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STATEMENTS OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021

ASSETS (In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
CURRENT					
Cash and cash equivalents	5	598,888	123,071	543,356	86,064
Marketable securities	6	1,579,284	943,789	935,440	618,130
Receivables from customers and traders	7	908,487	681,255	767,491	534,579
Concession holders – transmission service	7	114,238	113,324	111,515	111,164
Recoverable taxes	8	61,622	31,874	26,144	27,921
Income tax and social contribution tax recoverable	9a	775,254	652,515	773,671	650,523
Dividends receivables	27	-	232,098	197,071	280,204
Concession financial assets	11	308,010	283,233	-	-
Contract assets	12	696,010	592,337	666,713	565,659
Derivative financial instruments - NDF	28	68,609	-	68,609	-
Other		214,656	79,924	215,089	75,529
TOTAL CURRENT		5,325,058	3,733,420	4,305,099	2,949,773
NON-CURRENT					
Marketable securities	6	5,606	194,110	3,320	127,128
Receivables from customers and traders	7	877	3,393	188	715
Recoverable taxes	8	49,471	71,546	31,410	27,614
Escrow deposits	10	210,685	161,820	204,427	152,759
Derivative financial instruments - Swap	28	744,179	1,219,176	744,179	1,219,176
Other		52,754	55,000	57,884	62,084
Concession financial assets	11	3,278,840	3,325,170	669,216	816,202
Contract assets	12	3,852,675	3,684,645	3,766,069	3,595,441
Investments	13	3,520,438	3,330,193	7,919,345	7,481,708
Property, plant and equipment	14	2,358,600	2,417,525	1,589,860	1,656,846
Intangible	15	1,005,412	1,112,912	685,055	773,405
Right of use	16a	42,261	41,864	40,694	40,427
TOTAL NON-CURRENT		15,121,798	15,617,354	15,711,647	15,953,505
TOTAL ASSETS		20,446,856	19,350,774	20,016,746	18,903,278

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

STATEMENTS OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021

LIABILITIES (In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
CURRENT					
Loans, financings and debentures	19	187,950	470,536	187,950	470,536
Suppliers	17	529,481	383,786	490,133	334,379
Income tax and social contribution tax	9b	127,142	157,444	-	-
Taxes payable	18	133,216	144,387	111,453	123,747
Regulatory charges	20	125,249	111,160	114,842	100,052
Post-employment obligations	21	81,236	75,257	81,236	75,257
Interest on equity, and dividends, payable		685,082	799,947	685,082	799,947
Payroll and related charges		65,816	58,625	64,785	57,655
Derivative financial instruments - Swap	28	91,693	6,130	91,693	6,130
Derivative financial instruments - Option SAAG	28	653,967	636,292	653,967	636,292
Lease liabilities	16b	5,360	9,829	4,988	9,637
Other		194,659	326,500	188,343	325,574
TOTAL CURRENT		2,880,851	3,179,893	2,674,472	2,939,206
NON-CURRENT					
Loans, financings and debentures	19	5,389,788	5,558,924	5,389,788	5,558,924
Deferred income tax and social contribution tax	9c	523,196	678,897	436,417	593,588
Taxes payable	18	355,454	334,047	344,149	324,730
Regulatory charges	20	4,862	2,541	-	-
Post-employment obligations	21	1,254,241	1,231,957	1,254,241	1,231,957
Provisions	22	439,929	438,043	439,442	437,772
Lease liabilities	16b	41,599	35,621	40,274	34,289
Other		146,836	135,397	27,863	27,358
TOTAL NON-CURRENT		8,155,905	8,415,427	7,932,174	8,208,618
TOTAL LIABILITIES		11,036,756	11,595,320	10,606,646	11,147,824
SHAREHOLDERS' EQUITY	23				
Share capital		4,123,724	4,123,724	4,123,724	4,123,724
Profit reserves		2,464,672	2,464,672	2,464,672	2,464,672
Valuation adjustments		(301,761)	(182,942)	(301,761)	(182,942)
Advance for future capital increase		1,350,000	1,350,000	1,350,000	1,350,000
Retained earnings		1,773,465	-	1,773,465	-
TOTAL SHAREHOLDERS' EQUITY		9,410,100	7,755,454	9,410,100	7,755,454
TOTAL LIABILITIES AND EQUITY		20,446,856	19,350,774	20,016,746	18,903,278

