matters including strategic planning, projects, acquisition of new assets, and investments.

The Audit Committee

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

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

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

Meetings

The Audit Committee held 27 meetings in 2024.

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.

The Statutory Directors are evaluated, annually, by the Board of Directors, in relation to their individual and collective performance, with the following minimum requirements:

- submission of a report on acts of management, as to their lawfulness and management efficacy;
- contribution to the profit for the period; and

- achievement of the objectives specified in the Multi-year Business Plan; and compliance with the Long-term Strategy and the Annual Budget.

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

Meetings

The Executive Board met 50 times in 2024, to deal with matters including strategic planning, projects, acquisitions of new assets and various investments.

Audit Board

Membership, election and period of office

We have a permanent Audit Board, made up of five sitting members and their respectivesubstitute 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:

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

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

Meetings

The Audit Board held 12 meetings in 2024.

Internal auditing, management of risks and internal controls

Maintaining a minimum frequency of a year for the updating procedure, the Executive Board and the Board of Directors approved, in 2024, after consideration by the Audit Committee, Cemig's updated Corporate Top Risks for 2024-2025.

The Matrix includes risks from the Distribution, Generation, Transmission, Commercialization, Innovation, Information Technology, People and Corporate Services, ESG (Environmental, Social and Governance), Communication, Financial, Shareholdings and Divestment, Institutional Regulatory and Control and Integrity pillars.

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

In relation to responses to significant risks and any in which the tolerance limits may have been exceeded, the Company's Internal Controls area operates an annual process of review and tests of the design of the internal controls as a whole, as laid out in the Internal Controls and Risks Matrix, to keep them compliant, updated In relation to responses to any significant risks in which the tolerance limits may have been exceeded, the Company's Internal Controls area operates an annual process of review and tests of the design of the internal controls as a whole, present in the Risks and Internal Controls Matrix, to keep them compliant, updated, and assessed as to their sufficiency for addressing the risks. In the most recent cycle, the Company extended review and testing coverage for the internal controls related to the Top Risks, following the same methodological standards and requirements as the Internal Control Integrated Framework (ICIF) of the Committee of Sponsorship Organizations of the Treadway Commission (COSO) and Sarbanes-Oxley Law of the USA. In recent years the actions and investments in the Internal Controls Area have ensured its effectiveness in the evaluation of the Management and of the independent external auditor, evidencing confidence in the Company's risk management.

In addition, the Company maintains its Internal Audit activity, responsible for elaboration and execution of the Annual Internal Audit Plan, validated by the Audit Committee and approved by the Board of Directors. This Plan provides for the evaluation of the main business and corporate processes and is guided by the organizational strategy and related risks, aiming to evaluate the adequacy, effectiveness and efficiency of the Company's processes. The Internal Audit area independently evaluates the effectiveness of governance and risk management processes, as well as the effectiveness of the internal control system, reporting any deficiencies and opportunities for improvement, and recommending applicable actions. To add value to the business and strengthen corporate governance, it also monitors implementation of corrective and preventive actions by the responsible areas, and their maintenance and effectiveness in mitigating risks.

Compliance, and Anti-Bribery

The Company values prevention and combat of fraud, corruption and any acts that deviate from the ethical conduct demanded, or from established internal or external rules. For this, it relies on the dedication and diligence of its entire workforce to ensure that no illicit or unethical acts are perpetrated in its name.

Also to prevent their occurrence, the Company maintains a robust system of internal controls and Compliance, which includes its *Ethics Committee*, its *Anonymous Reporting Channel*, and internal policies and procedures centered on integrity, auditing, incentives to report irregularities, and prevention of fraud and corruption. All professionals who have any relationship with Cemig, including shareholders, managers, employees and contractors, are fully informed of these guidelines. In 2024 Cemig obtained certification under the international standard ISO 37001 – *Anti-Bribery Management Systems*, underlining its commitment to prevent, detect and deal with cases of bribery.

In addition, donations of any kind, direct or indirect, in cash or in goods or services, including advertising, which have political purposes or which favor any political party or its members, active or otherwise, are not permitted. This prohibition is in compliance with Federal Law 9504/1997, known as 'the Elections Law', as amended by Law 13487, of October 6, 2017.

Cemig's *Anonymous Reporting Channel* is available to both the internal and also the external public of the Company, 24 hours per day, to receive any accusations of fraud, corruption, undue favors, moral or sexual harassment, or any other irregularities that can be understood as actions or omissions contrary to the law or to the principles of our Code of Conduct. The Reporting Channel guarantees confidentiality, anonymity and protection of the complainant against any retaliations. The Ethics Committee is responsible for making sure there is proper investigation of all accusations received. After this is concluded, the responses are made available to the reporting parties.

100% Transparency Movement of the UN global pact

Fight all forms of corruption. This is the commitment publicly signed by Cemig to join the *100% Transparency* movement. It is an initiative of the UN Global Compact, aiming to make organizations align their strategies and operations with the principles and mechanisms combating corruption. The Company's membership of the Movement was made public during the "ESG Best Practices and 2030 Agenda Workshop", held by Cemig in 2023.

The aim of the movement, the first major initiative to foster corporate transparency in Brazil, is to encourage and empower companies to go beyond legal obligations, strengthening transparency and integrity mechanisms in prominent companies, so that they can be examples of success for other organizations in the country.

With its membership, Cemig strengthens its alignment with the UN Sustainable Development Goals (SDGs). The goals that Cemig has assumed in the *100% Transparency* movement are: to advance toward 100% transparency in interactions with the Public administration; 100% ethical remuneration of senior management; 100% of the high-risk value chain trained in integrity; 100% transparency in the Compliance and Governance structure; and 100% transparency in relation to the confidential reporting channels.

FINAL REMARKS - APPRECIATION

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

SOCIAL STATEMENT

AS OF DECEMBER 31, 2024 AND 2023

1) Basis of calculations	Dec. 31, 2024			Dec. 31, 2023		
	Amount (R$'000)			Amount (R$'000)		
Net revenue (NR)	26,617,174			23,348,437		
Operational profit (OP)	2,884,986			2,269,734		
Gross payroll (GP)	719,059			641,741		
2) Internal social indicators	**Amount (R$'000)**	**% of GP**	**% of NR**	**Amount (R$'000)**	**% of GP**	**% of NR**
Food	76,884	10.69	0.29	70,650	11.01	0.27
Mandatory charges/costs on payroll	262,065	36.45	0.98	216,497	33.74	0.81
Private pension plan	60,162	8.37	0.23	55,154	8.59	0.21
Health	48,301	6.72	0.18	51,476	8.02	0.19
Safety and medicine in the workplace	3,876	0.54	0.01	3,478	0.54	0.01
Education	55	0.01	0.00	34	0.01	0.00
Training and professional development	3,269	0.45	0.01	4,873	0.76	0.02
Provision of or assistance for day-care centers	2,037	0.28	0.01	1,691	0.26	0.01
Profit sharing	99,914	13.90	0.38	101,503	15.82	0.38
Others	8,162	1.14	0.03	6,241	0.97	0.02
Internal social indicators - Total	**564,725**	**78.54**	**2.12**	**511,597**	**79.72**	**1.92**
3) External social indicators	**Amount (R$'000)**	**% of OP**	**% of NR**	**Amount (R$'000)**	**% of OP**	**% of NR**
Education	3,901	0.14	0.01	1,240	0.05	0.01
Culture	98,151	3.40	0.37	68,296	3.01	0.29
Sport	5,775	0.20	0.02	18,382	0.81	0.08
Other donations/subsidies / ASIN project	66,075	2.29	0.25	143,981	6.34	0.62
Total contributions to society	**173,902**	**6.03**	**0.65**	**231,899**	**10.22**	**0.99**
Taxes (excluding obligatory charges on payroll)	10,598,719	367.38	39.82	9,476,786	417.53	40.59
Internal social indicators - Total	**10,772,621**	**373.40**	**40.47**	**9,708,685**	**427.75**	**41.58**
4) Environmental indicators	**Amount (R$'000)**	**% of OP**	**% of NR**	**Amount (R$'000)**	**% of OP**	**% of NR**
Related to the company's operations	19,681	0.68	0.07	27,839	1.23	0.12
Total investment in the environment	**19,681**	**0.68**	**0.07**	**27,839**	**1.23**	**0.12**
5) Workforce indicators	**Dec. 31, 2024**			**Dec. 31, 2023**		
Number of employees at end of business year	3,840			3,710		
Hirings during the business year	463			202		
Number of outsourced employees	69			76		
Number of interns hired	62			64		
Employees' levels of education						
- University and university extension	724			720		
- 2 Secondary	3,089			2,959		
- 1 Primary	27			31		
Number of employees over 45 years old	1,602			1,731		
Number of women employed	514			514		
% of supervisory positions held by women	22%			21%		
Number of African-Brazilian employees	1,670			225		
% of supervisory positions held by African-Brazilians	26%			2%		
Number of employees with disabilities	151			120		

6) Corporate citizenship	Dec. 31, 2024		
Ratio between highest and lowest compensation in the Company	25.60		
Total number of work accidents, considering own employees:	8		
Who selects the company's social and environmental projects?	( ) senior management	(x) senior management and line managers	( ) all the employees
Who decides the company's work-environment health and safety standards?	( ) senior management and line managers	(x) all the employees	( ) All + Accident Prevention
In relation to labor union freedom, the right to collective bargaining, and/or internal employee representation, the company:	( ) does not get involved	( ) ILO guidelines	(x) encourages and follows the ILO
The company pension plan covers:	( ) senior management	( ) senior management and line managers	(x) all the employees
The profit-sharing program covers:	( ) senior management	( ) senior management and line managers	(x) all the employees
In selecting suppliers, the company's standards of ethics and social and environmental responsibility:	( ) are not considered	( ) are suggested	(x) are required
In relation to employee participation in volunteer work programs, the company:	( ) does not get involved	( ) supports	(x) organizes and encourages
Total number of customer complaints and criticisms:	Company 152,543	Via Procon 5,867	In the court 13,810

Total added value to be distributed (in thousand R$)	**In 2024**: R$15,447 million	
Distribution of Added Value (DVA)	69.55% government 7.86% stockholders	10.24% employees 7.00% third parties

7) Other information	Dec. 31, 2024
Investments in environmental issues	R$28 million
Waste and unusable material	60.82 mil tons
Revenue from sales of waste	R$44 million

CEMIG D IN NUMBERS

Item	Dec. 31, 2024	Dec. 31, 2023
Service		
Number of customers (in million)	9,404	9,214
Number of employees	3,840	3,710
Number of customers per employee	2,449	2,484
Number of locations served	5,415	5,415
Number of counties (municipalities) served	774	774
Market		
Concession area (Km²)	567,478	567,478
Average residential consumption (KWh/annual)	1,868	1,565
Average supply rates - including ICMS tax (R$/MWh)		
Residential	898,89	892,65
Commercial	828,77	1,145,86
Industrial	835,56	904,79
Rural	706,64	740,43
DECi (hours) - indicator for outage	9,46	9,71
FECi (number of interruptions) - indicator for outage	5,06	4,86
Deprivation of supply per customer - minutes/month	47,30	48,55
Operating		
Number of energy substation	462	462
Distribution line (Km)	19,682	19.156
Distribution network (Km)		
Urban	130,858	129.704
Rural	426,387	421.675
Financial		
Net operational revenue, R$mn	26,617	23.348
Operational margin, %	10,84	9.72
Ebitda, R$mn	3,807	3.103
Profit, R$mn	2,206	1.611
Earnings per lot of 1000 shares R$	940	683
Stockholders' equity - R$mn	11,281	8.883
Book value per share	4,78	3.77
Return on equity, %	19,56	18.14
Debt / Stockholder's equity, %	187,68	210.51
Current liquidity ratio	0,83	0.87
General liquidity ratio	0,88	0.83

COMPOSITION OF THE BOARDS, AUDIT COMMITTEE AND EXECUTIVE BOARD

THE EXECUTIVE BOARD	
NAME	**POSITION**
Reynaldo Passanezi Filho	President
Marney Tadeu Antunes	Vice President of Distribution
Andrea Marques de Almeida	Vice President of Finance and Investor Relations
Thadeu Carneiro da Silva	Vice President without portfolio
Marco da Camino Ancona Lopez Soligo	Vice President of Participations
Sergio Lopes Cabral	Vice President of Trading
Cristiana Maria Fortini Pinto e Silva	Vice President Legal

FISCAL BOARD	
SITTING MEMBERS	**SUBSTITUTE MEMBERS**
Carlos Roberto de Albuquerque Sá (majority)	Carlos Alberto Arruda de Oliveira (majoritário)
Lucas de Vasconcelos Gonzalez (majority)	Luiz Fernando Medeiros Moreira (majoritário)
Pedro Bruno Barros de Souza (majority)	Rodrigo Rodrigues Tavares (majoritário)
Michele da Silva Gonsales Torres (preferencial)	Paulo Roberto Bellentani Brandão (ações preferenciais)
João Vicente Silva Machado (minority)	Ricardo José Martins Gimenez (minoritários)

AUDIT BOARD	
SITTING MEMBERS	**SUBSTITUTE MEMBERS**
Roberto Cesar Guindalini (Coordinator and Financial Specialist)	None
Artemio Bertholini	None
Ricardo Lopes Cardoso	None
Giulia Carla Scarlercio	None

CONSUMER COUNCIL	
SITTING MEMBERS	**SUBSTITUTE MEMBERS**
José Ciro Mota - Presidente (Industrial)	Tânia Mara Aparecida Costa Santos
Erick Nilson Souto - Vice-Presidente (Public authorities)	Luiz Paulo Aparecido Gontijo Caetano
Luciano José de Oliveira- Secretário Executivo (Cemig D)	Alexandre Ribeiro de Almeida
Solange Medeiros de Abreu (Residential)	Betânia Moura Magalhães Corrêa
Edilson Avelino da Mata (Commercial)	José Luis França dos Santos
Aline de Freitas Veloso (Rural)	Weber Bernardes de Andrade

BOARD OF DIRECTORS	
SITTING MEMBERS	**MEMBROS SUPLENTES**
Márcio Luiz Simões Utsch (majority)	None
José Reinaldo Magalhães (majority)	None
Aloísio Macário Ferreira de Souza (preferencial)	None
Afonso Henriques Moreira Santos (majority)	None
Marcus Leonardo Silberman (majority)	None
Roger Daniel Versieux (minority)	None
José João Abdalla Filho (minority)	None
Anderson Rodrigues (employee representative)	None
Ricardo Menin Gaertner (majority)	None

INVESTOR RELATIONS

Investor Relations Office

Tel: +5531 3506-5024 and 3506-5028
Fax: +5531 3506-5025 and 3506-5026

website: https://ri,cemig,com,br/en
e-mail: ri@cemig,com,br

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

ASSETS

(In thousands of Brazilian Reais)

	Note	Dec, 31, 2024	Dec, 31, 2023
CURRENT			
Cash and cash equivalents	5	951,779	447,967
Marketable securities	6	118,511	2,781
Receivables from customers, traders and concession holders	7	3,849,309	3,545,064
Concession holders - Transport of energy	7	439,026	374,362
Recoverable taxes	8	437,033	550,472
Restricted cash		196,059	11,532
Public lighting contribution		297,227	260,730
Concession sector assets	11b	859,597	493,934
Others assets		657,465	499,241
TOTAL CURRENT		**7,806,006**	**6,186,083**
NON-CURRENT			
Long-term assets		**10,600,095**	**9,037,446**
Marketable Securities	6	44,576	-
Deferred Income tax and social contribution tax	9c	1,223,647	1,884,164
Recoverable taxes	8	802,989	698,446
Income tax and social contribution tax recoverable	9a	190,579	113,122
Escrow deposits	10	680,175	662,233
Concession holders - Transport of energy		38,881	38,817
Others assets		47,015	16,648
Concession sector assets	11b	436,028	311,637
Financial assets related to infrastructure	11a	2,714,876	1,881,509
Contract assets	12	4,421,329	3,430,870
Intangible assets	**13**	**13,803,949**	**12,099,390**
Leasing - right of use assets	**15**	**243,065**	**259,647**
TOTAL NON-CURRENT		**24,647,109**	**21,396,483**
TOTAL ASSETS		**32,453,115**	**27,582,566**

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

LIABILITIES

(In thousands of Brazilian Reais)

	Note	Dec, 31, 2024	Dec, 31, 2023
CURRENT			
Loans and debentures	18	2,496,199	639,713
Suppliers	16	1,973,750	2,024,449
Taxes payable	17	360,012	268,455
Income tax and social contribution	9	71,701	80,888
Payroll and related charges		139,537	153,285
Regulatory charges payable	19	245,500	373,039
Employee and management profit-sharing		58,697	95,134
Post-employment obligations	21	162,817	231,390
Public lighting contribution		475,037	424,713
Accounts payable related to energy generated by residential consumers	20	1,251,298	704,653
Sector financial liabilities	11b	16,470	-
Interest on equity, and dividends, payable	23d	1,117,129	1,499,524
Amounts to be refunded to consumers		526,498	853,652
Leasing liabilities		55,728	56,294
Other liabilities		481,646	354,578
TOTAL CURRENT		**9,432,019**	**7,759,767**
NON-CURRENT			
Loans and debentures	18	7,541,422	5,247,909
Provisions	22	1,064,553	1,480,183
Post-employment obligations	21	2,714,679	3,379,693
Regulatory charges payable	19	157,767	81,147
Amounts to be refunded to consumers		22,880	501,159
Leasing liabilities		219,249	230,235
Other liabilities		19,293	19,248
TOTAL NON-CURRENT		**11,739,843**	**10,939,574**
TOTAL LIABILITIES		**21,171,862**	**18,699,341**
EQUITY			
Share capital	23a	6,964,105	6,284,312
Profit reserves		5,206,587	3,976,565
Equity valuation adjustments		(889,439)	(1,377,652)
TOTAL EQUITY		**11,281,253**	**8,883,225**
TOTAL LIABILITIES AND EQUITY		**32,453,115**	**27,582,566**

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	Note	2024	2023
NET REVENUE	24	**26,617,174**	**23,348,437**
OPERATING COSTS			
Cost of energy	25a	(14,734,515)	(12,656,237)
Infrastructure and construction cost	25b	(4,378,611)	(3,600,374)
Operating costs	25c	(3,188,276)	(3,262,761)
		(22,301,402)	**(19,519,372)**
GROSS INCOME		**4,315,772**	**3,829,065**
EXPENSES	25c		
Expected credit losses		(164,690)	(159,694)
General and administrative expenses		(582,666)	(530,776)
Other expenses, net		(683,430)	(868,861)
		(1,430,786)	**(1,559,331)**
Income before financial income (expenses) and taxes		**2,884,986**	**2,269,734**
Finance income	26	984,588	583,789
Finance expenses	26	(1,001,403)	(836,914)
		(16,815)	**(253,125)**
Income before income tax and social contribution tax		**2,868,171**	**2,016,609**
Current income tax and social contribution tax	9d	(252,904)	(252,278)
Deferred income tax and social contribution tax	9c	(409,012)	(152,871)
Net income for the year		**2,206,255**	**1,611,460**

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of Brazilian Reais)

	2024	2023
Net income for the year	2,206,255	1,611,460
OTHER COMPREHENSIVE INCOME		
Items not to be reclassified to profit or loss in subsequent Years		
Post retirement liabilities adjustment - remeasurement of obligations of the defined benefit plans (note 21)	739,717	242,527
Income tax and social contribution tax on remeasurement of defined benefit plans (note 9c)	(251,504)	(82,459)
	488,213	**160,068**
COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAXES	**2,694,468**	**1,771,528**

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of Brazilian Reais, except where otherwise indicated)

	Share capital	Resources for capital increase	Profit reserves			Equity valuation adjustments	Retained earning	Total equity
			Legal reserve	Tax incentives reserve	Retained earning reserve			
AS OF DECEMBER 31, 2022	**5,371,998**	**-**	**498,528**	**91,269**	**2,681,185**	**(1,537,720)**	**-**	**7,105,260**
Net income for the year	-	-	-	-	-	-	1,611,460	1,611,460
Remeasurement of obligations of the defined benefit plans, net of taxes	-	-	-	-	-	160,068	-	160,068
COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**-**	**-**	**-**	**160,068**	**1,611,460**	**1,771,528**
Capital increase	644,000	(644,000)	-	-	-	-	-	-
Capital increase with interest on equity capital declared	268,314	-	-	-	-	-	-	268,314
Advance for future capital increase	-	644,000	-	-	-	-	-	644,000
Legal reserve	-	-	79,026	-	-	-	(79,026)	-
Tax incentives reserve	-	-	-	30,933	-	-	(30,933)	-
Retained earning reserve	-	-	-	-	595,624	-	(595,624)	-
Interest on Equity (R$0,3831 per share)	-	-	-	-	-	-	(905,877)	(905,877)
AS OF DECEMBER 31, 2023	**6,284,312**	**-**	**577,554**	**122,202**	**3,276,809**	**(1,377,652)**	**-**	**8,883,225**
Net income for the year	-	-	-	-	-	-	2,206,255	2,206,255
Remeasurement of obligations of the defined benefit plans, net of taxes	-	-	-	-	-	488,213	-	488,213
COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**-**	**-**	**-**	**488,213**	**2,206,255**	**2,694,468**
Dividend return for investment program	-	-	-	-	238,230	-	-	238,230
Capital increase with dividends and interest on equity capital declared	679,793	-	-	-	-	-	-	679,793
Advance for future capital increase	-	-	-	-	-	-	-	-
Legal reserve	-	-	107,753	-	-	-	(107,753)	-
Tax incentives reserve	-	-	-	51,186	-	-	(51,186)	-
Retained earning reserve	-	-	-	-	832,853	-	(832,853)	-
Interest on Equity (R$0,5148 per share)	-	-	-	-	-	-	(1,214,463)	(1,214,463)
AS OF DECEMBER 31, 2024	**6,964,105**	**-**	**685,307**	**173,388**	**4,347,892**	**(889,439)**	**-**	11,281,253

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of Brazilian Reais)

	Note	2024	2023
CASH FLOW FROM OPERATIONS			
Net income (loss) for the period		2.206.255	1.611.460
ADJUSTMENTS:			
Post-employment obligations	21	325.124	414.550
Depreciation and amortization	13 and 15a	921.920	833.857
Expected credit losses	25c	202.456	177.071
Other provisions		(205.366)	285.451
Adjustment of assets in progress	12	10.601	(7.500)
Write-off of net residual value of unrecoverable Concession financial assets and Intangible assets	11a and 13b	63.384	81.943
Refunded of PIS/Pasep and Cofins over ICMS credits to customers - realization	24	(512.852)	(1.908.658)
Financial interest and inflation adjustment		907.366	464.185
Reversal of amounts to be refunded to consumers	17	(410.626)	-
Adjustment to expectation of contractual cash flow from the concession	11a	(104.417)	(149.238)
Amortization of transaction cost of loans	18	14.320	5.809
CVA (Parcel A Compensation) Account and Other Financial Components in tariff adjustment	24	(423.293)	213.038
Deferred income tax and social contribution tax	9	661.916	405.149
		3.656.788	**2.427.117**
(Increase) decrease in assets			
Receivables from customers, traders and concession holders		(533.663)	(979.539)
Recoverable taxes	8	(49.259)	(164.808)
Income tax and social contribution tax recoverable		(95.973)	35.185
Escrow deposits		25.894	36.452
Public lighting contribution		(36.497)	(53.444)
Others		(221.354)	(132.443)
		(910.852)	**(1.258.597)**
Increase (decrease) in liabilities			
Suppliers		(88.172)	88.003
Taxes payable		118.181	874.569
Payroll and related charges		(13.748)	(9.376)
Public lighting contribution		50.324	112.238
Regulatory charges		(50.919)	5.360
Post-employment obligations	21	(318.994)	(385.937)
Provisions	22	(210.264)	(147.892)
Employees’ and managers’ profit sharing		(36.437)	42.861
Accounts payable related to energy generated by consumers		469.626	249.380
Others		127.113	86.224
		46.710	**915.430**
Cash generated by operating activities		**2.792.646**	**2.083.950**
Interest paid on loans and debentures	18	(530.075)	(430.493)
Interest paid in leasing contracts	15b	(2.276)	(2.581)
Interest received		97.603	94.968
Income tax and social contribution tax paid		(243.575)	-
NET CASH FLOW FROM OPERATING ACTIVITIES		**2.114.323**	**1.745.844**
INVESTING ACTIVITIES			
Marketable securities		(7.444.109)	(2.675.077)
Marketable securities - redemption (cash investments)		7.288.387	2.953.120
Restricted cash		(184.527)	-
Intangible assets	13	(211.392)	(122.157)
Contract assets	12	(4.243.983)	(3.415.735)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**(4.795.624)**	**(3.259.849)**
FINANCING ACTIVITIES			
Loans, financial and debentures obtained, net	18	4.382.727	1.987.943
Leasing liabilities paid	15b	(54.198)	(53.830)
Payment of loans and debentures	18	(575.916)	(835.103)
Interest on capital and dividends paid	23d	(567.500)	(221.738)
Contribution for capital increase		-	644.000
NET CASH USED IN FINANCING ACTIVITIES		**3.185.113**	**1.521.272**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**503.812**	**7.267**
Cash and cash equivalents at the beginning of the year	**5**	447.967	440.700
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	**951.779**	**447.967**

The accompanying notes are an integral part of the financial statements.