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

STATEMENTS OF INCOME

FOR THE NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

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

	Note	Consolidated		Parent Company	
		Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
NET REVENUE	24	6,092,581	6,260,319	5,230,692	5,206,557
OPERATING COSTS	25				
Cost of energy		(3,277,102)	(3,630,105)	(3,216,529)	(3,474,765)
Transmission infrastructure construction cost		(197,998)	(101,728)	(197,998)	(101,728)
Operating costs		(551,854)	(536,222)	(421,019)	(420,024)
		(4,026,954)	(4,268,055)	(3,835,546)	(3,996,517)
GROSS PROFIT		2,065,627	1,992,264	1,395,146	1,210,040
OPERATING EXPENSES	25				
Expected credit losses of accounts receivable		(579)	(13,172)	(1,111)	(13,393)
General and administrative expenses		(140,979)	(75,895)	(141,253)	(75,721)
Other operating expenses		(317,824)	(147,168)	(317,206)	(146,779)
		(459,382)	(236,235)	(459,570)	(235,893)
Renegotiation of hydrological risk (Law 14,052/20), net	15	-	1,031,809	-	805,613
Periodic Tariff Review, net		-	217,063	-	217,063
Share of profit (loss), net, of affiliates and jointly controlled entities	13	449,138	56,044	982,738	830,659
Gains arising from the sale of non-current asset held for sale	30	6,644	-	6,644	-
Operating income before financial revenue (expenses) and taxes		2,062,027	3,060,945	1,924,958	2,827,482
Finance income	26	365,934	94,435	306,413	77,507
Finance expenses	26	(750,884)	(2,005,787)	(735,595)	(1,992,706)
Income before income tax and social contribution tax		1,677,077	1,149,593	1,495,776	912,283
Current income tax and social contribution tax	9d	(178,247)	(321,845)	1,699	(155,396)
Deferred income tax and social contribution tax	9d	155,816	94,549	157,171	165,410
NET INCOME FOR THE PERIOD		1,654,646	922,297	1,654,646	922,297
Basic and diluted earnings per share – R\$	23	0.57	0.32	0.57	0.32

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STATEMENTS OF INCOME

FOR THE THREE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

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

	Note	Consolidated		Parent Company	
		Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021
NET REVENUE	24	1,918,704	2,369,226	1,675,711	2,038,059
OPERATING COSTS	25				
Cost of energy		(1,319,068)	(1,600,331)	(1,299,101)	(1,498,547)
Transmission infrastructure construction cost		(72,112)	(54,604)	(72,112)	(54,604)
Operating costs		(169,147)	(200,554)	(122,375)	(154,106)
		<u>(1,560,327)</u>	<u>(1,855,489)</u>	<u>(1,493,588)</u>	<u>(1,707,257)</u>
GROSS PROFIT		358,377	513,737	182,123	330,802
OPERATING EXPENSES	25				
Expected credit losses of accounts receivable		(884)	(7,593)	(983)	(7,801)
General and administrative expenses		(39,532)	(29,931)	(39,979)	(29,927)
Other operating expenses		(74,214)	(63,800)	(74,020)	(65,574)
		<u>(114,630)</u>	<u>(101,324)</u>	<u>(114,982)</u>	<u>(103,302)</u>
Renegotiation of hydrological risk (Law 14,052/20), net	15	-	122,208	-	122,208
Share of profit (loss), net, of affiliates and jointly controlled entities		175,118	178,884	323,288	324,855
Operating income before financial revenue (expenses) and taxes		418,865	713,505	390,429	674,563
Finance income	26	178,240	73,753	152,511	66,656
Finance expenses	26	(325,315)	(1,216,053)	(321,076)	(1,213,858)
Income before income tax and social contribution tax		271,790	(428,795)	221,864	(472,639)
Current income tax and social contribution tax	9d	(49,665)	167,592	1,699	209,081
Deferred income tax and social contribution tax	9d	29,117	50,544	27,679	52,899
NET INCOME (LOSS) FOR THE PERIOD		251,242	(210,659)	251,242	(210,659)
Basic and diluted earnings (loss) per share – R\$	23	0.09	(0.07)	0.09	(0.07)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

(In thousands of Brazilian Reais)

	Consolidated		Parent Company	
	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
NET INCOME FOR THE PERIOD	1,654,646	922,297	1,654,646	922,297
COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,654,646</u>	<u>922,297</u>	<u>1,654,646</u>	<u>922,297</u>

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

(In thousands of Brazilian Reais)

	Consolidated		Parent Company	
	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021
NET INCOME (LOSS) FOR THE PERIOD	251,242	(210,659)	251,242	(210,659)
COMPREHENSIVE INCOME FOR THE PERIOD	<u>251,242</u>	<u>(210,659)</u>	<u>251,242</u>	<u>(210,659)</u>

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTHS PERIODS ENDED SETEMBER 30, 2022 AND 2021

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

	Share capital	Advance for future capital increase	Profit reserves	Valuation adjustments	Retained earnings	Total equity
Balances on December 31, 2020	4,000,000	-	2,072,877	(230,706)	-	5,842,171
Net income for the period	-	-	-	-	922,297	922,297
Advance for future capital increase	-	1,350,000	-	-	-	1,350,000
Realization of deemed cost	-	-	-	(6,269)	6,269	-
Interest on equity	-	-	-	-	(135,134)	(135,134)
Balances on September 30, 2021	4,000,000	1,350,000	2,072,877	(236,975)	793,432	7,979,334
Balances on December 31, 2021	4,123,724	1,350,000	2,464,672	(182,942)	-	7,755,454
Net income for the period	-	-	-	-	1,654,646	1,654,646
Realization of deemed cost	-	-	-	(118,819)	118,819	-
Balances on September 30, 2022	4,123,724	1,350,000	2,464,672	(301,761)	1,773,465	9,410,100

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

STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022 AND 2021
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
CASH FLOW FROM OPERATIONS					
Net income for the period		1,654,646	922,297	1,654,646	922,297
Adjustments for:					
Expenses (revenues) not affecting cash and cash equivalents:					
Depreciation and amortization	25	246,471	182,529	190,515	134,581
Write-down of net residual value of PP&E, intangible assets, concession financial and contract assets		180,439	4,186	171,828	678
Renegotiation of hydrological risk (Law 14,052/20), net	15	-	(1,031,809)	-	(805,613)
Adjustment to expectation of cash flow from the concession financial and contract assets	11 and 12	(883,910)	(838,017)	(510,937)	(469,175)
Share of profit (loss), net, of affiliates and jointly controlled entities	13b	(449,138)	(56,044)	(982,738)	(830,659)
Discount and premium on repurchase of debt securities	19	-	491,036	-	491,036
Interest and monetary variation		409,338	670,687	409,238	669,102
Exchange variation on loans, financing and debentures	19	(173,900)	212,850	(173,900)	212,850
Periodic tariff review adjustments	12	-	(238,815)	-	(238,815)
Gains arising from the sale of non-current asset held for sale	30	(6,644)	-	(6,644)	-
Amortization of transaction cost of loans and financings	19	1,843	15,778	1,843	15,778
Deferred income tax and social contribution tax	09c	(155,816)	(94,549)	(157,171)	(165,410)
Reimbursement of PIS/Pasep and Cofins taxes credits over ICMS		(2,104)	(4,125)	-	(2,504)
Provisions for operating losses, net	25b	10,156	36,403	10,470	36,613
Variation in fair value of derivative financial instruments – Swap/NDF	28	301,940	577,129	301,940	577,129
Variation in fair value of derivative financial instruments - Put option	28	17,675	36,335	17,675	36,335
Post-employment obligations	21	106,225	80,554	106,225	80,554
Other		136,801	10,793	136,800	11,109
		1,394,022	977,218	1,169,790	675,886
(Increase) decrease in assets					
Receivables from customers and traders		(225,295)	(52,117)	(233,496)	(35,482)
Recoverable taxes		(5,569)	(7,154)	(2,019)	1,062
Income tax and social contribution tax recoverable		206,419	4,122	216,987	12,074
Power transport concession holders		(914)	15,757	(351)	15,228
Escrow deposits		(39,597)	1,223	(42,470)	1,306
Dividends received		187,151	124,127	344,394	532,311
Concession financial assets and Contract assets	11 and 12	461,990	577,995	214,471	370,724
Other		(107,024)	50,129	(109,898)	24,738
		477,161	714,082	387,618	921,961
Increase (decrease) in liabilities					
Suppliers		145,695	181,787	155,754	210,223
Taxes		(14,175)	162,201	(17,290)	157,178
Income tax and social contribution tax		178,247	321,845	(1,699)	155,396
Payroll and related charges		7,191	9,456	7,130	9,396
Regulatory charges		16,410	(82,874)	14,790	(76,376)
Post-employment obligations	21	(77,962)	(67,631)	(77,962)	(67,631)
Other		37,091	(2,823)	20,654	(6,898)
		292,497	521,961	101,377	381,288
Cash from operations activities		2,163,680	2,213,261	1,658,785	1,979,135
Income tax and social contribution tax paid		(503,880)	(366,146)	(304,609)	(201,100)
Interest paid on loans, financings and debentures	19	(285,043)	(930,952)	(285,043)	(930,128)
Cash inflows from settlement of derivatives instruments	28	156,184	912,341	156,184	912,341
Interest paid on lease contracts	16	(420)	(383)	(395)	(355)
NET CASH GENERATED OPERATING ACTIVITIES		1,530,521	1,828,121	1,224,922	1,759,893