CEMIG Distribuição S.A.

STATEMENTS OF ADDED VALUE

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of Brazilian Reais)

	2024	2023
VALUE ADDED PRODUCED BY THE COMPANY		
Sales of energy and services	33,161,974	29,651,519
Distribution construction revenue	4,378,611	3,600,374
Adjustment to expectation of reimbursement of distribution concession financial assets	104,417	149,238
Adjustment to estimated credit losses	(164,690)	(159,694)
	37,480,312	**33,241,437**
(-) INPUTS ACQUIRED FROM THIRD PARTIES		
Energy bought for resale	(12,161,300)	(10,284,923)
Charges for use of national grid	(3,698,167)	(3,379,555)
Outsourced services	(3,633,350)	(3,022,847)
Materials	(2,255,145)	(2,018,415)
Other costs	(381,312)	(803,947)
	(22,129,274)	**(19,509,687)**
GROSS VALUE ADDED	**15,351,038**	**13,731,750**
RETENTIONS		
Depreciation and amortization	(921,920)	(833,857)
NET ADDED VALUE PRODUCED BY THE COMPANY	**14,429,118**	**12,897,893**
ADDED VALUE RECEIVED BY TRANSFER		
Financial revenues	1,018,233	615,923
ADDED VALUE TO BE DISTRIBUTED	**15,447,351**	**13,513,816**
DISTRIBUTION OF ADDED VALUE		
Employees	**1,416,864**	**1,383,314**
Direct remuneration	858,844	816,948
Post-employment obligations and Other benefits	453,110	520,164
FGTS fund	48,442	46,202
Voluntary retirement program	56,468	-
Taxes	**10,743,049**	**9,612,241**
Federal	6,097,167	5,763,897
State	4,640,820	3,843,251
Municipal	5,062	5,093
Remuneration of external capital	**1,081,183**	**906,801**
Interest	1,078,167	899,396
Rentals	3,016	7,405
Remuneration of own capital	**2,206,255**	**1,611,460**
Interest on Equity	1,214,463	905,877
Retained earnings	991,792	705,583
	15,447,351	**13,513,816**

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED AS OF DECEMBER 31, 2024 AND 2023

(In thousands of Brazilian Reais, except where otherwise indicated)

1. OPERATING CONTEXT

Cemig Distribuição S,A, (‘Cemig D’, ‘Cemig Distribuição’ or ‘the Company’) is a Brazilian corporation registered for trading with the Brazilian Securities Commission (Comissão de Valores Mobiliários, or CVM), and in the Brazilian Register of Corporate Taxpayers (CNPJ) under No, 06,981,180/0001-16. A wholly-owned subsidiary of Companhia Energética de Minas Gerais - Cemig (‘Cemig’), it was incorporated on September 8, 2004, and began operating on January 1, 2005, pursuant to the separation of activities (‘unbundling’) of Cemig. Its shares are not traded on any exchange. It is domiciled in Brazil, with head office in Belo Horizonte city, Minas Gerais.

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

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

On December 31, 2024 the Company had negative net working capital (current assets less current liabilities) of R$1,626 million (R$1,574 million on December 31, 2023).

In 2024, Cemig D raised funds through the 10th and 11th series of debentures, totaling R$4,500,000, to carry out its investment program, such as the Distribution Development Plan (PDD), the Minas Trifásico Program, the More Energy Program, among others. Investments in operational assets are capitalized in non-current assets, impacting the calculation of the Current Capital Liquidity (CCL), which considers only the short term.

As a result of these operations, the average term of the debt maturity increased from 2.7 years on December 31, 2023, to 5.1 years on December 31, 2024.

Management monitors the Company’s cash flow, and for this purpose assesses measures to be taken to adjust the present situation of its financial assets and liabilities to levels that are appropriate to meet its needs. In addition, the Company has a history of positive operating cash flow and profitability.

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

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

2. CONCESSION

The Company operates the concession for the distribution of energy in the greater part of the State of Minas Gerais, which expires in December 2045.

According to the concession contract, all assets and facilities that are used in the provision of the distribution service and which have been created by the Company are considered revertible and part of the assets of the related concession. These assets are automatically reverted to the Grantor at the end of the contract and are then valued to determine the amount of the indemnity payable to the Company, subject to the amounts and the dates on which they were incorporated into the energy system.

The Company does not have obligations to make payment in compensation for commercial operation of the distribution concessions, but it has to comply with requirements related to quality, and investments made, in accordance with the concession contract.

The concession contracts and the Brazilian legislation establish a mechanism of maximum prices that allows for three types of adjustments to tariffs: (i) an annual tariff adjustment; (ii) periodic review of tariffs; and (iii) extraordinary reviews.

Each year the Cemig D has the right to request for the annual adjustment, the purpose of which is to be compensated the effects of inflation on the tariffs, and to allow for certain changes in costs that are outside the Cemig D's control to be passed through to customers - for example the cost of energy purchased for resale and sector charges including charges for the use of the transmission and distribution facilities.

Also, the regulator performs a periodic review of tariffs every five years, which aims to adjust due to changes in the Cemig D's costs, and to establish a factor based on scale gains, which will be applied in the annual tariff adjustments, for the purpose of sharing such gains with the Cemig D's customers.

The Company also has the right to request an extraordinary review of tariffs in the event that any unforeseen development significantly affects the economic-financial equilibrium of the concession. Periodic reviews and extraordinary reviews are subject to procedures of tariff review inspection and supervision by Aneel, specified by regulations prior to each review cycle.

Under the distribution concession contracts, the Company is authorized to charge customers a tariff consisting of two components: (i) A component related to costs of energy purchased for resale, charges for use of the transmission grid and charges for use of the distribution system that are not under its control ('Parcel A costs'); and (ii) a portion relating to operating costs ('Parcel B costs').

Fifth Amendment to concession contract

On December 21, 2015, Cemig D signed The Fifth Amendment to its concession contracts with the Mining and Energy Ministry extending its energy distribution concessions for an additional 30 years, starting January 1, 2016.

The principal characteristics and terms of the Amendment are as follows:

- The annual tariff adjustment will occur on May 28 of each year, according to the rules set for in Clause 6 of the Amendment will be applied;
- Limitation of in the distribution of dividends and/or payment of Interest on Equity to the minimum established by law, in the envent of non-compliance with the annual indicators for outages (DECi and FECi) for two consecutive years, or three times in a period of five years, until the regulatory parameters are restored;
- There is a requirement for injections of capital from the controlling shareholder in an amount sufficient to meet the minimum conditions for economic and financial sustainability;
- Requirement of compliance with efficiency criteria related to the continuity of supply and economic and financial management to maintain the concession, respecting the right to full defense and the adversary in case of non-compliance, being that any non-compliance for three consecutive years for the criteria of efficiency in the continuity of supply and two consecutive years for the criteria of efficiency in economic and financial management will result in the opening of a process of forfeiture of the concession.

Annual Tariff Adjustment

On May 21, 2024, Aneel ratified the result of the Annual Tariff Adjustment, to be in effect from May 28, 2024, to May 27, 2025, with average increase in tariff of 7.32% to be perceived by consumers connected at low voltage. For residential consumers connected to low voltage, the average impact was 6.70%.

Voltage level	Average effect for the consumer
Group A - High and medium voltage	8,63%
Group B - Low voltage	6,72%
Average increase	**7,32%**

This variation is due to the readjustment of cost items in ‘Parcel A’ and ‘B’, inclusion of new financial components to compensate for the subsequent 12 months; and removal of those that were in force in the previous cycle, in addition to the accumulated variation of the IPCA in the period from May 2023 to April 2024.

In the composition of the average effect, the variation in costs of Parcel A contributed 0.81%, the update of Parcel B was responsible for 1.27%, reflecting, among other factors, the accumulated variation of the IPCA of 3.69% from May 2023 to April 2024, and the financial components accounted for the remaining 5.24%.

3. BASIS OF PREPARATION

3.1. Statement of compliance

The financial statements have been prepared and are being presented in accordance with the accounting policies adopted in Brazil, which include the standards issued by the Brazilian Securities and Exchange Commission (CVM) and the pronouncements of the Accounting Pronouncements Committee (CPC) and in compliance with the International Financial Reporting Standards (IFRS) issued by the IASB.

The Company also uses the guidelines contained in the Brazilian Electricity Sector Accounting Manual ('MCSE') and the standards defined by Aneel, when these do not conflict with the pronouncements of the CPC or with International Financial Reporting Standards (IFRS).

The presentation of Value Added Statements (Demonstrações do Valor Adicionado - DVA) is required by Brazilian corporate law for publicly traded companies, Under IFRS, this statement is not required and is presented as supplementary information, without detriment to the financial statements as a whole.

The accounting information presented in this report is in line with CPC 07, meeting the disclosure requirements of relevant information that assist users in decision-making, which correspond to those used by Management in its administration.

The Company's Board of Directors authorized the issuance of these financial statements on March 20, 2025.

3.2. Basis of measurement

The financial statements were prepared on a historical cost basis, except in the case of certain financial instruments and assets as held for sale which are measured at fair value and fair value less costs to sell, in accordance with the standards applicable, as detailed in Note 28.

3.3. Functional currency and presentation currency

The financial statements is presented in Reais - R$, which is the functional currency of the Company. The information is expressed in thousands of Reais (R$'000), except when otherwise indicated.

Transactions in foreign currency, corresponding to those not carryied under the functional currency, were converted to Reais at the exchange rate as of the transaction date. Balances of monetary assets and liabilities denominated in foreign currency are translated to Reais at the exchange rates at the reporting date. Foreign exchange gains and losses resulting from updating assets and liabilities are recognized as finance income and cost in the statements of income.

3.4. Use of estimates and judgments

Preparation of the parent company and consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Future reported results may differ from these estimates.

Estimates and assumptions are annually reviewed, using as a reference both historical experience and any significant change in scenarios that could affect the Company's financial position or results of operations. Revisions in relation to accounting estimates are recognized in the period in which the estimates are reviewed, and in any future periods affected.

The main estimates and judgments related to the financial statements are described in the following explanatory notes:

- Note 7 - Consumers, traders and energy transport concession holders (expected credit losses and unbilled supply);
- Note 9 - Income tax and Social Contribution tax (recognition of deferred tax, availability of future taxable profit and uncertain tax treatments);
- Note 11 - Financial and sectoral assets and liabilities of concession (fair value measurement);
- Note 13 - Intangible assets (capitalization of expenses as infrastructure costs, useful life);
- Note 15 - Leases (measurement of the present value of the lease liabilities, considering the Company's intention to renew options; subsequent measurement of the right of use);
- Note 21 - Employee post-retirement liabilities (main assumptions in the measurement);
- Note 22 - Provisions (main assumptions about the probability and magnitude of the outflow of resources);
- Note 25 - Net revenue (unbilled supply);
- Note 28 - Financial instruments and risk management (fair value measurement),

3.5 Material accounting policies

The material accounting policies, detailed in the explanatory notes, have been consistently applied across all periods presented in these financial statements, except as described in explanatory note 3.6, which are standards that came into effect starting January 2024, and as described in explanatory note 3.7, which deals with standards issued but not yet effective. The adopted accounting policies comply with the standards and regulations described in explanatory note 3.1 Statement of Compliance.

3.6 New or revised accounting standards applied for the first time in 2024

The changes presented below became effective on January 1, 2024 and had no material impact on the Company's parent company and consolidated financial statements.

Rule	Main alterations
IAS 1 / CPC 26 - *Presentation of financial statements - Revision of classification of liabilities as current or non-current*	Clarifies that the classification of liabilities as current or non-current is based on the rights existing on the reporting date and specifies that the classification is not affected by expectations as to whether an entity will exercise its right to postpone the settlement of the liability. They explain that the rights exist if the restrictive clauses are complied with on the reporting date and introduce the definition of 'settlement' to clarify that settlement refers to the transfer to a counterparty of cash, equity instruments, other assets or services. These changes have no material impact on the consolidated financial statements.
IAS 1 / CPC 26 - *Presentation of financial statements*, IAS 7 / CPC 03 - *Statement of cash flows* and IFRS 7 / CPC 40 - *Financial instruments: Disclosure - Supplier finance arrangements ('Debtor risk')*	The changes introduce new disclosures related to supplier financing agreements ('debtor risk') that help users of the financial statements assess the effects of these agreements on an entity's liabilities and cash flows and on the entity's exposure to liquidity risk. To meet the purposes of disclosure, the entity must disclose, in full, for its supplier financing agreements: the terms and conditions of the agreements; the accounting amount; the corresponding lines in its balance sheet; the liabilities that are part of the agreements, and their accounting amounts, and corresponding lines for which suppliers have already received payment from those providing the financing; the ranges of payment due dates for financial liabilities that are part of a supplier financing agreement and accounts payable which are not part of a supplier financing agreement; and information on liquidity risk. These changes have no material impact on the consolidated financial statements.
IFRS 16 / CPC 06 - *Leases -* *Lease liability in a sale and leaseback*	This adds requirements for subsequent measurement for sale and leaseback transactions, which meet the requirements of IFRS 15/ CPC 47, for the purposes of accounting as a sale. The changes require the seller-lessee to determine 'lease payments' or 'revised lease payments' so that the seller-lessee does not recognize a gain or loss related to the right of use retained by the seller-lessee after the start date. The changes do not affect the gain or loss recognized by the seller-lessee related to the total or partial termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use which it retains solely due to the remeasurement of the lease liability (for example, after a modification or change of the lease within the lease term) that applies the general requirements in IFRS 16/ CPC 06. In particular this may have been the case in a retro-lease that includes variable lease payments that do not depend on an index or rate. The Company has no sale-and-leaseback operations.

3.7 Standards issued but not yet effective

The new standards and interpretations that have not come into force by the date of issuance of these Financial Statements are presented below. The Company will adopt them, if applicable, when they do come into force.

Rule	Main changes	Start of term
CPC 18 (R3)– Investments in Associates and Joint Ventures and the ICPC 09 – Separate Financial Statements, Individual Financial Statements, Consolidated Financial Statements, and the Application of the Equity Method	The amendment encompasses the application of the Equity Method for the measurement of investments in subsidiaries in the Individual Financial Statements, reflecting changes in international standards that now permit this practice in Separate Financial Statements. This convergence aligns Brazilian accounting practices with international standards, without resulting in material impacts under the currently applicable standard, focusing solely on editorial adjustments and the update of normative references. ICPC 09, in turn, does not have a direct equivalent under IASB standards; its amendments were solely intended to align its wording with updates issued after its original publication. The Company does not expect any impacts on its Financial Statements as a result of this amendment.	Jan. 1, 2025
IFRS 9 and IFRS 7 – Classification and measurement of financial instruments	The changes clarify how financial assets and liabilities with ESG and similar characteristics should be classified. The standard introduces an additional test, SPPI (Solely payments of principal and interest) for financial assets and liabilities with contingent characteristics, since these aspects may affect whether the measurement will be at amortized cost or at fair value. The SPPI test is a condition precedent for classification at amortized cost. The changes also provide an exception relating to the moment when a financial liability should be de-recognized as a result of an electronic financial settlement. An accounting policy option was inserted to allow the company to de-recognize a financial asset before the date of financial settlement, provided that the specific criteria in the standard are met. Also, additional disclosure requirements were inserted to increase transparency for investors in relation to investments in equity instruments measured at fair value through Other comprehensive income, and financial instruments with contingent characteristics, such as those linked to ESG targets. The Company does not expect the change to result in any impacts on its consolidated Financial Statements.	Jan. 1, 2026
IFRS 18 – Presentation and disclosure of financial statements	IFRS 18 will replace CPC 26/IAS 1 and introduce new requirements for presentation of the income statement for the period, including specified totals and subtotals. Entities are required to classify all revenues and expenses in one of five categories: Operational, Investment, Financing, Income taxes, and Discontinued operations – the first three are newly-created categories. The standard requires disclosure of measures of performance defined by the management, and subtotals of revenues and expenses, and includes new requirements for aggregation and disaggregation of financial information based on identified “functions” of the primary financial statements and the explanatory notes. Alterations with restricted scope were made to IAS 7 (equivalent to CPC 03 (R2) - Statement of Cash Flows), which include change of the starting point for determining cash flows from operations by the indirect method from “income or loss in the period” to “operational income or loss”, and removal of the optionality in classification of cash flows of dividends and interest. There are consequent changes in several other standards. IFRS 18 will be applied with backdated effect. The Company is in the process of assessing the impacts of these new standards, especially in relation to the structure of the Statement of income and the disclosures of measures of performance.	Jan. 1, 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	This standard will allow certain subsidiaries to opt to apply its reduced requirements for disclosure. The requirements for recognition, measurement and presentation stated in other IFRS accounting standards continue to apply. To be eligible, at the end of the reporting period the subsidiary entity must not have any public accountability and must have a parent company (final or intermediate) that prepares consolidated financial statements, available for public use, in accordance with the IFRS accounting standards. The Company does not expect any impacts on its Consolidated Financial Statements arising from this alteration.	Jan. 1, 2027

In relation to the standards under discussion at the IASB or with an effective date set for a future year, the Company is following the discussions and, so far, has not identified significant impacts.

4. INFORMATION BY OPERATIONAL SEGMENT

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances in bank current accounts and highly liquid short-term investments, subject to an insignificant risk of change in value, held to meet the Company's short-term cash management.

	Indexer	Average rate per year		Dec, 31, 2024	Dec, 31, 2023
		Dec, 31, 2024	Dec, 31, 2023		
Bank accounts				227,011	183,361
Cash equivalents					
Bank certificates of deposit (CDBs)(1)	CDI	80.0% a 111.0%	80.0% a 112.0%	672,042	263,957
Automated applications – Overnight(2)	Pre-fixed	11.91% a 12.15%	11.42% a 11.65%	52,726	649
				724,768	**264,606**
				951,779	**447,967**

(1) For these Bank Certificates of Deposit (*Certificados de Depósito Bancário*, or CBDs) 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. Their purpose is to settle the short-term obligations of the Company and its subsidiaries, or to be used in the acquisition of other assets with better return to replenish the portfolio.

Note 28 to these interim financial information gives: (i) the Company's exposure to interest rate risk; (ii) a sensitivity analysis for financial assets and liabilities; and (iii) material accounting practices. Financial investments in a reserved investment fund are shown in note 27.

6. MARKETABLE SECURITIES

	Indexer	Average rate per year		Dec, 31, 2024	Dec, 31, 2023
		Dec, 31, 2024	Dec, 31, 2023		
Bank certificates of deposit	CDI	-	103% a 104.3%	-	136
Financial Notes (LFs) - banks	CDI	104.2% a 112.00%	108.6% a 111.98%	137,125	878
Treasury Financial Notes (LFTs)	T. Selic	12.41% a 12.45%	11.83% a 11.85%	23,983	396
Others				1,979	1,371
				163,087	**2,781**
Current asset				**118,511**	**2,781**
Non-current asset				**44,576**	**-**

The material accounting policies and classification of these securities are shown in note 28. Investments in marketable securities of related parties are shown in Note 27.

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

7. CONSUMERS, TRADERS, AND POWER TRANSPORT CONCESSION HOLDERS

Customer type	Balances not yet due		Balances past due			Total	
	Billed energy	Not yet billed energy	Up to 90 days	91 to 360 days	More than 360 days	Dec, 31, 2024	Dec, 31, 2023
Residential	1,189,217	416,040	288,060	291,487	352,478	2,537,282	2,284,696
Industrial	54,894	59,132	17,888	20,713	140,637	293,264	268,200
Commercial, services and others	363,411	195,162	68,315	93,557	235,692	956,137	965,483
Rural	153,568	78,538	35,138	38,357	50,003	355,604	406,461
Public authorities	73,983	51,080	9,440	4,521	11,224	150,248	147,071
Public lighting	49,497	774	1,911	245	234	52,661	49,584
Public services	29,785	34,806	5,822	4,590	27,869	102,872	138,802
Subtotal - customers	**1,914,355**	**835,532**	**426,574**	**453,470**	**818,137**	**4,448,068**	**4,260,297**
Concession holders - Transport of energy	97,578	336,262	40,373	15,780	40,469	530,462	452,443
Energy in spot market - supply	52,649	-	54,361	-	2,134	109,144	33,759
Provision for expected credit losses	(140,053)	(12,409)	(43,411)	(97,460)	(467,125)	(760,458)	(788,256)
	1,924,529	**1,159,385**	**477,897**	**371,790**	**393,615**	**4,327,216**	**3,958,243**
Current							
Receivables from customers, traders and concession holders						**3,849,309**	**3,545,064**
Concession holders - Transport of energy						**439,026**	**374,362**
Non-current							
Concession holders - Transport of energy						**38,881**	**38,817**

The Company exposure to credit risk related to customers and traders is provided in Note 28 of these financial statements. The transactions involving related parties is provided in Note 27 of these financial statements.