	Note	Consolidated		Parent Company	
		Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
CASH FLOW IN INVESTMENT ACTIVITIES					
Funding of investments	13b	(384)	(1,359)	(20,384)	(21,609)
Gains arising from the sale of non-current asset held for sale	30	6,644	-	6,644	-
Property, plant and equipment	14	(76,763)	(104,901)	(23,738)	(57,102)
Intangible assets	15	(4,195)	(3,700)	(4,193)	(3,700)
Marketable securities		(446,991)	493,302	(193,502)	557,764
NET CASH GENERATED (USED) IN INVESTMENT ACTIVITIES		(521,689)	383,342	(235,173)	475,353
CASH FLOW IN FINANCING ACTIVITIES					
Interest on equity, and dividends		(114,865)	(527,769)	(114,865)	(527,769)
Payments of loans, financings and debentures	19	(409,512)	(3,249,192)	(409,512)	(3,217,280)
Lease payments	16	(8,638)	(8,631)	(8,080)	(8,024)
Advance for future capital increase	23	-	1,350,000	-	1,350,000
NET CASH (USED) IN FINANCIAL ACTIVITIES		(533,015)	(2,435,592)	(532,457)	(2,403,073)
NET CHANGE IN CASH AND CASH EQUIVALENTS		475,817	(224,129)	457,292	(167,827)
Cash and cash equivalents at start of period	5	123,071	384,397	86,064	290,995
CASH AND CASH EQUIVALENTS AT END OF PERIOD		598,888	160,268	543,356	123,168

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

STATEMENTS OF ADDED VALUE FOR THE NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022 AND 2021 (In thousands of Brazilian Reais)

	Consolidated		Parent Company	
	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan a Jun/2021
REVENUES				
Sales of energy and services	6,528,963	6,785,377	5,892,346	5,950,733
Construction revenue	269,760	137,828	269,760	137,828
Interest revenue arising from the financing component in the transmission contract asset	434,779	433,075	414,391	433,075
Gain on financial updating of the concession grant fee	352,585	368,842	-	-
Periodic tariff review adjustments	-	238,815	-	238,815
Generation indemnity revenue	24,784	-	24,784	-
Expected credit losses of accounts receivable	(579)	(13,172)	(1,111)	(13,393)
Gains arising from the sale of non-current asset held for sale	6,644	-	6,644	-
Other revenues, net	66,417	(8,708)	66,417	(8,708)
	7,683,353	7,942,057	6,673,231	6,738,350
INPUTS ACQUIRED FROM THIRD PARTIES				
Energy purchase for resale	(3,409,639)	(3,820,064)	(3,399,658)	(3,697,977)
Charges for use of national grid	(197,242)	(170,184)	(142,717)	(126,561)
Outsourced services	(219,204)	(144,850)	(173,819)	(110,852)
Materials	(204,410)	(93,315)	(198,132)	(82,663)
Paid concession	(3,034)	(2,570)	(3,027)	(2,563)
Other operating costs	(202,821)	(84,028)	(201,127)	(79,750)
	(4,236,350)	(4,315,011)	(4,118,480)	(4,100,366)
GROSS VALUE ADDED	3,447,003	3,627,046	2,554,751	2,637,984
RETENTIONS				
Depreciation and amortization	(246,471)	(182,529)	(190,515)	(134,581)
NET VALUE ADDED	3,200,532	3,444,517	2,364,236	2,503,403
ADDED VALUE RECEIVED BY TRANSFER				
Renegotiation of hydrological risk (Law 14,052/20), net	-	1,031,809	-	805,613
Share of profit (loss), net, of affiliates and jointly controlled entities	449,138	56,044	982,738	830,659
Finance income	376,631	98,482	316,105	81,286
	825,769	1,186,335	1,298,843	1,717,558
ADDED VALUE TO BE DISTRIBUTED	4,026,301	4,630,852	3,663,079	4,220,961
DISTRIBUTION OF ADDED VALUE				
Employees	352,844	296,990	335,043	281,313
Direct remuneration	197,868	179,418	180,721	164,307
Post-employment and other Benefits	131,449	99,215	130,929	98,774
FGTS fund	12,689	12,189	12,555	12,064
Programmed voluntary retirement plan	10,838	6,168	10,838	6,168
Taxes	1,263,568	1,401,891	936,220	1,023,535
Federal	762,813	867,443	488,609	543,857
State	496,481	525,530	443,836	476,033
Municipal	4,274	8,918	3,775	3,645
Remuneration of external capital	755,243	2,009,674	737,170	1,993,816
Interest	750,884	2,005,787	735,595	1,992,706
Rentals	4,359	3,887	1,575	1,110
Remuneration of own capital	1,654,646	922,297	1,654,646	922,297
Interest on equity	-	135,134	-	135,134
Retained earnings	1,654,646	787,163	1,654,646	787,163
	4,026,301	4,630,852	3,663,079	4,220,961

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE NINE-MONTH PERIOD ENDED AS OF SEPTEMBER 30, 2022

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

1. OPERATING CONTEXT

a) The Company

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

The objects of the Company are: (i) to study, plan, design, build and commercially operate systems of generation, transmission and sale of energy and related services for which concessions are granted, under any form of law, to it or to subsidiaries; (ii) to operate in the various fields of energy, from any source, for the purpose of economic and commercial operation; (iii) to provide consultancy services within its field of operation to companies in Brazil and abroad; and (iv) to carry out activities directly or indirectly related to its objects. Since the third quarter of 2021, the Company began managing its business activity of power sale, through its partial transfer from the Cemig GT to Cemig (Parent Company), maintaining its corporate business strategy.

The Company has interests in 67 power plants – of these 60 are hydroelectric, 6 are wind power plants, and one is solar – and 73 transmission lines associated of the Brazilian national generation and transmission grid system, with installed capacity for 5,485 MW.

The Company has shareholding interests in subsidiaries, jointly-controlled entities and affiliated companies, the principal objects of which are construction and operation of systems for production and sale of energy, as described in note 13.

b) Construction of the *Boa Esperança* and *Jusante* photovoltaic solar plants

On August 23, 2022 the Company signed Full EPC (Engineering, Procurement and Construction) contracts for construction of the *Boa Esperança* and *Jusante* photovoltaic solar generation plants, for which the planned capex is R\$824 million – R\$447 million for *Boa Esperança* and R\$377 million for *Jusante*.