Breakdown and changes in the provision for expected credit losses (ECL)

The process of reviewing the calculation assumptions for the Expected Credit Loss (ECL) is ongoing, with the objective of achieving the most accurate estimate of credit risk exposure related to Cemig D's captive customers.

In an analysis conducted by Cemig D, a shift in the delinquency curve behavior was identified, reflecting the positive effects of the Cemig D's credit collection management. These improvements are primarily attributed to the advancement of collection tools and the implementation of new negotiation and payment channels.

Therefore, to more accurately reflect the ECL estimates related to past-due customer balances, as of August 2024, the recognition threshold was revised from 24 to 36 months for regular customers, and from 12 to 18 months for irregular customers. This change resulted in a reversal of R$93,035 in the third quarter of 2024.

As this constitutes a change in accounting estimate, it represents a prospective adjustment to the Financial Statements.

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

	Dec, 31, 2024	Dec, 31, 2023
Residential	327,558	318,772
Industrial	106,832	117,450
Commercial, services and others	197,154	219,451
Rural	35,186	38,304
Public authorities	19,480	26,474
Public lighting	904	1,404
Public services	20,786	27,137
Charges for use of the network (TUSD)	52,558	39,264
	760,458	**788,256**

Changes in the expected credit losses are as follows:

Balance on December 31, 2022	**758,857**
Additions, net	159,694
Amounts written off	(130,295)
Change in estimation criteria	**788,256**
Balance on December 31, 2023	257,725
Additions, net (Note 26)	(93,035)
Amounts written off	(192,488)
Balance on December 31, 2024	**760,458**

Accounting policy

Accounts receivable from customers, traders and power transport concession holders are initially recognized at the sales value of the energy supplied or the value of the gas supplied and are measured at amortized cost. These receivables are stated with the amount of sales tax included, net of the taxes withheld by the payers, which are recognized as recoverable taxes.

Estimations and judgments

Expected credit losses

The adjustment for expected credit losses is recorded based on policies approved by Management and adhering to international accounting standards (IFRS 9 / CPC 48).

For captive customers, the Cemig D adopts in its analysis a simplified approach, considering that the balances of its Accounts Receivable do not have significant financing components and estimates the expected loss considering the average history of non-collection over the total amount billed in each month, based on 36 months of billing, for consumer with regular consumption; and 18 months for consumer with irregular consumption, segregated by consumer class and projected for the next 12 months considering the age of maturity of the invoices, including those not yet due and unbilled.

The expected losses for overdue accounts of customers that renegotiated their debt is measured based on the maturity date of the original invoice, despite the new terms negotiated. Expected losses are fully recognized for accounts overdue for more than 36 months.

A different rule is adopted for amounts of billing receivable from consumers with an irregular of debits, since by nature they are more difficult to collect. The analysis is individualized: a level of solvency for the consumer is calculated internally and weighted in the measurement of the risk of loss.

For unbilled securities, due and/or past due in less than 12 months, provisions for expected credit losses are measured, based on potential default events, or expected credit losses for the entire life of the financial instrument, if the credit risk has increased significantly since its initial recognition.

We adopted a differentiated rule for the amounts to be received from billing of irregular debits, due to their representing greater difficulty in collection. The analysis is individualized; a level of solvency for the client is calculated internally and weighted in the measurement of the risk of loss.

In the case of estimating ECL and recognizing the default of large consumers, the study is judgmental (individualized analysis), taking into account: the history of the debt, existing guarantees, ongoing initiatives to collect the credits and, in some cases, the concept of credit bureaus.

8. RECOVERABLE TAXES

	Dec, 31, 2024	Dec, 31, 2023
Current		
ICMS (VAT)	434,409	424,743
Cofins (a)	2,210	103,373
PIS/Pasep (a)	-	21,984
Others	414	372
	437,033	**550,472**
Non-current		
ICMS (VAT)	778,993	666,452
Cofins (a)	19,715	26,287
PIS/Pasep (a)	4,281	5,707
	802,989	**698,446**
	1,240,022	**1,248,918**

a) ICMS (VAT)

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

b) Pis/Pasep and Cofins taxes credits over ICMS

In May 2019, the Company recorded PIS/Pasep and Cofins credits related to the amounts paid for these contributions on ICMS from July 2003 to May 2019.

In the fiscal year 2024, PIS/Pasep and Cofins credits on ICMS were offset against federal taxes payable in the amount of R$136,332 (R$1,298,404 in the fiscal year 2023).

The credit offset is a non-cash transaction and, therefore, is not reflected in the Statements of Cash Flows.

Regarding the PIS/Pasep and Cofins credits on ICMS updated by the Selic rate until the date of their effective offset, the offset of the receivable balance with the payable amounts was completed monthly with other federal taxes at the beginning of 2024. The remaining balance is awaiting approval for refund by the Federal Government.

In this context, the Company still has a balance of R$23,995 recorded in non-current assets as of December 31, 2024.

9. INCOME TAX AND SOCIAL CONTRIBUTION TAX

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.

	Dec, 31, 2024	Dec, 31, 2023
Non-current		
Income tax	140,272	66,297
Social contribution tax	**50,307**	**46,825**
	190,579	**113,122**

Workers' Food Program (*Programa de Alimentação do Trabalhador, or 'PAT'*)

The Company won a legal action, against which there is no further appeal, requesting the right to deduct from corporate income tax costs and expenses incurred on the Workers' Food Program, up to a limit of 4% of tax payable, without being subject to limitations set by certain regulations in force at the time. The Company also requested recognition of the right to be reimbursed amounts paid in excess in the years 2004–2008, with monetary updating by the Selic rate.

As a result of the judgment, a recoverable total of R$53,466 was recognized, based on the best estimate, in June 2024 as Income tax recoverable, at non-current assets, with counterpart in Income tax and in Finance revenue (expenses). After the definitive calculation, this amount represents R$63,330 on December 31, 2024.

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 Income method and have opted to make monthly payments based on estimated revenue.

	Dec, 31, 2024	Dec, 31, 2023
Current		
Income tax	46,717	54,130
Social contribution tax	24,984	26,758
	71,701	**80,888**

c) Deferred income tax and social contribution tax

The Company has deferred taxed assets from unused tax loss carryforwards, negative base for the Social Contribution tax, and deductible temporary differences, at the statutory rates applicable to each legal entity in Brazil of 25% (for Income tax) and 9% (for the Social Contribution tax), The breakdown and changes in deferred tax assets and liabilities are as follows:

Temporary differences of income tax and social contribution tax	Balance on Dec. 31, 2023	Statements of Income	Statements of Added Value	Balance on Dec. 31, 2024
Deferred tax assets				
Tax loss / negative basis	219,698	(151,680)	-	68,018
Post-employment obligations	1,205,936	248,958	(251,504)	1,203,390
Expected credit losses	311,275	1,187	-	312,462
Impairment	19,685	3,563	-	23,248
Provisions	521,614	(421,887)	-	99,727
Administrative tax	4,125	(375)	-	3,750
Provision for profit shares	32,346	(12,389)	-	19,957
Right of use	97,420	(3,928)	-	93,492
Others	4,357	(76)	-	4,281
	2,416,456	**(336,627)**	**(251,504)**	**1,828,325**
Deferred tax liabilities				
Accelerated depreciation and amortization	(97)	8	-	(89)
Adjustment to expectation of cash flow - Concession assets	(254,145)	(26,490)	-	(280,635)
Borrowing costs capitalized	(181,992)	(16,766)	-	(198,758)
Funding cost	(7,549)	(35,004)	-	(42,553)
Lease liabilities	(88,280)	5,638	-	(82,642)
Others	(229)	229	-	-
	(532,292)	**(72,385)**	**-**	**(604,677)**
Total net assets presented in the balance sheet	**1,884,164**	**(409,012)**	**(251,504)**	**1,223,648**

Temporary differences of income tax and social contribution tax	Balance on Dec, 31, 2022	Statements of Income	Statements of Added Value	Balance on Dec, 31, 2023
Deferred tax assets				
Tax loss / negative basis	-	219,698	-	219,698
Post-employment obligations	1,238,981	49,414	(82,459)	1,205,936
Expected credit losses	295,384	15,891	-	311,275
Impairment	22,271	(2,586)	-	19,685
Provision related to the exclusion of ICMS from the PIS/Pasep and Cofins calculation basis (1)	523,338	(523,338)	-	-
Provisions	396,213	125,401	-	521,614
Administrative tax	4,500	(375)	-	4,125
Provision for profit shares	17,773	14,573	-	32,346
Right of use	88,357	9,063	-	97,420
Others	1,890	2,467	-	4,357
	2,588,707	**(89,792)**	**(82,459)**	**2,416,456**
Deferred tax liabilities		-	-	
Accelerated depreciation and amortization	-	(97)	-	(97)
Adjustment to expectation of cash flow - Concession assets	(212,326)	(41,819)	-	(254,145)
Borrowing costs capitalized	(169,801)	(12,191)	-	(181,992)
Funding cost	(5,425)	(2,124)	-	(7,549)
Lease liabilities	(81,661)	(6,619)	-	(88,280)
Others	-	(229)	-	(229)
	(469,213)	**(63,079)**	**-**	**(532,292)**
Total net assets presented in the balance sheet	**2,119,494**	**(152,871)**	**(82,459)**	**1,884,164**

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

The estimates of future taxable income, which serve as the basis for the analysis of the realization of net deferred tax assets, are based on annual and long-term budgets, both of which are periodically reviewed, as well as on the company's income history. However, actual future taxable income may be higher or lower than the estimates considered by Management when determining the need to recognize the amount of deferred tax assets. The manner of realization of deferred tax assets and liabilities is presented as follows:

Post-employment benefits: realized as payments are made or reversed due to new actuarial estimates or other new events.

Provisions for contingencies: realized as administrative or judicial decisions are issued regarding the matters under litigation, or if the risk classification of the respective lawsuits is revised.

Provisions for income sharing and performance bonuses: reversed as payments are made or estimates are revised based on the company's actual results and corporate targets.

Operational provisions: include provisions for losses on investments accounted for using the equity method, and the related deferred taxes will be reversed upon realization of the respective investments.

Impairment losses on assets: reversed upon realization of the related assets, either through amortization or depreciation, or through sale.

Expected credit losses: realized as the credits become deductible under the tax deductibility rules or as the related provision is reversed.

Tax loss carryforwards and negative CSLL bases: realized through offsetting against future taxable profits of the Company, in accordance with the criteria established by tax legislation.

Concession contracts and similar arrangements: realized over the term of the contract, as the expected revenues are received.

Leases accounted for under IFRS 16/ CPC 06 and other items: realized as the amounts become deductible or taxable under tax legislation or through the reversal of the recorded amounts.

According to the Company's estimates, future taxable profits allow for the realization of the deferred tax asset existing as of December 31, 2024, as detailed below:

2025	328,445
2026	240,470
2027	240,470
2028	240,470
2029	240,470
2030	107,600
2031 A 2034	430,400
	1,828,325

On December 31, 2024 and 2023, there are no unrecognized temporary differences in tax losses and negative bases, as there is probable certainty that sufficient future income will be generated to realize these assets.

Uncertainties in the treatment of taxes on income

In its Financial Statements of December 31, 2024 and 2023, the Company did not recognize any amounts related to uncertainties over tax treatment of income.

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 (expense recovery) in the statement of income:

	2024	2023
Profit before income tax and social contribution tax	2,868,171	2,016,609
Nominal rate	34,00%	34,00%
Income tax and social contribution tax - nominal expense	**(975,178)**	**(685,647)**
Tax effects applicable to:	-	-
Interest on equity and dividends declared	252,360	227,000
Tax incentives	60,779	36,568
Non-deductible contributions and donations	(4,880)	(4,860)
ECF adjustments from previous fiscal years	3,890	25,209
Non-deductible penalties	(41,261)	(92,887)
Selic rate on tax overpayments (1)	14,917	82,578
"PAT"	24,549	-
Others	2,908	6,890
	(661,916)	**(405,149)**
Effective rate	23,08%	20,09%
Current tax	**(252,904)**	**(252,278)**
Deferred tax	**(409,012)**	**(152,871)**

1. Corresponds to the monetary update of PIS/Pasep and Cofins credits on ICMS and ICMS Highlighted vs. Collected.

Accounting policy

The income tax and social contribution tax expenses represents the total amount of current and deferred taxes, which are presented separately in the financial statements. The Cemig is subject to the regular tax regime 'Lucro Real'.

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

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

Current

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

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

Deferred

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

Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with, in line with CPC 07/ IAS 20.

The Cemig D have ventures in an area incentivized by Sudene area, which result in the recognition of its right to a 75% reduction in income tax, as well as an additional 30% reduction on the remaining IRPJ amount, due to the reinvestment benefit.

Such tax incentives, in the form of exemption or reduction of income tax, comply with the concept of government grants and are recognized as income on a systematic basis over the periods that the related income tax expense for which it is intended to compensate, is recorded.

Given the legal restriction on the distribution of net income corresponding to the tax incentive, the Company maintains the amount related to the incentive granted in the tax incentive reserve. For more details, see note 23.

Estimations and judgments

Deferred taxes

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

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

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

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

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

Uncertainties on the treatment of taxes on profit

The uncertainties about the treatment of taxes on profit represent the risks that the tax authority may not accept a given tax treatment applied by the Company. The Company estimates the probability of the tax authority accepting the uncertain tax treatment based on technical assessments of its legal advisors, taking into account case law precedents applicable to the current tax legislation.

10. ESCROW DEPOSITS

	Dec, 31, 2024	Dec, 31, 2023
Labor claims	**167,243**	**173,400**
Tax contingencies		
Income tax on Interest on Equity	13,438	12,849
Income tax and Social Security contribution on 'Anuênio' employee indemnity	237,761	228,737
JCP in the Income tax and Social Security contribution calculation base	87,980	81,894
IRPJ/CSLL tax	36,441	34,231
Others	64,499	59,175
	440,119	**416,886**
Others		
Regulatory	35,001	33,339
Third party	5,952	8,546
Customer relations	5,960	4,725
Court embargo	19,932	20,259
Patrimonial	5,968	5,078
Others	**72,813**	**71,947**
	680,175	**662,233**
	167,243	**173,400**

11. CONCESSION FINANCIAL AND SECTOR ASSETS AND LIABILITIES

FINANCIAL AND SECTORIAL CONCESSION ASSETS	Dec, 31, 2024	Dec, 31, 2023
Sector financial assets		
Financial assets related to infrastructure (a)	2,714,876	1,881,509
CVA (Parcel A Compensation) Account and Other Financial Components in tariff-setting (b)	1,295,625	805,571
	4,010,501	**2,687,080**
Sector financial liabilities		
CVA (Parcel A Compensation) Account and Other Financial Components in tariff-setting (b)	(16,470)	-
	(16,470)	**-**
Current asset	**859,597**	**493,934**
Non-current asset	**3,150,904**	**2,193,146**
Current liabilities	**(16,470)**	**-**

a) Financial assets related to infrastructure

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

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

Balance on December 31, 2022	**1,369,652**
Transfers of contract assets (Note 12)	363,838
Disposals	(1,219)
Adjustment of expectation of cash flow from the concession financial assets (Note 24)	149,238
Balance on December 31, 2023	**1,881,509**
Transfers of contract assets (Note 12)	730,977
Disposals	(2,027)
Adjustment of expectation of cash flow from the concession financial assets (Note 24)	104,417
Balance on December 31, 2024	**2,714,876**

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

Sector financial assets and liabilities refer to the differences between: (i) the non-manageable costs expected by Aneel and recognized in the tariff at the beginning of the tariff period, and (ii) the non-manageable costs actually incurred over the period of validity of the tariff. These differences constitute a right, when the costs actually incurred are higher than the costs forecast in the tariff calculation; and a liability when the costs incurred are lower than the expected costs. The variations found are inflation-adjusted, based on the Selic rate, and compensated in the subsequent tariff adjustments.

The amendment to the concession contract guarantees the compensation of the remaining balances (assets or liabilities) arising from any insufficiency of receipts or reimbursement by the tariff due to the termination of the concession for any reason.

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.

Sector financial assets	Balances at December 31, 2023	Additions	Amortization	Remuneration	Transfers	Balances at December 31, 2024	Amortization amounts	New amounts posted	Current	Non-current
Sector financial asset										
CVA asset amounts	**(683,839)**	**1,581,315**	**(1,652,602)**	**168,883**	**727,181**	**140,938**	**-**	**140,938**	**76,474**	**64,464**
Acquisition of power (CVA - supply)	(1,108,220)	1,271,066	(951,877)	112,598	997,024	320,591	-	320,591	182,767	137,824
Cost of power from Itaipu	28,839	-	(151,110)	1,601	42,217	(78,453)	-	(78,453)	(46,418)	(32,035)
Proinfa	(19,738)	6,253	-	40	19,738	6,293	-	6,293	3,724	2,569
Transport on national grid	412,968	305,129	(380,662)	37,849	(125,712)	249,572	-	249,572	147,663	101,909
Transport of Itaipu supply	67,087	18,005	(57,941)	6,273	(37,425)	(4,001)	-	(4,001)	(2,367)	(1,634)
ESS	(62,009)	(42,042)	(96,671)	10,644	(31,433)	(221,511)	-	(221,511)	(131,060)	(90,451)
CDE	(2,766)	22,904	(14,341)	(122)	(137,228)	(131,553)	-	(131,553)	(77,835)	(53,718)
Other sector financial assets	**1,489,410**	**1,090,262**	**(1,430,591)**	**128,358**	**(122,752)**	**1,154,687**	**-**	**1,154,687**	**783,123**	**371,564**
Nuclear energy quota	138,284	105,369	(121,327)	14,431	(47,300)	89,457	-	89,457	52,929	36,528
Neutrality of Portion A	28,647	141,904	(101,093)	7,565	12,842	89,865	-	89,865	53,170	36,695
Estimated neutrality on GD credits	357,634	296,160	-	39,049	-	692,843	-	692,843	692,843	-
Overcontracting of supply	921,900	527,081	(774,440)	36,678	(304,071)	407,148	-	407,148	240,896	166,252
Tariff repayments	(87,736)	-	-	-	16,061	(71,675)	-	(71,675)	(48,110)	(23,565)
Other	130,681	19,748	(433,731)	30,635	199,716	(52,951)	-	(52,951)	(208,605)	155,654
Total sector financial assets	**805,571**	**2,671,577**	**(3,083,193)**	**297,241**	**604,429**	**1,295,625**	**-**	**1,295,625**	**859,597**	**436,028**
Sector financial liabilities										
CVA liability amounts	**-**	**(1,489,544)**	**2,286,716**	**(208,930)**	**(727,181)**	**(138,939)**	**(138,939)**	**-**	**(138,939)**	**-**
Acquisition of power (CVA - supply)	-	(997,543)	1,860,968	(192,913)	(997,024)	(326,512)	(326,512)	-	(326,512)	-
Cost of power from Itaipu	-	(112,511)	97,165	(15,460)	(42,217)	(73,023)	(73,023)	-	(73,023)	-
Proinfa	-	(18,211)	30,407	(1,889)	(19,738)	(9,431)	(9,431)	-	(9,431)	-
Transport on national grid	-	-	29,576	-	125,712	155,288	155,288	-	155,288	-
Transport of Itaipu supply	-	(4,687)	292	686	37,425	33,716	33,716	-	33,716	-
ESS	-	(224,156)	266,165	(2,115)	31,433	71,327	71,327	-	71,327	-
CDE	-	(132,436)	2,143	2,761	137,228	9,696	9,696	-	9,696	-
Other sector financial liabilities	**-**	**(716,894)**	**754,631**	**(33,016)**	**117,748**	**122,469**	**122,469**	**-**	**122,469**	**-**
Neutrality of Portion A	-	(33,284)	82,038	(1,863)	(12,842)	34,049	34,049	-	34,049	-
Tariff repayments	-	(99,919)	87,509	(2,752)	(16,061)	(31,223)	(31,223)	-	(31,223)	-
Other	-	(583,691)	585,084	(28,401)	146,651	119,643	119,643	-	119,643	-
Total, sector financial liabilities	**-**	**(2,206,438)**	**3,041,347**	**(241,946)**	**(609,433)**	**(16,470)**	**(16,470)**	**-**	**(16,470)**	**-**
Total, sector net financial assets and liabilities	**805,571**	**465,139**	**(41,846)**	**55,295**	**(5,004)**	**1,279,155**	**(16,470)**	**1,295,625**	**843,127**	**436,028**

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Accounting policy

Assets related to the concession

The portion of the infrastructure to be amortized during the concession period is recorded as an intangible asset, as provided for in ICPC 01 (R1) / IFRIC 12 - Concession contracts, and subsequently measured at cost less amortization.

The portion of the value of the assets which will not be fully amortized by the end of the concession is reported as a financial asset because it is an unconditional right to receive cash or another financial asset directly from the grantor.

CVA and other financial components

As established in the amendment to the concession contract, there is a guarantee that in the event of termination of the concession contract, for any reason, the remaining balances (assets and liabilities) of any shortfall in payment or reimbursement through the tariff must also be paid by the grantor. The balances on (i) the CVA (*Compensation for Variation of Parcel A items*) Account, (ii) the account for Neutrality of Sector Charges and (iii) *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.

Estimates and judgments

Assets related to the concession

The amortization rates reflect the expected pattern of their consumption and are measured based on the asset carrying amount using the straight-line method, using the rates based on the expected useful life of the energy distribution assets, that are used by the Regulator during the tariff process.

The part of the value of the assets that will not be completely amortized by the end of the concession agreement period is reported as a Financial asset, since it is an unconditional right to receive cash or other financial asset directly from the concession-granting power. This component is valued on the basis of New replacement cost, which is equivalent to fair value – having as a reference the amounts approved by Aneel for the remuneration base of assets in tariff review processes. The amounts added after the Periodic Tariff Review process are estimated, and may be altered, for purposes of decision on compensation payable at the end of the concession.

The calculations made are in line with the regulations in force. If the concession is terminated, for any reason, the remaining balances of these assets or liabilities that have not been passed through to the tariff are to be included in the basis for compensation at the end of the concession.

12. CONTRACTUAL ASSETS

Changes in concession contract assets are as follows:

Balance on December 31, 2022	**1,849,852**
Additions	3,478,217
Transfers to financial assets (Note 11A)	(363,838)
Transfers to intangible assets (Note 13)	(1,540,861)
Adjustment of assets in progress (1)	7,500
Balance on December 31, 2023	**3,430,870**
Additions (2)	4,167,219
Transfers to financial assets (Note 11A)	(730,977)
Transfers to intangible assets (Note 13)	(2,435,182)
Adjustment of assets in progress (1)	(10,601)
Balance on December 31, 2024	**4,421,329**

(1) This refers to posting or reversal of provisions made for losses in relation to contractual assets in progress (canceled works).
(2) The higher volume of additions in the distribution segment reflects greater investments made, in line with the investment program of Cemig D.

The additions in 2024, totaling R$4,167,219, include an amount of R$76,764 (R$62,482 in 2023) under the heading Capitalized borrowing costs, as presented in Note 18. The rate used to determine the amount of borrowing costs able to be capitalized was 11,13% (12,25% in 2023). The company has not identified any signs of impairment of its contract assets.

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

The nature of additions to contract assets is presented in note no. 25b. The additions are represented in 'Revenue from distribution infrastructure construction' in explanatory note 24.

Accounting policy

The assets related to the infrastructure of the concession still under construction are initially recorded as contract assets, considering the Company's right to charge for services rendered to consumers or receive an indemnity at the end of the concession for assets not yet amortized. Under IFRS 15 / CPC 47 - Revenue from contracts with customers, assets recognized in counterpart to concession infrastructure revenue for assets still under construction are posted initially as contract assets, measured at acquisition cost, including borrowing costs. After the assets start operation, the performance obligation related to construction having been concluded, the assets are split between financial assets and intangible assets.

Once the assets are put into operation, the completion of the performance obligation linked to the construction is evidenced, and the assets are then bifurcated between the financial asset of the concession and the intangible asset. Assets amortized within the period of the concession are classified as Intangible assets. The portion of assets not amortized within the concession period, which will be subject to compensation at the end of the concession, is classified in Financial assets.

13. INTANGIBLE ASSETS

The portion of the distribution infrastructure that will be fully used during the concession is recorded in intangible assets. Assets linked to the concession's infrastructure that are still under construction are posted initially as contract assets, as detailed in Note 12 of these financial statements.

a) Balance composition

	Dec, 31, 2024			Dec, 31, 2023		
	Historic cost	Accumulated amortization	Amount, net	Historic cost	Accumulated amortization	Amount, net
Assets of concession	**30,315,922**	**(12,879,604)**	**17,436,318**	**27,525,998**	**(11,928,214)**	**15,597,784**
(-) 'Special obligations' (Note 14)	(6,177,716)	2,250,413	(3,927,303)	(5,690,916)	2,019,803	(3,671,113)
Net concession assets	**24,138,206**	**(10,629,191)**	**13,509,015**	**21,835,082**	**(9,908,411)**	**11,926,671**
Intangible assets in progress	294,934	-	294,934	172,719	-	172,719
Total intangible assets	**24,433,140**	**(10,629,191)**	**13,803,949**	**22,007,801**	**(9,908,411)**	**12,099,390**

b) Changes in intangible assets

Balance on December 31, 2022	**11,314,918**
Additions	122,157
Disposals	(80,724)
Transfers of contract assets (Note 12)	1,540,861
Amortization	(797,822)
Balance on December 31, 2023	**12,099,390**
Additions (1)	211,392
Disposals	(61,357)
Transfers of contract assets (Note 12)	2,435,182
Amortization	(880,658)
Balance on December 31, 2024	**13,803,949**

1. Additions to intangible assets are primarily related to the acquisition of software.

Among the additions made in the 2024 fiscal year, there were no movements in terms of financial charges.

The main annual amortization rates, which consider the expected useful life of the assets, reflect the expected consumption pattern of these assets and are reviewed annually by management, as presented below:

Distribution	(%)	Administration	(%)
System cable - below 69 KV	6,67	Software	20,00
System cable - below 69 KV	3,57	Vehicles	14,29
Structure - Posts	3,57	General equipment	6,25
Overhead distribution transformer	4,00	Buildings	3,33
Circuit breaker - up to 69 kV	3,03		
Capacitor bank - up to 69 kV	6,67		
Voltage regulator - up to 69 kV	4,35		
Eletronic meder	7,69		

The average annual and amortization rate of assets linked to the distribution concession is 3,91%, which is represents by activity as follows:

Distribution	Administration
3,91%	15,48%

Under the regulations of the energy segment, property, plant and equipment used in the distribution concession are linked to these services, and cannot be withdrawn, disposed of, assigned or provided in guarantee without the prior express authorization of the Grantor. The nature of the additions to Intangible assets is given in Note 25b. The additions are shown in Distribution infrastructure construction revenue in Note 24.

Accounting policy

The portion of the concession assets that will be fully amortized during the concession is classified as an intangible asset and amortized over the term of the concession contract, as provided for in ICPC 01 (R1) / IFRIC 12 - Concession Contract.

The Company's intangible assets mainly comprise the assets relating to the service concession contracts described above and software.

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

Estimates and judgments

The amortization of these concession assets reflects the pattern of consumption of the rights acquired, It is calculated on the balance of the assets linked to the concession, by the straight-line method, based on the application of rates that consider the expected useful life of the electricity distribution assets. These rates are taken into consideration by the regulator during the process of tariff review.

Intangible assets are measured at total acquisition cost, less expenses of amortization, and any accumulated impairments when applicable.

Impairment

For assets with a defined useful life, management assesses at the end of each reporting period whether there have been events or changes in the economic, operational, or technological circumstances of its assets or Cash-Generating Units (CGUs) that may indicate impairment or loss of their recoverable amount. The Company considers distribution assets as a single cash-generating unit.

If there are indications of impairment, the Company estimates the recoverable amount of the asset or CGU, and if the net carrying amount exceeds the recoverable amount, an impairment loss is recognized by adjusting the net carrying amount to the recoverable amount. In this case, the recoverable amount of an asset or a specific cash-generating unit is defined as the higher of its value in use and its net selling price.

14. SPECIAL OBLIGATIONS

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

These obligations linked to concession break down as follows:

Obligations Linked to the Concession	Dec, 31, 2024	Dec, 31, 2023
Customer Financial Participation (1)	(5,773,902)	(5,283,276)
Participation of the Union, States and Municipalities (2)	(729,548)	(637,219)
Universalization of the Public Electricity Service	(4,071)	(306,080)
Others, Exceeding Demand and Surplus Reactives	(95,552)	(356,225)
Engergy Efficiency Program (PEE)	(12,290)	(95,552)
Donations and Grants For Investments in the Service Granted	(306,080)	(4,071)
Research and Development	(396,883)	(12,156)
Financial Update - Special Obligations	(25,453)	(18,513)
(-) Accumulated Amortization	2,250,413	2,019,803
Total	**(5,093,366)**	**(4,693,289)**

(1) Consumer contributions represent the participation of third parties in projects for the supply of electricity, as established in specific regulations.
(2) The participation of municipalities is the most relevant under the heading Participation of the Union, States and Municipalities (72% of the balance) and, in general, these are works related to the extension and modification of non-universalized distribution networks.

The amortization rate of the linked obligations is the average rate for the activity into which the asset was incorporated. The annual average is 3,95%, which breaks down by activity as follows:

Distribution	Administration
3,91%	15,48%

15. LEASING

The Company and its subsidiaries recognized a right of use and a lease liability for the following contracts, under the terms of CPC 06 (R2) / IFRS 16:

Lease of commercial real estate used to serve consumers;

- Lease of building used as administrative headquarters; and
- Leases of commercial vehicles used in operations,

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

	Annual rate (%)	Monthly rate (%)
Contracts entered - from January, 2023 to December, 2023(1)		
Up to seven years	6,82	0,55
Eight to nine Years	6,90	0,56
Ten to twelve Years	6,99	0,57
Thirteen to twenty two years	7,19	0,58
Contracts entered - from January, 2024 to December, 2024 (1)		
Up to five years	6,78	0,55
Six to eleven Years	6,68	0,54
Twelve to twenty one years	6,73	0,54

(1) The company calculates the incremental rate to be applied to new contracts on a monthly basis. For disclosure purposes, the average rates used are as follows.

a) Right of use assets

Changes in the right of use asset are as follows:

	Imóveis	Veículos	Total
Balance on December 31, 2022	**149,795**	**90,383**	**240,178**
Disposals (ended contracts)	(4,310)	-	(4,310)
Addition	4,231	-	4,231
Amortization	(8,546)	(28,053)	(36,599)
Remeasurement (2)	7,197	48,950	56,147
Balance on December 31, 2023	**148,367**	**111,280**	**259,647**
Disposals (ended contracts)	(4,496)	-	(4,496)
Addition	14,073	-	14,073
Amortization (1)	(9,499)	(32,398)	(41,897)
Remeasurement (2)	3,340	12,398	15,738
Balance on December 31, 2024	**151,785**	**91,280**	**243,065**

(1) The amortization of the right of use recognized in the income statement is net of the use of PIS/Pasep and Cofins credits on rental payments, in the amount of R$636 in 2024 (R$565 in the same period of 2023); the weighted average annual amortization rate is 7,17% for Real Estate and 36,42% for Vehicles.
(2) The Company has identified events which lead to re-evaluation and modifications of its principal contracts: in these cases the leasing liability is remeasured with an adjustment, in Assets, to Rights of use.

b) Leasing liabilities

The changes in the lease liabilities are as follows:

Balance on December 31, 2022	**259,873**
Addition	4,231
Disposals (ended contracts)	(5,092)
Interest incurred	27,781
Leasing paid	(53,830)
Interest in leasing contracts paid	(2,581)
Remeasurement	56,147
Balance on December 31, 2023	**286,529**
Addition	14,073
Disposals (ended contracts)	(5,214)
Interest incurred (1)	20,327
Leasing paid	(54,198)
Interest in leasing contracts paid	(2,276)
Remeasurement (2)	15,736
Balance on December 31, 2024	**274,977**
Current liabilities	**55,728**
Non-current liabilities	**219,249**

(1) Financial expenses recognized in the Income Statement are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R$993 in 2024 (R$1,482 in the same period of 2023).
(2) The Company has identified events which lead to re assessment and modifications of its principal contracts: in these cases the leasing liability is remeasured with an adjustment, in Assets, to the Right of use.

The additions, write-offs and remeasurements of leases are non-cash transactions and are therefore not reflected in the cash flow statements. Transactions involving related parties are shown in note 27.

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

Cash flow	Nominal	Adjusted to present value
Consideration for the leasing	412,763	274,977
Potential PIS/Pasep and Cofins	27,284	15,520

The cash flows of the lease contracts are mostly adjusted annually by the IPCA, The maturity analysis of lease liabilities is presented below:

Maturity of lease contracts	
2025	57,644
2026	57,426
2027	47,274
2028	17,750
2029	16,010
2030 a 2050	216,659
Undiscounted values	**412,763**
Embedded interest	(137,786)
Lease liabilities	**274,977**

Accounting policy

Right of use assets

The cost of Right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Lease liabilities

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

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

The company applies the exemption from recognizing short-term leases, i,e, leases with a lease term of 12 months or less from the start date, without a purchase option and for low-value assets. Payments related to these leasing agreements are recognized as expenses by the straight-line method over the period of the leasing agreement.

Estimations and judgments

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

Right of use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets. For the lease term, the Company's intention regarding renewal options is considered.

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

Lease liabilities

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

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

16. SUPPLIERS

	Dec, 31, 2024	Dec, 31, 2023
Energy on spot market - CCEE	168,160	128,122
Charges for use of energy network (1)	244,095	242,661
Energy purchased for resale	701,411	746,018
Itaipu Binacional	210,488	239,780
Materials and services	649,596	667,868
	1,973,750	**2,024,449**

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

The Company’s exposure to exchange rate and liquidity risks related to suppliers is given in Note 28 to these financial statements.

17. TAXES PAYABLE AND AMOUNTS TO BE REFUNDED TO CUSTOMERS

	Dec, 31, 2024	Dec, 31, 2023
Taxes and contributions		
Current		
ICMS	96,208	63,813
Cofins	125,229	92,459
PIS/Pasep	27,078	19,989
INSS	38,527	35,021
ISSQN	25,349	18,112
Others (1)	47,621	39,061
	360,012	**268,455**
Amounts to be refunded to customers		
Current		
PIS/Pasep and Cofins	185,698	512,852
ICMS	340,800	340,800
	526,498	**853,652**
Non-current		
PIS/Pasep and Cofins	22,880	501,159
	549,378	**1,354,811**
	909,390	**1,623,266**

1. Includes the withholding of income tax on declared interest on equity, which was collected in the subsequent month, in accordance with tax legislation. More information can be found in explanatory note no. 26.

The movement of PIS/Pasep and Cofins to be refunded to consumers is as follows:

Balance on December 31, 2022	**3,127,798**
ICMS to be refunded	(1,908,658)
Refund to customers	(66,681)
Financial update - Selic	202,352
Balance on December 31, 2023	1,354,811
Refunds to consumers	(512,852)
Reversal of amounts to be refunded to consumers	(410,626)
Federal Revenue Inspection	65,767
Financial update - Selic	52,278
Balance on December 31, 2024	**549,378**

In May 2024, R$410,626 was written down from the total of ‘Amounts to be repaid to consumers’, payable to consumers as a result of the legal action, with counterpart in Finance income (expenses). That balance was being repaid to consumers through the tariff reviews. This write-down arises from the estimated amount of financial updating that had been posted by Cemig D for this liability being higher than under the criterion finally used by Aneel. These criteria were only finally known at completion of the return of the amounts in the last Annual Tariff Adjustment, on May 28, 2024. The criterion adopted by Aneel to update the liability used a procedure similar to that adopted to update the ‘Other financial components” in the Tariff Adjustment calculation.

18. DEBENTURES

Financing source	Dec, 31, 2024						Dec, 31, 2023
	Principal maturity	Annual financial cost %	Currency	Current	Non-current	Total	Total
BRAZILIAN CURRENCY							
Debentures - 3th Issue - 3rd Series (1)	2025	IPCA+5,10%	R$	334,188	-	334,188	634,988
Debentures - 7th Issue - 1st Series (1)	2024	CDI+0,454%	R$	-	-	-	271,109
Debentures - 7th Issue - 2nd Series (1)	2026	IPCA+4,10%	R$	1,025,859	1,022,595	2,048,454	1,948,110
Debentures - 8th Issue - 1st Series (1)	2027	CDI+1,35%	R$	2,548	500,000	502,548	502,212
Debentures - 8th Issue - 2nd Series (1)	2029	IPCA+6,10%	R$	1,432	555,980	557,412	530,068
Debentures - 9th Issue - Single Series (1)	2026	CDI+2,05%	R$	1,030,078	1,000,000	2,030,078	2,032,032
Debentures - 10th Issue - 1st Series (1)	2029	CDI+0,80%	R$	17,151	400,000	417,151	-
Debentures - 10th Issue - 2nd Series (1)	2034	IPCA+6,15%	R$	37,735	1,659,174	1,696,909	-
Debentures - 11th Issue - 1st Series (1)	2031	CDI+0,55%	R$	28,493	1,000,000	1,028,493	-
Debentures - 11th Issue - 2nd Series (1)	2036	IPCA+6,58%	R$	24,919	1,527,952	1,552,871	-
(-) Discount on the issuance of debentures (2)				(2,542)	(2,784)	(5,326)	(8,692)
(-) Transaction costs				(3,662)	(121,495)	(125,157)	(22,205)
Total of debentures				**2,496,199**	**7,541,422**	**10,037,621**	**5,887,622**

(1) Nominal, unsecured, book-entry debentures not convertible into shares, with no renegotiation clauses;
(2) Discount on the 7th and 8th issue of debentures fully allocated to the 2nd series,

The nominal and real costs of the Company's debt are 11.50% p.a. and 6.55% p.a. on December 31, 2023, respectively, and 12.01% p.a. and 6.79% p.a. on December 31, 2024, respectively.

a) Issue of debentures

Issue of debentures - 10th issue

On March 13, 2024 the Cemig D published notice to the market of the start of public offering for distribution of two million unsecured, nonconvertible debentures, with additional surety guarantee, in up to two series, of the 10th issue of debentures, with nominal unit value of one thousand Reais, comprising total value of two billion Reais, to be carried out in accordance with CVM regulations.

On March 15, 2024, Cemig D concluded the financial settlement of its 10th debenture issue, in two series, with a surety guarantee from Cemig. 2 million debentures were issued, characterized as ‘sustainable ESG debentures’, with total value of 2 billion Reais, which were subscribed as follows:

Series	Quantity	Amount	Remuneration	Maturity	Amortization
First Series	400,000	R$400,000	CDI + 0.80%	5 years	48 th and 60 th months
Second Series	1,600,000	R$1,600,000	IPCA + 6.1469%	10 years	96 th, 108 th and 120 th months

The net proceeds obtained by Cemig D from this issuance will be allocated to the company's cash replenishment, including but not limited to its operations and the reimbursement of investments, expenses, and costs incurred by it, encompassing projects that involve social and environmental issues.

	Entry Date	Principal maturity	Annual financial cost	Value
Brazilian currency				
Debentures – 10th Issue – 1st Series	March, 2024	2029	CDI + 0.80%	400,000
Debentures – 10th Issue – 2nd Series	March, 2024	2034	IPCA + 6.1469%	1,600,000
(-) Transaction costs				(53,698)
Total				**1,946,302**

Issue of debentures - 11th issue

On September 24, 2024 the Cemig D published notice to the market of the start of public offering for distribution of 2.5 million unsecured, nonconvertible debentures, with additional surety guarantee, in up to two series, of the 11th issue of debentures, with nominal unit value of one thousand Reais, comprising total value of 2.5 billion Reais, to be carried out in accordance with CVM regulations.

On September 27, 2024, Cemig D concluded the financial settlement of its 11th debenture issue, in two series, with a surety guarantee from Cemig. 2.5 million debentures were issued, characterized as 'sustainable ESG debentures', with total value of 2.5 billion Reais, which were subscribed as follows:

Series	Quantity	Amount	Remuneration	Maturity	Amortization
First Series	1,000,000	R$1,000,000	CDI + 0.55%	7 years	72 th and 84 th months
Second Series	1,500,000	R$1,500,000	IPCA + 6.5769%	12 years	132 th and 144 th months

Cemig D's net proceeds from the issue will be allocated to replenishment of its cash position including, but not limited to, operations, and reimbursement of prior expenditure, including on investments, already made in projects involving social and environmental issues.

	Entry Date	Principal maturity	Annual financial cost	Value
Brazilian currency				
Debentures – 11th Issue – 1st Series	September, 2024	2031	CDI + 0.55%	1,000,000
Debentures – 11th Issue – 2nd Series	September, 2024	2036	IPCA + 6.5769%	1,500,000
(-) Transaction costs				(63,575)
Total				**2,436,425**

b) Guarantees

The guarantees of the debt balance on loans, on December 31, 2024, were as follows:

Surety and receivables	2,041,842
Promissory notes and Sureties	334,174
Guarantee	7,661,605
TOTAL	**10,037,621**

c) Composition and changes

The Company's debt has an average amortization period of 5.1 years. The composition of debentures by indexer, with the respective amortization, is as follows:

	2025	2026	2027	2028	2029	2030 onwards	Total
Index							
IPCA (1)	1,424,133	1,022,595	-	277,990	277,990	3,187,126	6,189,834
CDI (2)	1,078,270	1,000,000	500,000	200,000	200,000	1,000,000	3,978,270
Total by index	**2,502,403**	**2,022,595**	**500,000**	**477,990**	**477,990**	**4,187,126**	**10,168,104**
(-) Transaction costs	(3,662)	(3,648)	(531)	(8,461)	(8,461)	(100,394)	(125,157)
(-) Discount	(2,542)	-	(2,542)	(121)	(121)	-	(5,326)
Total	**2,496,199**	**2,018,947**	**496,927**	**469,408**	**469,408**	**4,086,732**	**10,037,621**

(1) Expanded National Customer Price (IPCA) Index; and
(2) CDI: Interbank Rate for Certificates of Deposit;

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

Indexer	Accumulated change on 2024 (%)	Accumulated change on 2023 (%)
IPCA	4.83	4.62
CDI	10.83	13.04

The changes in Loans and debentures are as follows:

Balance on December 31, 2022	**4,575,998**
Borrowings	2,000,000
Transaction costs	(12,057)
Net loans obtained	**1,987,943**
Monetary variation	134,791
Accrued financial charges	448,677
Amortization of transaction cost	5,809
Financial charges paid	(430,493)
Amortization of financing	(835,103)
Balance on December 31, 2023	**5,887,622**
Borrowings	4,500,000
Transaction costs	(117,273)
Net borrowings	**4,382,727**
Monetary variation	231,442
Accrued financial charges	627,501
Amortization of transaction cost	14,320
Financial charges paid	(530,075)
Amortization of financing	(575,916)
Balance on December 31, 2024	**10,037,621**

d) Borrowing costs, capitalized

Borrowing costs directly related to the acquisition, construction or production of an asset that necessarily requires substantial time to be completed for its intended use or sale are capitalized as part of the cost of the corresponding asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs comprise interest and other costs incurred by the Company related to Loans and debentures.
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:

	Dec, 31, 2024	Dec, 31, 2023
Costs of loans and financing	627,501	448,677
Financing costs on intangible assets and contract assets (1) (Note 12)	(76,764)	(62,482)
Net effect in income or loss	**550,737**	**386,195**

(1) The average capitalization rate p.a. on December 31, 2024 was 11.13% (11.99% on December 31, 2023).

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.

e) Restrictive covenants

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

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

Title - Security	Covenant	Ratio required - Issuer	Ratio required Cemig (guarantor)	Compliance required
7th, 8th and 9th Debentures Issue Cemig D (1)	Net debt/Ebitda (2)	The following or less 3.5	The following or less 3.0	Semi-annual and annual
10th Debenture Issue Cemig D	Net debt/Ebitda	3.5 or less from June 30, 2024 to June 30, 2029 4.0 or less from June 30, 2029 onwards	3.0 or less up to June 30, 2026 3.5 or less from July 1, 2026 to June 30, 2029 4.0 or less from June 30, 2029 onwards	Semi-annual and annual
11th Debenture Issue Cemig D	Net debt/Ebitda	3.5 or less from December 31, 2024 to June 30, 2029 4.0 or less from June 30, 2029 onwards	3.0 or less up to June 30, 2026 3.5 or less from July 1, 2026 to June 30, 2029 4.0 or less from June 30, 2029 onwards	Semi-annual and annual

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

Management monitors these indexes continuously.

Linked funds under a debenture issue

On December 31, 2024, the Company had a balance of R$196,059 relating to restricted funds (R$11,532 on December 31, 2023). This growth is essentially associated with Cemig D's 7th issue of debentures.

Under a Fiduciary Assignment contract of its seventh debenture issue, Cemig D is required to retain, monthly, in a linked account, during the six months prior to maturity of each installment, an amount equal to 1/6 of the projected value of the installment, on average R$181,000.

These guarantee deposits began in December 31, 2024, and at December 31, 2024 the amount held totaled R$185,106.

In the Financial Statements for 2024, the total of tied funds is shown under a specific heading in the Balance Sheet. In order to maintain comparability, the balance as of December 31, 2023, which was presented under “Other” in the Balance Sheet, has been highlighted on a specific line.