The *Boa Esperança* plant, on a site owned by the Company at Montes Claros, Minas Gerais, will have inverter installed capacity of 85MW (approximately 100.4 MWp). The *Jusante* plant, on a site owned by the Company in São Gonçalo do Abaeté, Minas Gerais, will have 7 generating plants, each with inverter installed capacity of 10MW (approximately 87 MWp). Initial energization is planned for September 2023.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

Presentation of the Added Value Statements (*Demonstrações do Valor Adicionado – DVA*) is required by the Brazilian corporate law, and by the accounting practices adopted in Brazil for listed companies (CPC 09 – Added Value Statements). IFRS does not require presentation of this statement. As a result, under IFRS this statement is presented as supplementary information, without prejudice to the financial statements as a whole.

Except for new rules, or amendments, effective from January 1, 2022, this interim financial information has been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the financial statements, of December 31, 2021.

Thus, this interim financial information should be read in conjunction with the said financial statements, approved by the Company's management on March 29, 2022.

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

The Company's Board of Directors authorized the issuance of this interim financial information on November 11, 2022.

2.2 Correlation between the explanatory notes published in the Financial Statements and those in the Interim Financial Information

Number of the note		Title of the note
Dec. 31, 2021	Sep. 30, 2022	
1	1	Operational context
2	2	Basis of preparation
3	3	Consolidation principles
4	4	Concessions and authorizations
5	29	Operational segments
6	5	Cash and cash equivalents
7	6	Marketable securities
8	7	Customers and traders
9	8	Recoverable taxes
10	9	Income tax and social contribution tax
11	10	Escrow deposits
12	11	Concession financial assets
13	12	Contract assets
14	13	Investments
15	14	Property, plant and equipment
16	15	Intangible assets
17	16	Leasing
18	17	Suppliers
19	18	Taxes
22	19	Loans, financings and debentures
21	20	Regulatory charges
22	21	Post-employment obligations
23	22	Provisions
24	23	Equity and remuneration to shareholders
25	24	Revenues
26	25	Operating costs and expenses
27	26	Financial revenue and expenses
28	27	Related party transactions
29	28	Financial instruments and risk management
30	30	Assets as held for sale / Disposal of equity interest
33	31	Parliamentary Committee of Inquiry ('CPI')

The explanatory notes of financial statements ended December 31, 2021 that have not been included in this consolidated interim financial information because they had no material changes, and/or were not applicable to the interim financial information, are as follows:

Number of the note	Title of the note
31	Insurance
32	Commitments

2.3 Revisions of accounting standards applied for the first time in 2022

The changes to CPC 25/IAS 37 (Provisions, Contingent liabilities and Contingent assets), CPC 27/IAS 16 (Property, Plant and Equipment) and CPC 15/IFRS 3 – Business Combinations, in effect for annual reporting periods beginning on or after January 1, 2022, have no impact on the Company's individual or consolidated interim financial information.

2.4 Regrouping of items in the Income statement

Starting in the third quarter of 2022, the Company made some adjustments in the classification of expenses in its Profit and loss account (Income statement), so as to group certain items more accurately in accordance with their function. The description of the nature of each type of expense continues to be presented in the Explanatory Notes, without alteration. These adjustments do not affect margins, or indicators, and are merely improvements proposed by the Company's management. To maintain comparability, the corresponding information for the period ended September 30, 2021 is being presented using the same criteria. The Company considers these adjustments not to be material.

3. PRINCIPLES OF CONSOLIDATION

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

The Company uses the criteria of full consolidation. The direct equity investments are as follows:

Subsidiaries	Sep. 30, 2022 and Dec. 31, 2021	
	Valuation method	Direct stake, %
Cemig Baguari Energia S.A. ("Cemig Baguari")	Consolidation	100
Cemig Geração Três Marias S.A. ("Cemig Geração Três Marias")	Consolidation	100
Cemig Geração Salto Grande S.A. ("Cemig Geração Salto Grande")	Consolidation	100
Cemig Geração Itutinga S.A. ("Cemig Geração Itutinga")	Consolidation	100
Cemig Geração Camargos S.A. ("Cemig Geração Camargos")	Consolidation	100
Cemig Geração Sul S.A. ("Cemig Geração Sul")	Consolidation	100
Cemig Geração Leste S.A. ("Cemig Geração Leste")	Consolidation	100
Cemig Geração Oeste S.A. ("Cemig Geração Oeste")	Consolidation	100
Sá Carvalho S.A. ("Sá Carvalho")	Consolidation	100
Horizontes Energia S.A. ("Horizontes")	Consolidation	100
Rosal Energia S.A. ("Rosal Energia")	Consolidation	100
Cemig PCH S.A. ("Cemig PCH")	Consolidation	100
Empresa de Serviços de Comercialização de Energia Elétrica S.A. ("ESCEE")	Consolidation	100
Cemig Geração Poço Fundo S.A. ("Poço Fundo")	Consolidation	100
Cemig Trading S.A. ("Cemig Trading")	Consolidation	100
Central Eólica Praias de Parajuru S.A. ("Parajuru")	Consolidation	100
Central Eólica Volta do Rio S.A. ("Volta do Rio")	Consolidation	100
Companhia de Transmissão Centroeste de Minas S.A. ("Centroeste")	Consolidation	100