19. REGULATORY CHARGES AND COSTS

	Dec, 31, 2024	Dec, 31, 2023
Liabilities		
Energy Efficiency Program (EEP) (1)	187,674	187,177
Research and development (R&D) (a)	129,119	126,468
Energy System Expansion Research (a)	3,843	3,468
National Scientific and Technological Development Fund (a)	7,970	7,219
Energy Development Account (CDE)	14,212	66,818
CDE on R&D	2,391	2,166
CDE on PEE	4,782	7,785
Global Reversion Reserve (RGR)	24,545	24,545
Emergency capacity charge	26,325	26,325
Aneel inspection charge	2,406	2,199
Customer charges - Tariff flags	-	16
	403,267	**454,186**
Current liabilities	**245,500**	**373,039**
Non-current liabilities	**157,767**	**81,147**

(1) The Energy Efficiency Program (EEP) aims to promote the efficient use of electricity in all sectors of the economy, For this purpose, holders of electricity distribution concessions and permissions are required to apply an amount of their net revenue each year in research and development in relation to the electricity sector;

a) Research & Development and innovation

The Company is required to allocate 1% of its regulatory net operational revenue for research and development projects in the electricity sector, The movement of the related balances follows below:

	National Scientific and Technological Development Fund	Energy System Expansion Research	R&D	Total
Balance on December 31, 2022	**6,735**	**3,226**	**112,458**	**122,419**
Additions	49,459	24,729	27,087	101,275
Collection	(48,975)	(24,487)	-	(73,462)
Investment	-	-	(27,307)	(27,307)
Monetary adjustment (Selic)	-	-	14,230	14,230
Balance on December 31, 2023	**7,219**	**3,468**	**126,468**	**137,155**
Additions	32,800	16,400	30,495	79,695
Collection	(32,049)	(16,025)	-	(48,074)
Investment	-	-	(40,817)	(40,817)
Monetary adjustment (Selic)	-	-	12,973	12,973
Balance on December 31, 2024	**7,970**	**3,843**	**129,119**	**140,932**

20. ACCOUNTS PAYABLE RELATED TO ENERGY GENERATED BY CONSUMERS

Accounts payable related to energy generated by consumers through distributed generation have shown significant fluctuations, mainly due to the growth of this model in Brazil.

The Electricity Compensation System (*Sistema de Compensação de Energia Elétrica*, or 'SCEE') was implemented in 2012 by Aneel Normative Resolution 482, which aimed to encourage renewable energy generation. The SCEE allows the energy injected by consumers from micro-generation or mini-distributed generation to be provided to the local distributor as a free loan – which is then offset against the customer's own consumption.

The balance of the obligation represents the volume of energy to be offset, measured at the electricity distribution tariff in force at the time.

On December 31, 2024, the amount recorded in current liabilities was R$1,251,298 (R$704,653 on December 31, 2023). This increase is mainly due to the increase in the number of generating facilities (301,804 in December 2024, compared to 249,241 in December 2023) and the increase in the amount of energy injected (6,108 GWh in 2024, compared to 4,720 GWh in 2023).

21. POST-EMPLOYMENT OBLIGATIONS

Forluz Pension plan (a Supplementary retirement pension plan)

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

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

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

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

In addition to the Forluz pension plans, Cemig, Cemig GT and Cemig D , contribute to the Integrated Health Plan (PSI) and a dental plan for the active employees, retired employees and dependents, administered by Cemig Saúde.

Integrated Prosaúde Plan (PSI): This is a health plan for active and retired employees and their dependents, managed by Cemig Saúde, which provides outpatient and hospital care, including obstetric care, in an accredited network with nationwide reach. The coverage is mainly executed by the Benchmark Healthcare Program (*Programa de Referência de Assistência à Saúde, or 'PRAS'*). There are also reimbursements of medical expenses through the Special Guarantees Program (PTE) and the Complementary Healthcare Fund (FCAS).

Dental Program (POD): This dental plan is offered by the Company to active and retired employees and their dependents, with nationwide coverage, managed by Cemig Saúde in partnership with Odontoprev.

Actuarial obligations and recognition in the financial statements

On this Note the Company discloses its obligations and expenses incurred for purposes of the Retirement Plan, Health Plan, Dental Plan and the Life Insurance Plan in accordance with the terms of CPC 33 (R1) /IAS 19, and the independent actuarial opinion issued as of December 31, 2024.

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

Forluz and the sponsors Cemig, Cemig GT and Cemig D have signed a Debt Assumption Instrument to cover the deficit of Plan A for the years of 2015, 2016 and 2017. On December 31, 2024 the total amount payable by Cemig and its subsidiaries as a result of the Plan A deficits was R$357,668 (R$377,390 on December 31, 2023 referring to the Plan A deficits of 2015, 2016 and 2017).

The monthly amortizations, calculated by the constant installments system (Price Table), will be paid up to 2031 for the 2015 and 2016 deficits, in the amount of R$234,121, and up to 2033 for the 2017 deficit, in the amount of R$123,547.

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, the Company will not be required to pay the remaining installments and the contract will be extinguished.

Forluz consignment deposits

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

Recognizing the legal obligation in relation to the deficit of Plan A, corresponding to 50% of the minimum amount, and obeying the contribution parity rule, the Company has made payments into a court escrow account at the official bank, which remain at the disposal of Forluz to be redeemed at any moment, The deposits are made monthly in the amount of 50% of the installment of each one of the Deficit Resolution Agreements relating to 2019, 2020 and 2021, as follows:

	Resolution of the 2019 deficit	Resolution of the 2020 deficit	Resolution of the 2021 deficit
Start of escrow payments	May, 2021	April, 2022	June, 2023
Total amount requested by Forluz	R$116,228	R$182,316	R$485,205
Amount based on contribution parity	R$58,114	R$91,158	R$242,603
Number of installments	166	158	159
Remuneratory interest	IPCA + 6%	IPCA + 5.7%	IPCA + 5.51%
Balance deposited on December 31, 2024	R$27,310	R$30,132	R$40,713

Forluz sent the Company new equalization plans which are being assessed by Management, referring to the 2022 and 2023 actuarial deficits of the Salted Pension Benefits Plan - Plan A. The minimum amount of the accumulated deficits for equalization is R$874,226, of which the Company has been making consignment payments for the 2019, 2020 and 2021 deficits.

Forluz, due to (i) the non-execution of the Debt Assumption Agreement to cover the minimum proposed amount in the plan for the actuarial deficit of Plan A in the years of 2019, 2020 and 2021, and (ii) the refusal of the Company's consignment payments. Forluz entered with a lawsuit, against sponsor Cemig D. The Company is applying for the courts to approve the request for compliance with the contracting of the debt to cover the total amount of the deficit of Plan A. Judgment was given in favor of Forluz in the first instance decision by the Minas Gerais Appeal Court in 2022, in relation to the process of settlement of the deficit of 2019, but appeal lies for further dispute at higher instances of the Courts system. As a result, based on the assessments of its specialists, the Company has opted to maintain the assessment of chances of loss in the action as 'possible'.

Debt with the pension fund (Forluz)

Debt installments agreed with Forluz, referring to past actuarial deficits, were settled on June 30, 2024. The installments were amortized monthly, calculated on the basis of the constant-installment method (the 'Price Table') and updated by the IPCA (National Consumer Price) inflation index issued by the IBGE (Brazilian Geography and Statistics Institute) plus 6% per year. This debt was paid regardless of whether there was a surplus in the Foundation, and the effects of monetary updating and interest were posted in the Income statement.

Actuarial information

The movements in net liabilities are as follows:

Dec, 31, 2024	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Present value of obligations	6,110,673	1,853,116	32,019	7,995,808
Fair value of plan assets	(5,203,497)	-	-	(5,203,497)
Initial net liabilities	**907,176**	**1,853,116**	**32,019**	**2,792,311**
Adjustment to asset ceiling	85,185	-	-	85,185
Net liabilities in the statement of financial position	**992,361**	**1,853,116**	**32,019**	**2,877,496**

Dec, 31, 2023	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Present value of obligations	7,186,243	2,177,881	38,483	9,402,607
Fair value of plan assets	(5,804,379)	-	-	(5,804,379)
Initial net liabilities	**1,381,864**	**2,177,881**	**38,483**	**3,598,228**
Adjustment to asset ceiling	12,855	-	-	12,855
Net liabilities in the statement of financial position	**1,394,719**	**2,177,881**	**38,483**	**3,611,083**

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

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

Changes in the present value of the defined benefit obligation are as follows

	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Defined-benefit obligation at December 31, 2022	**6,766,866**	**2,392,168**	**43,413**	**9,202,447**
Cost of current service	161	8,598	197	8,956
Cost of past servisse (1)	-	(33,123)	(867)	(33,990)
Interest on actuarial obligation	756,780	267,946	4,847	1,029,573
Actuarial losses (gains):				
Due to changes in demographic assumptions	-	21,348	402	21,750
Due to changes in financial assumptions	443,432	170,240	3,120	616,792
Due to adjustments based on experience	(130,878)	(491,060)	(9,879)	(631,817)
	312,554	**(299,472)**	**(6,357)**	**6,725**
Benefits paid	(650,118)	(158,236)	(2,750)	(811,104)
Defined-benefit obligation at December 31, 2023	**7,186,243**	**2,177,881**	**38,483**	**9,402,607**
Cost of current service	723	4,908	93	5,724
Interest on actuarial obligation	620,550	190,163	3,345	814,058
Actuarial losses (gains):				
Due to changes in demographic assumptions	-	(1,121)	(23)	(1,144)
Due to changes in financial assumptions	(1,098,038)	(409,512)	(7,077)	(1,514,627)
Due to adjustments based on experience	60,304	33,966	(265)	94,005
	(1,037,734)	**(376,667)**	**(7,365)**	**(1,421,766)**
Benefits paid	(659,109)	(143,169)	(2,536)	(804,814)
Defined-benefit obligation at December 31, 2024	**6,110,673**	**1,853,116**	**32,020**	**7,995,809**

(1) Refers to acceptances by employees of the new health plan offered by the Company, called the Premium Plan.

Changes in the fair values of the plan assets

	Pension plans and retirement supplement plans
Fair value of plan assets at December 31, 2022	**5,441,522**
Return on investments	788,024
Contributions from employer	224,951
Benefits paid	(650,118)
Fair value of plan assets at December 31, 2023	**5,804,379**
Return on investments	(115,062)
Contributions from employer	173,289
Benefits paid	(659,109)
Fair value of plan assets at December 31, 2024	**5,203,497**

The amounts recognized in 2024 and 2023 statement of income are as follows:

Dec, 31, 2024	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Current service cost	723	4,908	93	5,724
Interest on the actuarial obligation	620,550	190,163	3,345	814,058
Expected return on the assets of the Plan	**(494,658)**	-	-	**(494,658)**
Expense (recovery of expense) in 2024 according to actuarial calculation	**126,615**	**195,071**	**3,438**	**325,124**

Dec, 31, 2023	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Current service cost	161	8,598	197	8,956
Past service cost	-	(33,123)	(867)	(33,990)
Interest on the actuarial obligation	756,780	267,946	4,846	1,029,572
Expected return on the assets of the Plan	**(589,988)**	-	-	**(589,988)**
Expense (recovery of expense) in 2023 according to actuarial calculation	**166,953**	**243,421**	**4,176**	**414,550**

Changes in net liabilities

	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities at December 31, 2022	**1,389,416**	**2,392,168**	**43,413**	**3,824,997**
Expense recognized in statement of income	166,953	276,544	5,043	448,540
Cost of past service	-	(33,123)	(867)	(33,990)
Contributions paid	(224,951)	(158,236)	(2,750)	(385,937)
Actuarial losses (gains)	63,302	(299,472)	(6,357)	(242,527)
Net liabilities at December 31, 2023	**1,394,720**	**2,177,881**	**38,482**	**3,611,083**
Expense recognized in statement of income	126,615	195,071	3,438	325,124
Contributions paid	(173,289)	(143,169)	(2,536)	(318,994)
Actuarial losses (gains) (1)	(355,685)	(376,667)	(7,365)	(739,717)
Net liabilities at December 31, 2024	**992,361**	**1,853,116**	**32,019**	**2,877,496**
			31/12/2024	**31/12/2023**
Current liabilities			**162,817**	**231,390**
Non-current liabilities			**2,714,679**	**3,379,693**

(1) The reduction of liabilities is, essentially, due to the changes in the actuarial assumptions used. There is more information below in this note.

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

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

The amounts reported as expenses, recognized in the income statement of 2024, refer to the portions of the costs of post-employment obligations, totaling R$322,834 (R$400,163 on December 31, 2023), plus the financial costs and monetary updating of the debt agreed with Forluz, in the amount of R$2,290 (R$14,388 on December 31, 2023), recognized in the income statement for 2024.

Sensitivity analysis and estimates for the following year

The independent actuary's estimation for the expense to be recognized for 2025 is as follows:

Dec, 31, 2025	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Current service cost	531	3,398	76	4,005
Interest on the actuarial obligation	711,063	217,684	3,755	932,502
Expected return on the assets of the Plan	(589,046)	-	-	(589,046)
Estimated total expense in 2025 as per actuarial report	**122,548**	**221,082**	**3,831**	**347,461**

The expectation for payment of benefits for 2025 is as follows:

Dec, 31, 2025	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Estimated payment of benefits	670,294	152,136	2,728	**825,158**

Cemig Distribuição expects to make contributions to the pension fund in 2025 in the amount of R$63,302 to amortize the deficit of Plan A and R$63,331 for the Defined Contribution Plan (recorded directly in the result for the year).

Below is a sensitivity analysis of the liabilities effect of changes in the main actuarial assumptions used to determine the defined-benefit obligation at December 31, 2024:

Effects on the defined-benefit obligation	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Reduction of one year in the mortality table	149,596	31,852	550	181,998
Increase of one year in the mortality table	(137,901)	(32,690)	(565)	(171,156)
Reduction of 1% in the discount rate	481,515	175,134	3,024	659,673
Increase of 1% in the discount rate	(419,228)	(160,546)	(2,774)	(582,548)

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

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

Pension plans and retirement supplement plans		Health plan	Dental plan
Plan A	Plan B		
8,68	10,71	10,60	10,60

The main categories plan's assets, as a percentage of total plan's assets are as follows:

	Dec, 31, 2024	Dec, 31, 2023
Shares	625,766	786,598
Fixed income securities	3,815,224	4,390,326
Real estate property	278,738	258,308
Others	483,768	369,147
Total	**5,203,496**	**5,804,379**

The following assets measured at fair value, are related to the Company and are not considered plan assets. According to the requirement of the standards, the amount are presented for information purpose:

	Dec, 31, 2024	Dec, 31, 2023
Non-convertible debentures issued by the Company		
Real estate properties of the Foundation, occupied by the Company	172,692	212,575
	223,157	**308,111**

Main actuarial assumptions

	Dec, 31, 2024		Dec, 31, 2023	
	Pension plans and retirement supplement plans	Health plan and Dental plan	Pension plans and retirement supplement plans	Health plan and Dental plan
Annual discount rate for present value of the actuarial obligation (1)	12,30%	12,23%	9,03%	9,07%
Annual expected return on plan assets	12,30%	Não aplicável	9,03%	Não aplicável
Long-term annual inflation rate	4,50%	4,50%	3,50%	3,50%
Estimated future annual salary increases	4,50%	Não aplicável	3,50%	Não aplicável
General mortality table	AT-2000 S10% por sexo	AT-2000 M&F S10% D20%	AT-2000 M S10% por sexo	AT-2000 M&F S10% D20%
Disability table	Não aplicável	Não aplicável	Não aplicável	Não aplicável
Disabled mortality table	AT-83 IAM Male	MI-85 Female	AT-83 IAM Male	MI-85-Female
Real growth of contributions above inflation	-	1,00%	-	1,00%

(1) Nominal discount rates based on the NTN-b projection with maturity close to the obligation's maturity (duration).

The Company made no changes to the methods used to calculate its post-employment obligations for the years ended December 31, 2024 and 2023.

Accounting policy

For the Company's retirement benefit pension plan obligations, the liability recorded in the statement of financial position in relation to the defined benefit plans is the present value of the actuarial obligation, less the fair value of the plan's assets.

Estimates and judgments

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

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

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

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

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

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

22. PROVISIONS

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

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

	Labor	Civil		Tax	Regulatory	Others	Total
		Customer relations	Other civil actions				
Balance on December 31, 2022	**297,311**	**36,679**	**32,687**	**937,320**	**34,293**	**4,334**	**1,342,624**
Additions	99,337	65,166	22,963	96,194	4,758	8,969	297,387
Reversals	(2,458)	(8,591)	-	-	(294)	(593)	(11,936)
Settled	(74,812)	(51,178)	(17,962)	(387)	(2,157)	(1,396)	(147,892)
Balance on December 31, 2023	**319,378**	**42,076**	**37,688**	**1,033,127**	**36,600**	**11,314**	**1,480,183**
Additions	129,401	107,126	20,556	21,800	1,450	30,407	310,740
Reversals	-	(13)	(406)	(511,685)	(451)	(3,551)	(516,106)
Settled	(103,491)	(69,917)	(19,351)	(1,288)	(1,450)	(14,767)	(210,264)
Balance on December 31, 2024	**345,288**	**79,272**	**38,487**	**541,954**	**36,149**	**23,403**	**1,064,553**

There are legal actions for which the expectation of loss is considered possible, based on the assessment of the Company's Management and supported by the opinion of its legal advisors, with no provision being constituted, as follows:

Possible losses	Dec, 31, 2024	Dec, 31, 2023
Labor	807,905	1,145,327
Civil		
Customer relations	709,457	306,055
Other civil actions	515,352	486,699
	1,224,809	**792,754**
Tax	1,962,856	1,373,073
Regulatory	767,282	684,929
Others	1,093,604	1,116,568
Total	**5,856,456**	**5,112,651**

The Company management, in view of the extended period and the Brazilian judiciary, tax and regulatory systems, believes that it is not practical to provide information that would be useful to the users of this financial statements in relation to the the timing of any cash outflows, or any possibility of reimbursements, It is expected that most of the provisioned amounts will be paid out in periods of more than 12 months.

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

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

Labor Claims

The Company is involved in several lawsuits filed by its employees and contractors. These lawsuits generally concern overtime, additional payments, severance pay, various benefits, salary adjustments, and the supplementation and recalculation of retirement pensions by Forluz.

The amount of contingencies is R$1,153,193 (R$1,464,705 as of December 31, 2023), of which R$345,288 has been provisioned (R$319,378 as of December 31, 2023), this being the probable estimate of resources to settle these disputes.

Civil

Claims Provision of Electric Power Supply Services

In May 2024, a Public Civil Action was filed jointly by the State Public Prosecutor's Office and the Federal Public Prosecutor's Office against the Company and Aneel, requesting, for the municipality of Uberlândia, the adjustment of the consumer service for electric power to the standards established by the legal system, the prevention of blackouts and fluctuations in the electric power supply, on-site inspections in the transmission and distribution of electric power, and compensation for collective moral damages, in the amount of R$344,606 (R$103,227 as of December 31, 2023), whose probability of loss was assessed as possible.

Consumer Relations

The Company is involved in several civil lawsuits related to compensation for moral and material damages, mainly due to irregularities in consumption measurement and undue charges during the normal course of business, in the amount of R$444,123 (R$244,904 as of December 31, 2023), of which R$79,272 (R$42,076 as of December 31, 2023) has been provisioned, this being the probable estimate of resources to settle these disputes.

Tax

Social Security contributions on income sharing payments

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

In May 2024, the 4th Federal Court published judgment in favor of the Company, on the merits, in an application to annul execution of a tax judgment relating to applicability of social security contributions to profit sharing payments. This decision determined cancellation of the tax claim and extinction of the tax execution. Due to the material scale of the amount involved in this case, the Company considered this event as legally sufficient indication for reassessing the chances of financial loss in the legal actions that have received favorable judgments at first instance, from "probable" to "possible". This resulted in a reversal of provisions totaling R$513,331, in the second quarter of 2024. For the other cases related to social security contributions on profit shares, the assessments of the chance of financial loss were maintained as 'probable', and thus the related provisions were also maintained.

The amount of the contingencies is approximately R$1,072,670 (R$1,087,557 on December 31, 2023), of which R$435,701 has been provisioned (R$918,668 on December 31, 2023), this being the estimate of the probable amount of funds to settle these disputes.

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

In 2006 the Company paid an indemnity to its employees, totaling R$127,058, in exchange for rights to future payments (referred to as the Anuênio) for time of service, which would otherwise be incorporated, in the future, into salaries. The Company did not pay income tax nor Social Security contributions in relation to these amounts because it believed that amounts paid as indemnity are not taxable. However, given the possibility of dispute and to avoid risk of future penalty payments, the Company and its subsidiaries filed legal actions for recognition of the right of non-taxation on these Anuênio payments, making separate submissions and argument in relation to (a) income tax and (b) the social security contribution, in the aggregate historic amount of R$87,268, which is considered sufficient for payment of the lawsuit.

In the action relating to applicability of the social security contribution, a court judgment was given that impedes consideration of an appeal to the Federal Supreme Court - thus consideration by the Higher Appeal Court remains. Additionally, in October 2022, a judgment was published refusing to recognize the Special Appeal filed by the Company, reducing the chances of success in the action. As a result the assessment of the chances of loss in this action were altered from 'possible' to 'probable', and a provision made for the amount deposited in escrow.

The chances of loss in the action relating to applicability of income tax on the amounts of the anuênios, due to its current phase of procedure, have been maintained as 'possible'. The amount of the contingency is approximately R$237,761 (R$228,738 on December 31, 2023), of which R$105,980 (R$101,953 on December 31, 2023) has been provisioned.

Social Security contributions

The Brazilian federal tax authority (Secretaria da Receita Federal) has filed administrative proceedings related to various matters: employee income sharing; the Workers' Food Program (Programa de Alimentação do Trabalhador, or PAT); education benefit; food benefit; Special Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers' support programs) and fines for non-compliance with accessory obligations. The Company have presented defenses and await judgment. The amount of the contingency is approximately R$134,240 (R$124,361 on December 31, 2023). The Company 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.

Lack of approval to offsett tax credit

The federal tax authority did not approve the Company's offset, in corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes - IRPJ, CSLL, PIS/Pasep and Cofins - identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The

Cemig are contesting the lack of approval of the amounts offseted. The amount of the contingency is R$157,381 (R$65,558 on December 31, 2023), and the probability of loss was classified as possible by the Company, due to compliance with the relevant legal requirements contained in the National Tax Code (CTN).

The social contribution tax on net income (CSLL)

The federal tax authority issued a tax assessment against the Cemig for the years between 2008 and 2018, 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); (iii) fines for various alleged infringements, iv) amortization of goodwill; and v) technological innovation expenses. The amount of this contingency is R$316,094 (R$409,275 on December 31, 2023). The Company assessed the tax treatments adopted, which are subject to questioning by tax authorities, and concluded that it is more likely that they will be accepted by the tax authority than not.

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.

Additionally, a judicial deposit was made in the amount of R$87,980 (R$81,894 on December 31, 2023). The amount of the contingencies in this case is R$79,985 (R$73,983 on December 31, 2023). The Company has evaluated the tax treatments adopted, and concluded that it is more likely than not that the tax authority will accept the Company’s conclusions.

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

The Brazilian tax authority issued, in August 2021, two infringement notices relating to calculation of the PIS/Pasep and Cofins taxes, from August 2016 to December 2017, alleging insufficiency of payment of these contributions due to supposed undue credits deduction of the expenses on the Proinfa charge, and absence of reversal of the credits related to non-technical losses. The Company is contesting these infringement notices. The amount of the contingency is R$216,159 (R$199,762 on December 31, 2023) and the Company has classified the chances of loss as ‘possible’, due to the scarcity of case law on the subject.

Regulatory

The Company is a defendant in several administrative and judicial proceedings that mainly question the charges levied on invoices related to the use of the distribution system by self-producers, the violation of continuity indicator targets in the provision of electric power supply services, and the tariff increase that occurred during the Federal Government's economic stabilization plan known as "Plano Cruzado" in 1986. The amount of the contingency is R$592,787 (R$539,640 as of December 31, 2023), of which R$36,149 (R$36,600 as of

December 31, 2023) has been provisioned, this being the probable estimate of resource outflow to settle these disputes.

Public Lighting Contribution (CIP)

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 substantive arguments for judicial defense in such claims, considering that the current charges are based on Aneel's Normative Resolution No. 456/2000, and therefore, no provision has been constituted for this action, estimated at R$54,479 (R$50,044 as of December 31, 2023).

Administrative penalty

The Company and its subsidiary filed an action for annulment of the administrative act, with request for injunctive relief, against the National Electric Energy Agency (Aneel), for cancellation of the punishments, warnings and fines, in the historic amount of R$ 25,778, arising from Infringement Notice 076/2013 – SEF/ANEEL. The amount of the contingency is approximately R$156,164 (R$131,846 on December 31, 2023). The chance of loss has been assessed as ‘possible’. The case is awaiting judgment by the court.

Other Civil Actions

The Company is involved in various civil liability lawsuits in which compensation for moral and material damages, among others, is claimed, arising from incidents occurring during the normal course of business, amounting to BRL 553,839 (BRL 524,387 as of December 31, 2023), of which BRL 38,487 (BRL 37,688 as of December 31, 2023) has been provisioned, being the probable estimate of resources to settle these disputes.

Other Proceedings in the Normal Course of Business

The Company is involved, as plaintiff or defendant, in other lawsuits, including environmental causes, relocation of residents from risk areas, and compensation for contractual terminations, of lesser relevance, related to the normal course of its operations, amounting to BRL 572,795 (BRL 366,571 as of December 31, 2023), of which BRL 23,403 (BRL 11,159 as of December 31, 2023) has been provisioned, being the probable estimate of resources to settle these disputes.

‘*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$344,060 (R$515,381 on December 31, 2023) of which R$154 (R$141 as of December 31, 2023) has been provisioned, this being the probable estimate of resources to settle these disputes.

Contractual imbalance

Cemig D is party in other disputes arising from alleged non-compliance with contracts in the normal course of business, for an estimated total of R$200,153 (R$245,929 on December 31, 2023). Cemig D has classified the chance of loss as 'possible', after analysis of the case law on this subject.

Accounting practices

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

Estimates and judgments

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

23. EQUITY AND REMUNERATION TO STOCKHOLDERS

a) Share Capital

On December 31, 2024, the Company's issued and outstanding share capital is R$6,964,105 (R$6,284,312 on December 31, 2023), represented by 2,359,113,452 nominal common shares (2,359,113,452 on December 31, 2023), fully subscribed, without nominal value, wholly owned by Cemig (Companhia Energética de Minas Gerais).

The Company's share capital may be increased by up to a limit of 10% (ten percent) of the share capital set in the by-laws, without need for change in the by-laws and upon decision of the Board of Directors, having previously heard statement of opinion by the Fiscal Council.

Capital Increase

The Ordinary General Meeting ("AGO") approved, on December 18, 2024, the proposal to increase the share capital from BRL 6,284,312 to BRL 6,964,105, without changes to the ordinary, nominative, no-par-value shares, through the capitalization of the share capital increase with dividends and interest on equity (JCP) amounting to BRL 679,793.

b) Earnings per share

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

	2024	2023
Total number of shares	2,359,113,452	2,359,113,452
Net income (loss) for the period	2,206,255	1,611,460
Basic and diluted earnings (losses) per common share (R$)	**0,94**	**0,68**

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

c) Equity valuation adjustments

The adjustments to post-employment benefit obligations comprise gains or losses resulting from re-measurements of the net defined-benefit obligation, in accordance with the actuarial report, net of tax effects: on December 31, 2024 this balance is R$889,439 (R$1,377,652 on December 31, 2023).

d) Remuneration to stockholders

The obligation to pay dividends is recognized when the distribution is authorized or as provided for by law and/or the Company's bylaws, In view of the applicable legislation and the Company's bylaws, which provide for a minimum dividend payment of 50% of net income for the year, this is considered a present obligation on the closing date of the fiscal year and is recognized as a liability.

As specified in the by-laws, the Company may, at the discretion of management, declare interim dividends, in the form of Interest on Equity, to be paid from Retained earnings, Profit reserves calculated in half-yearly or interim balance sheets. The amounts paid or credited as Interest on Equity, under the applicable legislation, are imputed as on account of the amounts of the mandatory dividend or of the dividend payable under the by-laws, being for legal purposes a part of the amount of the dividends distributed by the Company.

Article 9 of Law 9,249 of December 26, 1995, allows Interest on Equity paid to stockholders to be deductible from taxable profit for the purposes of income tax and the Social Contribution tax, In the case of Cemig D Interest on Equity is calculated as stockholders' equity multiplied by the TJLP long-term interest rate.

The Executive Board, with authorization from the Board of Directors, approved the declaration of Interest on Equity (JCP) totaling BRL 742,234, as per the amounts and dates below, to be paid in two equal installments, the first by June 30, 2025, and the second by December 30, 2025.

Declared on	Amount	Withholding tax (1)
March 21, 2024	R$ 161,609	R$ 24,241
June 21, 2024	R$ 170,278	R$ 25,542
September 23, 2024	R$ 194,604	R$ 29,191
December 23, 2024	R$ 215,743	R$ 32,361
-	R$ 742,234	R$ 111,335

(1) Withholding tax of 15% in accordance with current legislation,

The Executive Board is responsible for determining the locations and processes of payment and posting the amounts of Interest on Equity against the mandatory dividend for the 2024 business year, in a proposal to be submitted to the General Meeting of Stockholders. Under the tax legislation, the amount of income tax withheld at source, calculated at 15%, is not taken into account when imputing the declared amounts of Interest on Equity against the minimum mandatory dividend.

	2024
Mandatory dividend	
Net income for the year	2,206,255
Mandatory dividend - 50% of Net income	1,103,128
Income tax withheld at source on Interest on Equity	111,335
	1,214,463
Dividends to be distributed - Proposal	
Interest on Equity	742,234
Income tax on Interest on Equity	472,229
	1,214,463
Interest on Equity per share - R$	0,3146
Dividends per share - R$	0,2002

This table gives the amounts of dividends and Interest on Equity for the years shown:

Balance on December 31, 2022	**1,183,846**
Mandatory dividends	238,230
Interest on Equity declared	667,647
Income tax on Interest on Equity	(100,147)
Allocation for capital increase	(268,314)
Payment	(221,738)
Balance on December 31, 2023	**1,499,524**
Allocation for Investment Program (1)	(238,230)
Mandatory dividends	472,229
Interest on Equity declared	742,234
Income tax on Interest on Equity	(111,335)
Allocation for capital increase	(679,793)
Payment	(567,500)
Balance on December 31, 2024	**1,117,129**

(1) It was approved at the Annual General Meeting (AGM) of Cemig D, held on April 29, 2024, to increase the Profit Retention Reserve with the return of mandatory dividends from the net profit of 2023, in the amount of R$238,230, to ensure the investments planned in the Distribution Development Plan, As it does not involve cash, this transaction is not reflected in the Cash Flow Statements.

e) Proposal for allocation of 2023 net profit

The Board of Directors will propose to the Annual General Meeting to be held by April 30, 2025 that the profit for 2024, in the amount of R$2,206,255, should be allocated as follows:

- R$107,753, being 5% of net profit after adjustment for the Tax incentives reserve, should be allocated to the Legal reserve;
- R$51,186 to be held in Stockholders' equity in the Tax incentives reserve, for tax incentive amounts gained in 2024 due to investments in the region of Sudene;
- R$742,234 to be paid as dividends, in the form of Interest on Equity;
- R$472,229 as payment of the minimum mandatory dividend be returned to shareholders' equity in the Profit Retention Reserve account to guarantee the Company's investments planned for the 2025 financial year; and
- R$832,853 to be held in Stockholders' equity in the Retained earnings reserve, to ensure funding for the Company's planned investments for 2025.

f) Profit Reserves

The composition of the Profit reserves account is shown as follows:

	Dec, 31, 2024	Dec, 31, 2023
Profit Reserves		
Legal reserve	685,307	577,554
Tax Incentives Reserve - SUDENE	173,388	122,202
Profit Retention Reserve	4,347,892	3,276,809
	5,206,587	**3,976,565**

Legal reserve

Constitution of the legal reserve is mandatory, up to the limits established by law. The purpose of the reserve is to ensure the security of the share capital, its use being allowed only for offsetting of losses or increase capital, This reserve constitution corresponds to 5% of the net income for the year, less the amount allocated to incentive tax reserve.

Retained earnings reserve

Retained earnings reserves refers to profits not distributed in prior years, to guarantee execution of the Company's Investment Program, The retentions are supported by capital budgets approved by the Board of Directors in the respective years,

Incentives tax reserve

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

The amount of the incentive recognized in the Statement of income was R$51,186 in 2024 (R$30,933 in 2023), and it was subsequently transferred to the incentives tax reserve. This reserve cannot be used for payment of dividends.

24. NET REVENUE

The revenue of the Company is as follows:

	2024	2023
Revenue from supply of energy - captive customers, in Cemig's concession area (a)	24,594,126	21,550,740
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization (*)	512,852	1,908,658
Revenue from use of the energy distribution systems (TUSD) - free customers	5,169,039	4,447,516
Sector financial assets and liabilities, net (1)	423,293	(213,038)
Distribution construction revenue (Notes 12 and 13)	4,378,611	3,600,374
Adjustment to expectation of cash flow from financial assets of distribution concession (Note 11)	104,417	149,238
Fine for violation of service continuity indicator	(157,485)	(138,925)
Mechanism for the sale of surplus	-	(3,766)
Other operating revenues (b)	2,620,149	2,100,334
Taxes and charges reported as deductions from revenue (c)	(11,027,828)	(10,052,694)
	26,617,174	**23,348,437**

(*) For more information, see Note 17 of these financial statements.
(1) This amount derives from the total additions and amortizations in note 11b.

a) Revenue from supply of energy

This table shows supply of energy by type of customer:

	MWh (1)		R$	
	2024	2023	2024	2023
Residential (2)	14,430,057	13,310,995	12,970,970	10,794,350
Industrial	1,356,598	1,552,419	1,133,520	1,174,059
Commercial, services and others	6,399,845	6,354,344	5,304,016	5,018,937
Rural	3,533,721	3,447,474	2,497,084	2,224,234
Public authorities	1,040,795	973,118	936,159	785,797
Public lighting (3)	972,909	1,056,276	545,576	497,637
Public services	936,690	1,055,300	727,753	743,793
Subtotal	**28,670,615**	**27,749,926**	**24,115,078**	**21,238,807**
Own consumption	30,339	30,942	-	-
Wholesale supply to other concession holders (4)	-	-	366,044	172,198
Unbilled revenue	-	-	113,004	139,735
Total	**28,700,954**	**27,780,868**	**24,594,126**	**21,550,740**

(1) Data not audited by external auditors.
(2) The increase in energy supply to residential customers is mainly due to four factors: (i) increase in the number of consumers; (ii) increase in average monthly consumption per consumer; (iii) higher temperatures, and (iv) improvement in the economic scenario.
(3) The reduction in energy supply for public lighting is related to the replacement of incandescent bulbs with LED bulbs;
(4) Includes Sale Contracts in the Regulated Market (CCEARs – Contratos de Comercialização de Energia no Ambiente Regulado) through the Surplus and Deficits Offsetting Mechanism (MSCD: Mecanismo de Compensação de Sobras e Déficits), sales on the Free Market, and the revenues from management of generation assets (GAG – Gestão de Ativos da Geração) for the 18 hydroelectric plants of Lot D of Auction no 12/2015.

b) Other operating revenues

	2024	2023
Charged service	17,548	20,958
Other services	31,220	30,898
Low income subsidies	463,374	401,337
Subsidy SCEE	(14,184)	128,651
Subsidy Eletrobrás	104,264	50,947
Tariff flag subsidy (1)	153,359	77,979
CDE subsidy to cover tariff discounts (2)	1,334,483	983,775
Rental and leasing	518,740	395,794
Others	11,345	9,995
	2,620,149	**2,100,334**

(1) The increase is due to the favorable hydrological situation in the country. In 2023, the green flag prevailed, but from July 2024, the yellow and red flags were activated, which raised tariffs during this period.
(2) The variation is due to Cemig D's Annual Tariff Adjustment

<u>Tariff subsidies</u>

The following subsidies are reimbursed by transfers of funds from the Energy Development Account (*Conta de Desenvolvimento Energético, or 'CDE'*):

- Tariff flags subsidy: which are the amount of tariffs paid by users of public energy distribution service provided from incentive-bearing sources, rural supply, nocturnal irrigation, generation by incentive-bearing sources and public service
- Low-income subsidy
- Subsidy Energy Compensation System (Sistema de Compensação de Energia Elétrica - SCEE), which Aneel released for application in the Tariff Review of 2023 for compensation of distributed generation;
- Subsidy Eletrobras: the allowance for the amounts contributed by Eletrobras or its subsidiaries under CNPE Resolution 15/2021, transferred on to holders of energy distribution concessionaries and permissionaries.

In 2024, the revenue from subsidies reimbursed via the CDE was R$1,887,937 (R$1,564,705 in 2023).

Of this amount, the Company has a receivable of R$197,070 (R$171,349 on December 31, 2023), recognized in current assets under "Other assets".

c) Deductions on revenue

	2024	2023
Taxes on revenue		
ICMS	4,638,372	3,841,039
PIS/Pasep	450,136	410,452
Cofins	2,073,352	1,890,566
ISSQN	1,513	1,478
	7,163,373	**6,143,535**
Charges to the customer		
Engergy Efficiency Program (PEE)	82,773	73,520
Energy Development Account (CDE)	3,618,586	3,689,689
Research and Development (R&D)	30,495	27,086
National Scientific and Technological Development Fund (FNDCT)	43,565	38,695
Energy System Expansion Research (EPE of MME)	21,782	19,347
CDE on R&D	13,069	11,608
CDE on PEE	26,139	23,217
Energy Services Inspection Charge	28,046	25,997
	3,864,455	**3,909,159**
	11,027,828	**10,052,694**

Accounting policy

In general, revenue from contracts with customers is recognized when the performance obligation is satisfied, at an amount that reflects the consideration to which the Company and its subsidiaries expects to be entitled in exchange for the goods or services transferred, which must be allocated to that performance obligation. The revenue is recognized only when it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer, considering the customer's ability and intention to pay that amount of consideration when it is due, Below are the material accounting policies linked to the Company's revenues.

Revenue from supply of energy

Revenues from the sale of energy are measured based on the energy supplied and the tariffs specified in the terms of the contract or in effect in the market. Revenues from supply of energy to final customers are recorded when the delivery has taken place. The billing is carried out monthly, Unbilled supply of energy, from the period between the last billing and the end of each month, is estimated based on the supply contracted and on the volume of energy delivered but not yet billed.

Revenue from use of network - Free Customers

Revenues from use of the distribution system (TUSD) received by the Company from other concession holders and other customers that use the distribution network are recognized in the period in which the services are provided.

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 Company 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 , as shown in explanatory note no. 11.

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

The revenue from the adjustment of the cash flow expectation of the indemnifiable financial asset of the distribution concession, resulting from the variation in the fair value of the Asset Remuneration Base, is presented as operating revenue, together with the other revenues related to the Company's core business.

Distribution construction revenue

Construction revenue corresponds to the performance obligation to build the distribution infrastructure, embodied in investments in assets of the concession made by the Company in the year. The recognition of this revenue is directly related to the expenses incurred with the construction of the assets of the concession infrastructure. Considering that construction and improvements are substantially carried out through specialized third-party services, and that all construction revenue is related to infrastructure construction, the Company's management records revenue from construction contracts with a zero profit margin.

Government grants

In addition, the Company receives amounts from the Energy Development Account (CDE) as reimbursement for subsidies on tariffs granted to users of the public energy distribution service - TUSD and EUST (charges for use of the transmission system). These amounts are recognized in the income statement in a monthly basis as those subsidiaries acquire the right of receive them, against "Other assets" in current assets.

Estimations and judgments

Revenue from supply of energy

Unbilled retail supply of energy, from the period between the last measured consumption, according to the schedules specified in the concession regulation, and the end of each month is estimated based on the billing from the previous month or the contractual amount.

Revenue from use of network - Free Customers

In the case of the distribution concession contract, the unbilled revenue is estimated based on the volume of energy consumed and unbilled in the period. The supply is billed in monthly basis in accordance with the metering calendar in accordance with the sector's regulations.

25. COSTS AND EXPENSES

a) Cost of energy

	2024	2023
Energy purchased for resale		
Supply from Itaipu Binacional	1,204,221	1,207,091
Physical guarantee quota contracts	880,883	944,175
Quotas for Angra I and II nuclear plants	373,652	363,571
Spot market (1)	875,220	373,487
‘Bilateral’ contracts	498,866	510,114
Energy acquired in Regulated Market auctions (2)	4,622,112	4,044,859
Proinfa Program	467,607	510,606
Distributed generation (‘Geração distribuída’) (3)	3,238,739	2,331,020
PIS/Pasep and Cofins credits	(782,871)	(695,633)
	11,378,429	**9,589,290**
Basic Network Usage Charges		
Tariff for transport of Itaipu supply	200,650	203,849
Transmission charges - Basic Grid	2,636,305	2,340,870
Connection Charges	171,924	137,645
Distribution charges	9,131	7,954
System Services Charge (CCEE-ESS)	110,436	49,548
Reserve Energy Charge (CCEE-EER)	569,720	639,690
PIS/Pasep and Cofins credits	(342,080)	(312,609)
	3,356,086	**3,066,947**
	14,734,515	**12,656,237**

(1) The variation stems from the increase in the cost of hydrological risk due to the low hydrology, in addition to a 21% reduction in the surplus of settled energy, compared to the same period in 2023, reflecting the increase in the cost of short-term energy.

(2) The 14.26% increase in the cost of energy purchased at auction in a regulated environment, amounting to R$4,622 million in the fiscal year 2024 compared to R$4,045 million in the fiscal year 2023, is mainly due to annual contractual adjustments linked to the IPCA and the entry of new contracts.

(3) The growth of 38.95% is mainly due to the increase in the number of generating facilities (1,121,362 in 2024 compared to 935,593 in 2023) and the amount of energy injected (6,116 GWh in 2024 compared to 4,720 GWh in 2023).

b) Construction infrastructure costs

	2024	2023
Personnel	159,663	143,874
Materials	2,152,129	1,903,829
Outsourced services	1,836,525	1,399,741
Financial charges	76,764	62,482
Leasing and Rentals	7,539	5,860
Taxes and charges	2,537	895
Other	143,454	83,693
	4,378,611	**3,600,374**

There was an increase in the number and volume of works being undertaken, mainly in distribution networks, under the Distribution Development Plan (*Plano de Desenvolvimento da Distribuição, or ‘PDD’*), and consequently higher Construction costs in Cemig D than in the previous year.

c) Other operating costs and expenses

	Operating costs		ECL		General and administrative expenses		Other operating expenses		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Personnel	719,059	641,741	-	-	252,545	232,783	-	-	971,604	874,524
Employees' and managers' income sharing	76,701	147	-	-	23,213	-	-	101,356	99,914	101,503
Post-employment obligations	12,012	-	-	-	3,924	-	306,898	400,163	322,834	400,163
Materials	89,644	77,792	-	-	13,372	36,794	-	-	103,016	114,586
Outsourced services (C,1)	1,585,629	1,432,309	-	-	201,455	181,470	-	-	1,787,084	1,613,779
Depreciation and amortization (Note 13b)	858,225	772,040	-	-	22,433	25,782	-	-	880,658	797,822
Amortization of Right of use - lease (note 15)	41,262	36,035	-	-	-	-	-	-	41,262	36,035
Provisions (reversals) for contingencies (1)	(205,366)	285,451	-	-	-	-	-	-	(205,366)	285,451
Expected credit losses of accounts receivable (reversals)	-	-	164,690	159,694	-	-	37,766	17,377	202,456	177,071
Other operation costs and expenses, net (C,2)	11,110	17,246	-	-	65,724	53,947	338,766	349,965	415,600	421,158
	3,188,276	**3,262,761**	**164,690**	**159,694**	**582,666**	**530,776**	**683,430**	**868,861**	**4,619,062**	**4,822,092**

(1) This variation is basically due to the reversal of a tax contingency arising from a decision in favor of the company in the lower court, which ordered the cancellation of the collection and the extinction of the tax execution of a lawsuit related to social security contributions on Profit Sharing (PLR). For more details, see note 21.

C.1) Outsourced services

	2024	2023
Meter reading and bill delivery	158,621	161,032
Maintenance and conservation of electrical facilities and equipment	703,953	628,141
Communication	177,353	164,587
Building conservation and cleaning	59,322	57,170
Cleaning of power line pathways	139,797	104,179
Disconnection and reconnection	72,379	87,008
Tree pruning	85,777	57,728
Costs of proceedings	34,909	28,282
Information technology	143,282	135,189
Contracted labor	35,487	28,652
Accommodation and meals	19,454	15,582
Security services	13,133	12,015
Costs of printing and legal publications	17,165	15,403
Inspection of customer units	47,539	44,549
Others	78,913	74,262
	1,787,084	**1,613,779**

C.2) Other expenses, net

	2024	2023
Advertising	18,158	7,953
Own consumption of energy	28,146	22,613
Subsidies and donations	14,354	14,295
CCEE annual charge	3,777	3,407
Insurance	4,524	8,766
Forluz - Administrative running cost	29,625	28,999
Result on decommissioning and disposal of assets (1)	207,389	185,198
Collection agents	59,879	72,169
Taxes and charges	9,192	5,836
Provision (reversal) for recoverable amount	10,446	(7,607)
Aneel penalty	3,003	10,660
Other expenses (reversal)	27,107	68,870
	415,600	**421,159**

(1) In accordance with the Company's current investment policy, deactivations and sales of assets have increased due to replacement of equipment.

26. FINANCE INCOME AND EXPENSES

	2024	2023
FINANCE INCOME		
Income from financial investments	122,557	100,272
PIS/Pasep and Cofins charged on finance income	(33,645)	(32,134)
Accruals on energy bills	287,908	268,882
Foreign exchange variations - Itaipu Binacional	-	6,723
Interest	29,912	21,984
Interests of escrow deposits	43,836	47,406
Interest - CVA (Note 11b)	16,245	76,069
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (1)	370,758	-
IRPJ credit update on Worker's Food Program (note 8a)	38,781	-
Others	108,236	94,587
	984,588	**583,789**
FINANCE EXPENSES		
Charges on loans and debentures (Note 18)	(550,737)	(386,195)
Amortization of transaction cost (Note 18)	(14,320)	(5,809)
Forluz - Interest charges	(2,290)	(14,387)
	(37,473)	-
Interest - loans and debentures (Note 18)	(231,442)	(134,791)
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (1)	-	(129,457)
R&D and PEE - monetary adjustments	(28,484)	(35,871)
Interest on leases (Note 15)	(19,335)	(26,299)
Estimated update of distributed generation credits, net (2)	(37,971)	-
Interest - Others	(17,049)	(28,998)
Others	(62,302)	(75,107)
	(1,001,403)	**(836,914)**
NET FINANCE INCOME (EXPENSES)	**(16,815)**	**(253,125)**

(1) The interest of the tax credits related to PIS/Pasep and Cofins, arising from the exclusion of ICMS from its calculation basis, and the liability to be refunded to consumers is presented by net value. With the adjustment of the liability, in May 2024, of R$410,626, the Company now has net financial income. For more information, see note 17.

(2) Estimated update of the distributed generation credits to be compensated by consumers, due to the effect of the tariff adjustment, net of the portion corresponding to the financial income from the estimated neutrality on the distributed generation credits, in the amount of R$39,049 (note 11.b).

Accounting policy

Financial income refers mainly to income from financial investments, moratorium accruals on energy sales, restatement of tax credits, restatement of the concession's sectorial financial assets, restatement of deposits linked to litigation and variation of fair value or interest on other financial assets and liabilities, Interest income is recognized in the income statement using the effective interest method.

Finance expenses include interest expense on borrowings, and foreign exchange and monetary adjustments on borrowing costs of debt and debentures. They also include the negative change in fair value on other financial assets and liabilities. Interest expense on the Company's borrowings that is not capitalized is recognized in the Statement of income using the effective interest method.

27. RELATED PARTY TRANSACTIONS

The main consolidated balances and transactions, and the main conditions related to business with related parties of the Company are shown below:

Transactions with energy

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023
Cemig Geração e Transmissão	2,289	3,417	9,351	8,862	1,885	2,417	(59,787)	(67,731)
Aliança Geração	-	3,446	-	11,591	32,690	49,344	(75,158)	(128,084)
Norte Energia	-	-	32,901	30,975	-	-	(289,835)	(278,213)
Taesa	-	-	-	-	-	-	(539)	-

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

Charges

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023
Connection charges								
Cemig Geração e Transmissão	-	-	15,690	12,407	31,798	30,107	(125,317)	(106,063)
Sete Lagoas	-	-	305	295	-	-	(2,699)	(2,602)
Taesa	-	-	107	104	-	-	(5,021)	(6,215)
Cemig SIM	-	-	-	-	3,847	-	-	-
Transmission charges								
Cemig Geração e Transmissão	3,403	-	31,941	22,021	-	-	(324,178)	(217,857)
Sete Lagoas	-	-	-	-	-	-	(5,220)	(4,988)
Taesa	-	-	9,779	11,005	-	-	(130,300)	(122,512)

Connection charges are financial amounts set and approved by Aneel for use of connection facilities and/or connection points in the transmission system, payable by the accessing party to the connected agent.

Transmission charges are monthly amounts payable by users to holders of transmission concessions for the provision of transmission services, calculated according to the tariffs for use of the transmission system and the contracted amounts, in accordance with regulations set by Aneel.

Customers and traders

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023
Governo do Estado de Minas Gerais	10,769	45,292	-	-	230,980	193,531	-	-

The "Consumers and Traders" balance that the Company holds with the controlling entity refers to sale of electricity to the government of Minas Gerais State - the price of the supply is that decided by Aneel through a Resolution which decides the Company's annual tariff adjustment.

Cooperation Working Agreement

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023
Companhia Energética de Minas Gerais	-	7,119	19,741	22,833	-	-	(61,800)	(57,997)
Cemig Geração e Transmissão	-	-	10,259	203	-	-	(12,113)	(134)

Technical Cooperation Working Agreement between Cemig, Cemig D and Cemig GT, instituted by Aneel Dispatch 3,208/2016. Principally includes reimbursement of expenses related to sharing of infrastructure, personnel, transport, telecoms and IT.

Loan with related parties

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023
Companhia Energética de Minas Gerais	-	-	-	-	-	-	(10,925)	(15,194)
Cemig Geração e Transmissão	-	-	-	-	-	-	(1,416)	-

The loan with Companhia Energética de Minas Gerais involved contracts signed on January 10, 2024, January 25, 2024, and February 9, 2024, with the approval of Aneel, between the Company and its parent company in the amounts of R$150,000, R$200,000, and R$400,000, respectively. The loan contracts in question were settled on March 15, 2024 (the first loan) and March 18, 2024 (the last two), with interest amounts of R$3,195, R$3,276, and R$4,454, respectively, corresponding to an interest rate equivalent to 110% of the CDI, secured by a Promissory Note issued by the Company in favor of its parent company.

The loan with Cemig Geração e Transmissão involved a contract signed on August 13, 2024, with the approval of Aneel, between the Company and Cemig Geração e Transmissão in the amount of R$100,000. The loan contract in question was settled on September 30, 2024, with interest in the amount of R$1,416, corresponding to an interest rate equivalent to CDI + 0.80%, secured by a Promissory Note issued by the Company in favor of Cemig Geração e Transmissão.

Legal proceedings

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023
Companhia Energética de Minas Gerais	9,931	-	-	-	-	-	-	-

This refers to an agreement signed between the State of Minas Gerais and Companhia Energética de Minas Gerais (Cemig) and the following signatory companies: Alpargatas, Guanhães, and Cemig Distribuição. On December 21, 2012, the State of Minas Gerais signed contract no. 021/2012 for the execution of works and provision of services in energy infrastructure in the state of Minas Gerais and contracted Companhia Energética de Minas Gerais to carry out the works.

The works were executed by Cemig Distribuição for the benefit of Alpargatas and Guanhães without the timely transfer of financial resources from the State of Minas Gerais to Cemig, which resulted in disbursements by Cemig Distribuição, the executor of the works, and Guanhães Energia. Cemig Distribuição disbursed resources for the completion of the works for the benefit of Alpargatas, and Guanhães disbursed resources for the completion of the works that benefited its own company.

On June 14, 2024, a pre-procedural conciliation was held between the involved companies, in which the State committed to pay R$32 million to Cemig in 36 successive installments, starting in July 2024, in the amount of R$900 with a base date in May 2024. As part of the agreement, Cemig was responsible for transferring the rightful amounts to Guanhães Energia and Cemig Distribuição (through a power of attorney issued by Alpargatas in favor of Cemig Distribuição).

The financial terms of the conciliation are detailed as follows:

I. The 1st installment will be adjusted by the Broad Consumer Price Index (IPCA), and this amount will remain unchanged until the 12th installment.

II. II. From the 13th installment to the 36th installment, the amount paid in June 2024 will be adjusted monthly by the IPCA.

III. III. All installments are due by the last business day of each month, starting in July 2024.

Interest on Equity and dividends

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023
Companhia Energética de Minas Gerais	-	-	1,117,129	1,497,494	-	-	-	-

The Executive Board, on authorization by the Board of Directors, approved the declaration of interest on Equity and dividends totaling R$1,117,129. Note 23 gives details on the composition and movement of Interest on Equity and dividends.

FIC Pampulha

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023
Current								
Cash and cash equivalents	52,726	649	-	-	-	-	-	-
Marketable securities	118,188	1,424	-	-	5,732	46	-	-
Non-current								
Marketable securities	44,576	-	-	-	-	-	-	-

Cemig D invests part of its cash holdings in a reserved 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 Securities and Cash and cash equivalents, in current and non-current assets.

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

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023
Current								
Operating leasing	-	-	12,965	18,686	-	-	(18,519)	(24,864)
Non-current								
Operating leasing	131,708	134,742	143,754	131,252	-	-	-	

This refers to the lease agreement for the Company's administrative headquarters with Fundação Forluminas de Seguridade Social (Forluz), a Closed Supplementary Pension Entity (EFPC) for the employees of the Cemig Group, owner of the leased property.

On March 27, 2024, the Company signed an addendum for the return of 5 floors of the Júlio Soares Building, alteration of rental values, and removal of Gasmig and Cemig Sim from the contract. The new base date of the contract began on April 1, 2024, with validity until March 2029, being adjusted annually by the IPCA and having its prices reviewed every 60 months.

Post-employment benefits

The Company has contractual obligations to a group of retired former employees in which it is responsible for ensuring funds for the cost of a supplementary pension plan, called Forluz, and for the running costs of a health plan, called Cemig Saúde. The main conditions related to the post-employment benefits are as follows:

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023	Dec, 31, 2024	Dec, 31, 2023
Forluz								
Current								
Post-employment obligations (1)	-	-	37,904	91,198	-	-	(126,615)	(166,953)
Supplementary pension contributions - Defined contribution plan (2)	-	-	-	-	-	-	(60,546)	(55,136)
Administrative running costs (3)	-	-	-	-	-	-	(29,625)	(28,999)
Non-current								
Post-employment obligations (1)	-	-	954,457	1,303,522	-	-	-	-
Cemig Saúde								
Current								
Health Plan and Dental Plan (4)	-	-	145,705	160,985	-	-	(198,509)	(281,588)
Non-current								
Health Plan and Dental Plan (4)	-	-	1,739,430	2,055,379	-	-	-	-

(1) The contracts of Forluz are updated by the Expanded Customer Price Index (Índice Nacional de Preços ao Consumidor Amplo, or IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) and will be amortized up to business year 2024 ;

(2) 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;

(3) 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;

(4) Post-employment obligations relating to the employees' health and dental plan.

Remuneration of key management personnel

The total remuneration of key personnel, comprising the Executive Board, the Fiscal Council, the Audit Committee and the Board of Directors, are within the limits approved at a General Shareholders' Meeting, and the effects on the Statement of income of the in year ended December 31, 2024 and 2023, are as follows:

	2024	2023
Remuneration	15,770	13,551
Income sharing	4,883	3,141
Pension plans	1,607	1,284
Health and dental plans	110	96
Life insurance	20	20
Total (1)	**22,390**	**18,092**

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

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments classification and fair value

The main financial instruments are as follows:

	Level	Dec, 31, 2024		Dec, 31, 2023	
		Balance	Fair value (1)	Balance	Fair value (1)
Financial assets					
Amortized cost (1)					
Marketable securities - Cash investments		44,900	44,900	1,356	1,356
Receivables from customers, traders and concession holders (Note 7)		4,327,216	4,327,216	3,958,243	3,958,243
Restricted cash		196,059	196,059	11,532	11,532
Concession financial assets - CVA (Parcel 'A' Costs Variation Compensation) Account, and Other financial components		1,295,625	1,295,625	805,571	805,571
Reimbursement of tariff subsidies		212,785	212,785	187,066	187,066
		6,076,585	**6,076,585**	**4,963,768**	**4,963,768**
Fair value through profit or loss					
Cash equivalents - cash investments	2	724,768	724,768	264,606	264,606
Marketable securities					
Bank certificates of deposit	2	-	-	136	136
Treasury Financial Notes (LFTs)	1	23,983	23,983	396	396
Financial Notes - Banks	2	92,549	92,549	878	878
Debentures	2	1,655	1,655	15	15
		118,187	**118,187**	**1,425**	**1,425**
Concession financial assets - Distribution infrastructure	3	2,714,876	2,714,876	1,881,509	1,881,509
		3,557,831	**3,557,831**	**2,147,540**	**2,147,540**
		9,634,416	**9,634,416**	**7,111,308**	**7,111,308**
Financial liabilities					
Amortized cost (1)					
Debentures		(10.037.621)	(9.866.552)	(5.887.622)	(5.887.622)
Debt with pension fund (Forluz)		-	-	(65.417)	(65.417)
Equalization of pension fund deficit (Forluz)		(357.668)	(350.661)	(377.390)	(377.390)
Sectoral Financial Liabilities - Cost Variation Compensation Account of Portion A (CVA) and Other Financial Components		(16.470)	(16.470)	-	-
Suppliers		(1.973.750)	(1.973.750)	(2.024.449)	(2.024.449)
Leasing transactions		(274.977)	(274.977)	(286.529)	(286.529)
		(12.660.486)	**(12.482.410)**	**(8.641.407)**	**(8.641.407)**

(1) The book value represents the approximate fair value amount, except for loans, debentures and pension fund deficit equalization in relation to the amounts as of December 31, 2024.
(2) The fair value presented is net of the transaction costs and anticipated resources presented in note 18.

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>: distribution system assets 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, Changes in concession financial assets are disclosed in Note 11 of these financial statements.

Marketable securities: are measured 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.

Other financial liabilities**:** Fair value of its Loans, financing and debentures were determined using 111.6223% of the CDI rate - based on its most recent funding. For the loans and debentures, with annual rates between (i) a minimum of IPCA + 4.10% and a maximum of IPCA + 6.5769% per year and (ii) a minimum of CDI + 0.55% per year and a maximum of CDI + 2.05% per year. The carrying amount is BRL 10,168 million and the fair value is BRL 9,819 million. The difference between book value and fair value is impacted mainly by macroeconomic conditions (inflation and interest rates), as well as the dynamics of the credit market, which is reflected in secondary capital market trading.

b) 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.

There is economic-financial risk associated with inefficacious management and control of the organization's financial resources, and with market variations, such as availability of credit, exchange rates, and movements in interest rates.

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

The main exposure risks of Cemig and its subsidiaries are detailed in the following sections of this explanatory note.

The Company developed a sensitivity analysis to measure the impact of fluctuations in exchange rates, interest rates, and inflation on the value of its financial assets and liabilities, highlighting the effect on results and equity.

The scenarios for this analysis were prepared using market sources and specialized sources, and are considered as follows:

- **Base scenario**: The accounting balances as of the date of these Financial Statements are considered.
- **Probable scenario**: The balance of the base scenario is updated considering the probable exchange rates and interest rates for December 31, 2025, using

information provided by financial consultants. The estimated effect on the Company's results is indicated by the difference between the probable scenario and the base scenario.

- **Adverse scenarios:** A scenario is considered adverse when it results in a reduction in gains from net financial assets (reduction of the adverse scenario rate compared to the probable rate) or an increase in net financial liabilities (increase of the adverse scenario rate compared to the probable rate), when associated with the same risk. Thus, the Company updates the balances of the base scenario considering the estimated exchange rates and interest rates for an adverse scenario, using information provided by its financial consultants as a basis. The estimated effect on the results is indicated by the difference between the adverse scenario and the base scenario.

Exchange rate risk

The Company is exposed to the risk of appreciation in exchange rates due to the payment of energy purchased from Itaipu.

The risk exposure of Cemig D is mitigated by the account for compensation of variation of parcel A items (CVA).

The net exposure to exchange rates is as follows:

Exposure to exchange rates	Dec, 31, 2024		Dec, 31, 2023	
	Foreign currency	R$	Foreign currency	R$
US US$				
Suppliers (Itaipu Binacional) (Note 16)	(34,005)	(210,488)	(49,528)	(239,780)
Net liabilities exposed	-	**(210,488)**	-	**(239,780)**

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 December 31, 2025 will be an deppreciation of the dollar by 7,92%, to R$5,70.

The Company has prepared a sensitivity analysis of the effects on the Company's net income arising from depreciation of the Real exchange rate in relation to this 'adverse' scenario.

Risco - Exposições cambiais	Dec, 31, 2024	Dec, 31, 2025	
	Balance	'Probable' scenario US$ R$4,98	'Adverse' scenario US$ R$6,00
US dollar			
Suppliers (Itaipu Binacional) (Note 16)	(210,488)	(193,826)	(220,349)
Net liabilities exposed	**(210,488)**	**(193,826)**	**(220,349)**
Net effect of exchange variation	-	**16,662**	**(9,861)**

Interest rate risk

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

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

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

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

Risk: Exposure to domestic interest rate changes	Dec, 31, 2024	Dec, 31, 2023
Assets		
Cash equivalents - cash investments (Note 5)	724,768	264,606
Marketable securities (Note 6)	163,087	2,781
Restricted cash	196,059	-
CVA and Other financial components in tariffs (Note 12b)	1,295,625	805,571
	2,379,539	**1,072,958**
Liabilities	(3,978,270)	(2,805,353)
Debentures - CDI rate (Note 18)	(16,470)	-
CVA and in tariffs (note 11b)	**(3,994,740)**	**(2,805,353)**
Net liabilities exposed	**(1,615,201)**	**(1,732,395)**

<u>Sensitivity analysis</u>

In relation to the most significant interest rate risk, Company estimates that, in a probable scenario, on December 31, 2025, Selic rates will be 15,00%.

The Company made a sensitivity analysis of the effects on its net income arising from a increase in the rate, Fluctuation in the CDI rate accompanies the fluctuation of Selic rate.

Risk: Increase in Brazilian interest rates	Dec, 31, 2024	Dec, 31, 2025	
	Balance	'Probable' scenario Selic 15%	'Adverse' scenario Selic 15,25%
Assets			
Cash equivalents - cash investments (Note 5)	724,768	833,483	835,295
Marketable securities (Note 6)	163,087	187,550	187,958
Restricted cash	196,059	225,468	225,958
CVA and Other financial components in tariffs - Selic rate (Note 11b)	1,295,625	1,489,969	1,493,208
	2,379,539	**2,736,470**	**2,742,419**
Liabilities			
Loans and debentures - CDI rate (Note 18)	(3,978,270)	(4,575,011)	(4,584,956)
CVA and in tariffs (note 11b)	(16,470)	(18,941)	(18,158)
	(3,994,740)	**(4,593,952)**	**(4,603,114)**
Net liabilities exposed	**(1,615,201)**	**(1,857,482)**	**(1,860,695)**
Net effect of variation in interest rates		**(242,281)**	**(245,494)**

Increase in inflation risk

The Cemig are exposed to the risk of increase in inflation index. A portion of the loans, financing 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	2024	2023
Assets		
Concession financial assets related to infrastructure - IPCA index (*) (Note 11a)	2,714,876	1,881,509
	2,714,876	**1,881,509**
Liabilities		
Loans and debentures - IPCA index (Note 18)	(6,189,834)	(3,113,166)
Debt agreed with pension fund (Forluz) - IPCA index (Note 21*)*	-	(65,417)
Forluz deficit solution plan - IPCA index (Note 19)	(357,668)	(377,390)
Leasing liabilities	(274,977)	(2,024,449)
	(6,822,479)	**(5,580,422)**
Net liabilities exposed	**(4,107,603)**	**(3,698,913)**

(*) 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, presented in adverse scenario.

Thus, based on the estimate that, in a probable scenario, the IPCA will be 4.5% as of December 31, 2025, the sensitivity analysis of the effects on results, considering an adverse scenario in relation to the probable scenario, is as follows:

Risk: increase in inflation index	Dec, 31, 2024	Dec, 31, 2025	
	Balance	‘Probable’ scenario IPCA 4,5%	‘Adverse’ scenario IPCA 8,08%
Assets			
Concession financial assets related to infrastructure - IPCA index (*) (Note 11a)	2,714,876	2,837,045	2,934,238
	2,714,876	**2,837,045**	**2,934,238**
Liabilities			
Loans and debentures - IPCA index (Note 18)	(6,189,834)	(6,468,377)	(6,689,973)
Debt agreed with pension fund (Forluz) - IPCA index (Note 19*)*	(357,668)	(373,763)	(386,568)
Leasing liabilities	(274,977)	(287,351)	(297,195)
	(6,822,479)	**(7,129,491)**	**(7,373,736)**
Net liabilities exposed	**(4,107,603)**	**(4,292,446)**	**(4,439,498)**
Net effect of variation in IPCA and IGP-M indexes		**(184,843)**	**(331,895)**

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

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

	Up to 1 month		1 to 3 months		3 months to 1 year		1 to 5 years		Over 5 years		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
Financial instruments at (interest rates):											
- Floating rates (*)											
Loans and debentures	-	-	324,025	188,951	2,050,889	536,826	3,642,030	1,796,237	5,510,491	1,483,506	15,532,955
Equation of the deficit on Pension Plan (Forluz) - IPCA Index	3,414	1,745	6,919	3,461	32,771	15,093	220,203	58,523	150,252	10,924	503,305
	3,414	1,745	330,944	192,412	2,083,660	551,919	3,862,233	1,854,760	5,660,743	1,494,430	16,036,260
- Fixed rate											
Suppliers	1,827,058	-	146,692	-	-	-	-	-	-	-	1,973,750
	1,830,472	**1,745**	**477,636**	**192,412**	**2,083,660**	**551,919**	**3,862,233**	**1,854,760**	**5,660,743**	**1,494,430**	**18,010,010**

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

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 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 December 31, 2024, considered to be adequate in relation to the credits in arrears receivable by the Company was R$760,256 (R$788,256 on December 31, 2023).

Company manages the counterparty risk of financial institutions based on an internal policy, which is constantly updated.

This Policy assesses and scales the credit risks of the institutions, the liquidity risk systemic risk related to macroeconomic and regulatory conditions, the market risk of the investment portfolio and the Treasury operational risk.

All investments are made in financial securities that have fixed-income characteristics, always indexed to the CDI rate, and may be of public or private capital as well as financial or non-financial entities. The Company does not carry out any transactions in variable income securities or that would bring volatility risk into its financial statements.

As a management instrument, the Company divide the investment of its funds into direct purchases of securities (own portfolio) and investment funds. The investment funds invest the funds exclusively in fixed income products, having companies of the Group as the only unit holders, They obey the same policy adopted in the investments for the Company's directly-held own portfolio.

The minimum requirements for concession of credit to financial institutions are centered on three items:

1. Minimum Brazilian long-term rating of 'BBB'(bra), 'brBBB' or 'Baa2' by any of the agencies: Fitch Ratings, Moody's or Standard & Poor's.
2. Equity greater than R$800 million.
3. Basel ratio one percentage point above the minimum set by the Brazilian Central Bank.

The quality of the financial institutions' credit portfolio is another indicator that is monitored and may result in reduction of the institution's limit.

Banks that exceed these thresholds are classified in three groups, in accordance with their equity value, plus a specific segment comprising those whose credit risk is associated only with federal government, and within this classification, limits of concentration by group and by institution are set:

Group	Equity	Limit per bank (% do equity) (1) (2)			
		AAA	AA	A	BBB
Federal Risk (RF)	-	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,

In addition to these points, Cemig, Cemig D's parent company, also establishes 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.

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 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 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.

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.

The amendment included annual targets for these indicators, which were to be met by 2020. Failure to meet the targets for two consecutive years or in the year 2020 would trigger the initiation of the concession termination process.

As of 2021, the contract established that the 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. This rule was regulated by Normative Resolution No. 948/2021, summarized as follows:

Indicator	Criteria	Measures arising from non-compliance
Economic and financial management	In the base year	Capital contribution (1) Limitation on distribution of dividends and Interest on Equity Restrictive regime for contracts with related parties
Economic and financial management	2 consecutive years	Expiry of the concession
Quality of retail supply	In the base year	Results Plan (2)
Quality of retail supply	2 consecutive years or 3 of the previous 5 calendar years	Limitation on distribution of dividends and Interest on Equity (3)
Quality of retail supply	3 consecutive years	Expiry of the concession

(1) Within 180 calendar days from the end of each business year, the minimum necessary to reach the threshold parameter for economic and financial sustainability.
(2) Failure to comply with any of the limits of the DEC or FEC for one year obliges the concession holder to present a Plan of Results, which has to be approved by Aneel, and its execution monitored by Aneel's inspection and monitoring departments.
(3) This limitation will apply from January 1 of the calendar year following the year of non-compliance with the indicator.

The quality of supply criterion is measured by the collective continuity indicators: DEC (Equivalent Average Outage Duration per Consumer) and FEC (Average Outage Frequency per Consumer). Non-compliance is deemed to occur when, individually or jointly, the result of each indicator exceeds the annual global limits established by Aneel.

The efficiency criterion in relation to economic and financial management is stated by the following inequality:

$$\frac{Net\ debt^{1}}{Ebitda^{2} - QRR^{3}} \leq \frac{1}{(1.11 * Selic^{4})}$$

1. Net debt is defined as: (Gross debt) less (Financial assets, other than any financial assets or liabilities that are the subject of administrative or court proceedings). Gross debt is defined as the sum of the following liabilities: loans, financing, debentures, actuarial liabilities (private pension plan, and post-employment benefits), tax being paid by installments, derivative financial instruments, overdue taxes, overdue costs and sector charges that are in arrears or have been renegotiated, sector financial liabilities that are not the subject of any court or administrative proceedings, supply/purchase of electricity for resale (spot, without tariff coverage).
2. Ebitda calculated according to the methodology defined by Aneel.
3. QRR: This (the *Quota de Reintegração Regulatória* – or 'Regulatory Depreciation Expense') will be the value set by the last Periodic Tariff Review (RTP), updated by the variation of the Regulatory Amount for 'Portion B' expense, and calculated pro rata.
4. Selic: Limited to 9.009% per year, as upper limit, and 6.006%, as lower limit (i.e. in the event that the Selic is in fact outside this range).

This criterion is considered not met when there is non-compliance with the inequality condition or when Ebitida is lower than the QRR.

The efficiency criteria for continuity of supply and for economic and for financial management, required to maintain the distribution concession, were met in the year ended December 31, 2023. The calculation has not yet been made for the 2024 business year: it will be made when the Regulatory Financial Statements are published.

Hydrological risk

The greater part of the electricity sold by the Company is produced by hydroelectric plants. A prolonged period of scarce rainfall 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 their replacement by thermoelectric sources, or to reduction of revenues due to reduction in consumption caused by implementation of wide-ranging programs for saving of electricity. Prolonged generation by thermal plants can pressure distributors' costs of acquisition of supply, causing a greater need for cash, and can cause tariff increases in the future.

This risk is mitigated by the Energy Reallocation Mechanism (MRE), The MRE was conceived to share among its members the financial risks associated with the sale of energy by the hydroelectric plants, dispatched centrally by ONS.

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.

Risk of debt early maturity

The Company's subsidiaries have loan contracts with restrictive covenants normally applicable to this type of transaction, related to compliance with a financial index. Non-compliance with these covenants could result in earlier maturity of debts. More details in Note 18.

Accounting policy

Financial instruments are classified, at initial recognition, as measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss, based on the analysis of the contractual cash flow characteristics and the Company's business model for managing these financial instruments. Currently, the Company does not have financial instruments measured at fair value through other comprehensive income.

The corresponding disclosures on the main assumptions used in the fair value valuations are summarized in the respective notes.

Amortized cost

This category includes financial assets that (i) are held within the Company's business model with the aim of receiving contractual cash flows and (ii) the contractual terms of these assets give rise to known cash flows that exclusively constitute payment of principal and interest, as follows:

- receivables from customers, traders and concession holders;
- restricted cash;
- marketable debt securities with the intention of holding them until maturity and the terms of their contracts originate known cash flows that constitute exclusively payments of principal and interest;
- financial assets related to the compensation account for changes in the costs of the A portion (CVA) and other tariff adjustments;
- reimbursement of tariff subsidies; and
- accounts receivable from related parties.

This category includes the following financial liabilities:

- suppliers;
- leasing;
- loans and debentures;
- debt agreed with the pension fund (Forluz); and
- concessions payable and other credits.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR), Gains and losses are recognized in income or loss when the asset is derecognized, modified or impaired.

29. COMMITMENTS

The Company has contractual obligations and commitments not yet incurred, therefore not recognized in these financial statements. These mainly include long-term energy purchase contracts, as shown in this table:

	2025	2026	2027	2028	2029	2030 onwards	Total
Purchase of energy from Itaipu	1,094,660	1,094,660	1,094,660	1,094,660	1,094,660	19,703,879	25,177,179
Transport of energy from Itaipu	192,548	217,475	223,705	204,566	186,483	3,509,088	4,533,865
Purchase of energy - auctions	320,227	100,601	19,985	-	-	-	440,813
Purchase of energy - ‘bilateral contracts’	4,187,324	4,250,101	4,438,080	4,648,505	4,693,944	60,487,453	82,705,407
Quotas of Angra 1 and Angra 2	383,224	383,224	385,149	386,274	385,324	6,839,202	8,762,397
Physical guarantee quotas	738,812	660,391	581,971	582,020	572,620	10,141,507	13,277,321
	6,916,795	**6,706,452**	**6,743,550**	**6,916,025**	**6,933,031**	**100,681,129**	**134,896,982**

* Amounts presented at present value on December 31, 2023.

The payment flows for leases, loans and suppliers are shown in notes 15, 18 and 28 to these financial statements.

30. SUBSEQUENT EVENTS

Ruling in action to annul a period of validity in a Collective Employee Health Plan Agreement

On February 19, 2025, the Specialized Collective Employee Agreement section of the Higher Employment-law Appeal Court (TST) published the judgment given in an Ordinary Employment-law Appeal completed on December 9, 2024.

This decision determined cessation, as from December 31, 2023, of the period of validity of the clauses that specified automatic extension, for successive equal periods, of Clause 17 of the Collective Work Agreement of 2010, and Clause 4 of the Collective Work Agreement of 2016. These clauses ensured compliance by the Company of its obligations to pay post-employment benefits of the health plan (PSI) to retirees and active employees.

There is no accounting record to be made as a result of this decision at this time.

12th issue of debentures - Cemig D

On February 21, 2025, Cemig D announced to the market the start of the public offering of two million simple debentures, not convertible into shares, of the unsecured type, with an additional fiduciary guarantee, in two series, of the 12th issue of debentures, with a nominal unit value of one thousand reais, totaling two billion reais, to be carried out under the terms of CVM regulations.

On March 18, 2025, Cemig D concluded the financial settlement of the 12th issue of debentures, in two series, which are guaranteed by Cemig. Two million five hundred thousand debentures were issued, characterized as "ESG bonds for the use of sustainable resources", for a total of 2.5 billion reais, subscribed as follows:

Serie	Quantity	Value in million	Rare	Deadline	Amortization
1st	1,640,000	R$1,640,000	CDI + 0.86% p.a.	2,557 days	72nd and 84th meses
2nd	860,000	R$860,000	IPCA + 7.5467% p.a.	5,479 days	156th, 168th e 180th meses

The funds obtained by Cemig D from this issue will be used to manage its cash flow, including, but not limited to, its operations and the reimbursement of investments, costs and expenses it has made, including projects involving social and environmental issues.

Finally, it is reported that the credit rating agency Fitch Ratings has assigned an AA+(bra) rating to the issue.

Declaration of Interest on Equity

On March 20, 2025, the Company's Board of Directors approved the declaration of Interest on Equity (JCP) related to the first quarter of 2025, in the amount of R$232,217, to be paid in two equal installments, the first by June 30, 2026, and the second by December 30, 2026.

****

Reynaldo Passanezi Filho
President

Andrea Marques de Almeida
Vice President of Finance and Investor Relations

Cristiana Maria Fortini Pinto e Silva
Vice President Legal

Marney Tadeu Antunes
Vice President of Distribution

Marco da Camino Ancona Lopez Soligo
Vice President without Designation

Sergio Lopes Cabral
Vice President of Trading

Mário Lúcio Braga
Controller

Bruno Philipe Silvestre Rocha
Financial Accounting and Equity Interests Manager
Accountant - CRC- MG-121.569/O-7

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Independent auditors' report on the financial statements

To the Stockholders, Board of Directors and Management

Cemig Distribuição S.A.

Belo Horizonte - MG

Opinion

We have audited financial statements of Cemig Distribuição S.A. (the "Company"), which comprise the statement of financial position as of December 31, 2024 and the respective statements of income, comprehensive income, changes in shareholder´s equity and cash flows for the year then ended, and the corresponding notes comprising material accounting policies and other explanatory information.

In our opinion, the aforementioned financial statements present fairly, in all material aspects, the financial position of Cemig Distribuição S.A. as of December 31, 2024, and of its operations and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and in accordance with the international accounting standards (IFRS Accounting Standards), as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements of Ethics Standards Boards for Accountants and Professional Standard issued by Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Electric power distribution concession infrastructure.	
Notes 11, 12 and 13 to the financial statements	
Key audit matter	**How this matter has been conducted in our audit**
Investments in the expansion and improvement of the electric power distribution concession infrastructure are recognized as a contract asset during the construction period, in accordance with the technical pronouncement CPC 47/IFRS 15 - Revenue from Contracts with Customers. From the effective start of operations, in accordance with the technical interpretation ICPC 01 (R1)/IFRIC 12 - Service Concession Arrangements, investments are bifurcated between intangible asset, due to its recovery being conditional on the use of the public service through energy consumption by consumers, and financial asset, for investments made and not amortized until the end of the concession contract, as an unconditional right to receive cash or other financial asset directly from the grantor. The determination of which expenditures are eligible and should be capitalized as infrastructure costs and the measurement and accounting classification of assets related to the concession infrastructure between contract asset, financial asset, and intangible asset, during the construction process and upon entering into operation, involves complexity and judgments on the part of the Company and may impact the balances of these assets in the financial statements. For these reasons, as well as the values and disclosures involved, we consider this matter relevant in our audit.	Our audit procedures included, but were not limited to: - Evaluation of the design, implementation, and effectiveness of internal controls related to the recognition and measurement of amounts recognized as contract asset, financial asset, and intangible asset. - Inpection of documents, on a sample basis, of the additions made during the year to the contract asset and assessment if their classification was appropriate. - Inspection of documents, on a sample basis, of transfers from assets under construction to assets in operation, and verified the corresponding evidence that such assets were ready for use. - Recalculation of the bifurcation between financial asset and intangible asset, which were capitalized during the year. - Obtaining the asset base approved in the most recent Periodic Tariff Review and comparing it with the asset base of the Company. - Recalculation of the fair value of the indemnifiable financial asset of the concession related to infrastructure, considering the indices that affect the revaluation of the assets comprising the remuneration base approved by the regulator in the most recent tariff reviews, as well as the items added after the approval of the tariff review.. - Assessment of whether the disclosures made in the financial statements are in accordance with the applicable standards and whether they consider all relevant information. Based on the evidence obtained through the above summarized procedures, we consider acceptable the balance recognized in the contract asset, financial asset, and intangible asset related to the distribution concession infrastructure, in the context of the financial statements taken as a whole, for the year ended December 31, 2024.

Measurement of the actuarial obligation of defined benefit pension and healthcare plans	
Note 21 to the financial statements	
Key audit matter	**How this matter has been conducted in our audit**
The Company sponsors defined benefit pension plans and health plans that ensure supplementary retirement benefits and medical assistance to their employees. The measurement of the actuarial obligation of defined benefit pension and health plans involves management's judgments for the choice of actuarial assumptions that are used, mainly: (i) the discount rate; (ii) life expectancy; and (iii) real growth in contributions and wages. The Company hires external actuaries to assist in the process of evaluating actuarial assumptions and calculating the obligation of pension and health plans. We consider this matter to be a key audit matter, due to the uncertainties related to the assumptions for estimating the actuarial obligation of defined benefit pension and health plans, which have a risk of resulting in a material adjustment to the balances of the financial statements.	Our audit procedures included, but were not limited to: - Evaluation of the design, implementation, and operating effectiveness of certain internal controls associated with the actuarial liability measurement process, including controls related to the preparation, review, and approval of assumptions such as discount rate, life expectancy, and real growth of contributions and salaries. -Assessment of the scope, independence, competence, professional qualifications, experience, and objectivity of the external actuary hired to assist in estimating the actuarial obligation of pension and health plans. - Evaluation, with the support of our actuarial specialists, of the reasonableness and consistency of the assumptions used, such as discount rate, life expectancy, and real growth of contributions and salaries, including comparison with data obtained from external sources. - Assessment of whether the disclosures made in the financial statements are in accordance with applicable standards and whether all relevant information is considered. Based on the evidence obtained through the procedures summarized above, we consider acceptable the measurement of the actuarial obligation of defined benefit pension and health plans, as well as the respective disclosures, in the context of the financial statements, related to the year ended in December 31, 2024.

Other matters – Statements of Value Added

The statements of value added (DVA) for the year ended December 31, 2024, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS accounting standards purposes, were submitted for the auditing procedures jointly with audit of the Company's financial statements. For the purposes of forming our opinion, we evaluate whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria as defined in Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, this statement of value added have been properly prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and is consistent with the financial statements taken as a whole.

Other information that accompanies the financial statements and the auditor's report

Management is responsible for the other information, which comprises the Management Report.

Our opinion on the financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil and in accordance with the international accounting standards (IFRS Accounting Standards), as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of the financial statements are free from material misstatement, due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or, when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Belo Horizonte, March 21, 2025.

KPMG Auditores Independentes Ltda.

CRC (Regional Accounting Council) SP-014428/O-6 F-MG

(Original in Portuguese signed by)

Thiago Rodrigues de Oliveira

Contador CRC 1SP259468/O-7

OPINION OF THE AUDIT BOARD

The members of the Audit Board of Cemig Distribuição S.A., undersigned, in performance of their function under the law and the Company's by-laws, have examined the financial statements for the business year ended December 31, 2024 and the related complementary documents, approved by the Company's Board of Directors, on March 20, 2025. After verifying these documents, and considering the examinations carried out by this Board and the explanations provided by the Company's Management in relation to acts of management and the related records in the 2024 financial year, and also based on the unqualified Opinion of KPMG Auditores Independentes issued on March 21, 2025, hereby express the following favorable opinion, namely that these statements are adequately presented in all material aspects, and thus merit approval by the stockholders in the Annual General Meeting to be held in 2025.

Belo Horizonte, March 21, 2025.

Carlos Roberto de Albuquerque Sá – President

Pedro Bruno Barros de Souza – Board Member

Michele da Silva Gonsales Torres – Board Member

Lucas de Vasconcelos Gonzalez – Board Member

João Vicente Silva Machado – Board Member

DIRECTOR'S STATEMENTS OF REVIEW OF THE FINANCIAL STATEMENTS

We hereby state, for the due purposes, under the responsibility of our positions, that in meeting of the Executive Board of Companhia Energética de Minas Gerais (Cemig), Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., held on March 17, 2025, we approved the conclusion, on that date, of the Company's financial statements for the business year 2024; and also submission to the Board of Directors of the Financial Statements for 2024. In relation to those documents, we declare that we have reviewed, discussed and agree with the said Financial Statements.

Belo Horizonte, March 17, 2025.

Reynaldo Passanezi Filho - President

Sérgio Lopes Cabral - Vice President of Trading

Andrea Marques de Almeida - Vice President of Finance and Investor Relations

Marney Thadeu Antunes - Vice President of Distribution

Cristina Maria Fortini Pinto e Silva - Vice President Legal

Marco da Camino Ancona Lopes Soligo - Vice President without Designation

DIRECTOR'S STATEMENTS OF REVIEW OF THE REPORT BY THE INDEPENDET AUDITORS THE FINANCIAL STATEMENTS

We hereby state, for the due purposes, under the responsibility of our positions, that in meeting of the Executive Board of Companhia Energética de Minas Gerais (Cemig), Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A), held on March 17, 2025, we approved the conclusion, on that date, of the Company's financial statements for the business year 2024; and also submission to the Board of Directors, for decision and submission to the Annual General Meeting, of the Report of Management, the Financial Statements for 2024 and the related complementary documents. In relation to those documents, we declare that we have reviewed, discussed and agree with the opinions expressed by the representatives of the Independent External Auditors.

Belo Horizonte, March 17, 2025.

Reynaldo Passanezi Filho - President

Sérgio Lopes Cabral - Vice President of Trading

Andrea Marques de Almeida - Vice President of Finance and Investor Relations

Marney Thadeu Antunes - Vice President of Distribution

Cristina Maria Fortini Pinto e Silva - Vice President Legal

Marco da Camino Ancona Lopes Soligo - Vice President of Participations

REPORT OF THE AUDIT COMMITTEE

SUMMARY OF THE REPORT OF THE AUDIT COMMITTEE - March 21, 2025

INTRODUCTION

The purpose of the Audit Committee, a statutory body of Companhia Energética de Minas Gerais-Cemig, Cemig Distribuição S.A.-Cemig D, Cemig Geração e Transmissão S.A.-Cemig GT and their respective controlled companies and subsidiaries is to advise the Board of Directors on the exercise of its functions of audit and inspection, and, among other duties specified in its Internal Regulations, evaluate and state opinions on: the quality and integrity of the accounting statements; adherence to the rules of law, the bylaws and regulations; and the effectiveness of the systems of internal control, and of independent and external auditing. The assessments made by the Committee are based (i) on information received from Management, from the external auditors, from internal audits, and from those responsible for management of risk and internal controls; and (ii) on its own analyses arising from direct observation. It is a function of the Committee, with the technical and operational support of the Company's Compliance area, to carry out analysis of the appropriateness of nominations to the post of Manager or member of the Audit Board by carrying out background checks of integrity and compliance.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is composed of the following members: Roberto Cesar Guindalini (Chair), as of February 6, 2024; Artemio Bertholini, as of May 10, 2024; Giulia Carla Scalercio and Ricardo Lopes Cardoso, both as of May 20, 2024. The following individuals also served on the Statutory Audit Committee in 2024: Afonso Henriques Moreira Santos (up to January 31, 2024), Pedro Carlos de Mello, and Roberto Tommasetti (both up to May 20, 2024).

ACTIVITIES CARRIED OUT IN THE SCOPE OF ITS DUTIES IN YEAR OF 2024

In 2024 the Committee met 32 times. At the beginning of the first quarter of 2025 it has met 5 times. It has taken part in meetings of the Board of Directors 11 times in 2024 and two in 2025. Four meetings were held jointly with the Audit Board in 2024, and one so far in the first half of 2025. The Committee has maintained permanent contact with the managers of the various areas of the Company, aiming to accompany the work carried out, and obtain input information on which to base its assessments. 12 meetings were held with participation by the external auditors, KPMG Auditores Independentes Ltda., to become aware of methodology, planning and results of the work, with a view to preparation of the Financial Statements at December, 31, 2024. The Committee met with members of the Executive Board of the Company to deal with subjects related to general aspects of the management of the institution, in particular those relating to accounting, internal controls, internal auditing, management of capital, financial management, management of risks and Assessment of the adequacy of mathematical reserves in relation to actuarial liabilities. The Committee has presented recommendations for enhancement of processes, and accompanied the implementations of improvements that it has recommended and recommendations in relation to internal and external audits, indicated in the course of its work. The Committee has maintained regular contacts with the Company's Board of Directors, and has also issued opinions of aspects related to its duties under regulations, and provided information to that Board on its activities.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The work carried out by Director of Compliance, were the subject of accompaniment by the Committee. The Audit Committee considers that the activity of the Company's management in ensuring the effectiveness of the institution's systems of internal controls and risk management is positive (although in its opinion some points require more attention).

INTERNAL AUDITING

Several meetings have been held with the General Manager and the Managers of Internal Auditing (AI), with a view to accompanying the work carried out by these units. The Committee has made an assessment of the scope and quality of the audits carried out, and the level of independence of the area - assessing it to be positive. In the work carried out by internal auditing, no failures to comply with the legislation in effect and/or the internal rules were found of which the degree of severity could put the solidity and continuity of the Company at risk.

EXTERNAL AUDITING

The Committee met with the external auditors, KPMG Auditores Independentes Ltda., to ascertain the principal events in the works carried out in the preparation of the financial statements for 2024, and in their assessment of the Company's present internal controls. The Committee considers the work carried out to be satisfactory, and has not identified any situations that could affect the objectivity and independence of the external auditors.

THE FINANCIAL STATEMENTS

The Committee has accompanied the process of preparation of the financial statements for 2024, examining trial balances and the financial statements, the Report of Management, the Report of the External Auditors and other documents destined for publication. It has taken cognizance of the accounting practices used in the preparation of the financial statements, which are aligned with the fundamental principles of accounting and with Brazilian corporate legislation, and which adequately portray and financial institution's equity situation.

CONCLUSION

By the closing date of this report the Audit Committee had not received any reports of any accusation of non-compliance with rules, or absence of controls, or any act or omission by the Company's Management, that might indicate the existence of fraud, failings or errors that might put at risk the continuity of the institution or the fidelity of its accounting statements. Based on the considerations above, the Audit Committee, having duly weighed and considered its responsibilities and the natural limitations arising from the scope of its activity, recommends to the Board of Directors that the Financial Statements of Cemig for 2024 should be approved.

Belo Horizonte, March 21, 2025.

THE AUDIT COMMITTEE

ROBERTO CESAR GUINDALINI – Coordinator

ARTEMIO BERTHOLINI – Member

GIULIA CARLA SCALERCIO – Member

RICARDO LOPES CARDOSO – Member

CAPITAL BUDGET

In accordance with Article 196 of the Brazilian Corporation Law and Article 27, § 1, item IV, of CVM Instruction No. 80, the proposal for the Capital Budget for the fiscal year 2025, in thousands of reais, was submitted for analysis and subsequent approval at the Annual General Meeting to be held in April 2025, as detailed below. The projected capital budget will be funded exclusively by the Company's own resources from its operations, including the amount of R$593,875 thousand from the Retained Earnings for the fiscal year 2025.

Investments planned for 2024	
Distribution Development Program	4,698,911
Infrastructure	257,001
	4,995,912