4. CONCESSIONS AND AUTHORIZATIONS

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

	Company holding concession or authorization	Concession or authorization contract	Expiration date
POWER GENERATION			
Hydroelectric plants			
Emborcação (2)	Cemig GT	7/1997	May 2027
Nova Ponte (2)	Cemig GT	7/1997	Aug. 2027
Santa Luzia	Cemig GT	7/1997	Feb. 2026
Irapé (2)	Cemig GT	14/2000	Sep. 2037
Queimado (Consortium) (2)	Cemig GT	06/1997	Jun. 2034
Rio de Pedras (2)	Cemig GT	02/2013	Dec. 2025
Poço Fundo (2) (4)	Cemig Geração Poço Fundo	01/2021	May 2052
São Bernardo (2)	Cemig GT	02/2013	Jun. 2027
Rosal (2)	Rosal Energia	01/1997	Dec. 2035
Machado Mineiro (1)			May 2027
Salto Voltão (1)			Jun. 2033
Salto Paraopeba	Horizontes Energia	Resolution 331/2002	Oct. 2030
Salto do Passo Velho (1)			Mar. 2031
Pai Joaquim (3)	Cemig PCH	Authorizing Resolution 377/2005	Apr. 2032
Sá Carvalho (2)	Sá Carvalho	01/2004	Aug. 2026
Três Marias (2)	Cemig Geração Três Marias S.A.	08/2016	Jan. 2053
Salto Grande (2)	Cemig Geração Salto Grande	09/2016	Jan. 2053
Itutinga (2)	Cemig Geração Itutinga	10/2016	Jan. 2053
Camargos (2)	Cemig Geração Camargos	11/2016	Jan. 2053
Coronel Domiciano (2)			Apr. 2047
Joasal, Marmelos, Paciência and Piau (2)	Cemig Geração Sul	12/2016 and 13/2016	Jan. 2053
Dona Rita (2)			Jul. 2050
Ervália and Neblina (2)			Apr. 2047
Peti (2)	Cemig Geração Leste	14/2016 and 15/2016	Jan. 2053
Sinceridade (2)			Mar. 2047
Tronqueiras (2)			Dec. 2046
Cajuru, Gafanhoto and Martins (2)	Cemig Geração Oeste	16/2016	Jan. 2053
Wind power plants			
Central Geradora Eólica Praias de Parajuru	Parajuru	Resolution 526/2002	Sep. 2032
Central Geradora Eólica Volta do Rio	Volta do Rio	Resolution 660/2001	Jan. 2031
POWER TRANSMISSION			
National grid	Cemig GT	006/1997	Jan. 2043
Itajubá Substation	Cemig GT	79/2000	Oct. 2030
Linha de transmissão Furnas – Pimenta	Centroeste	004/2005	Mar. 2035

- (1) On June 14, 2022, the grantor (Aneel – ‘Agência Nacional de Energia Elétrica’) Authorizing Resolution 12,137 changed the termination date of the grants of authorization of these plants, as a consequence of the renegotiation of hydrological risk (GSF).
- (2) On October 7, 2022, amendments were signed to the concession contracts of these plants, to state the new dates during which the concessions or authorizations will be in effect.
- (3) This is a plant that is eligible for extension of its concession grant as a result of the renegotiation of hydrological risk (GSF). Since this grant is by an Authorizing Resolution, formal reformulation of that Resolution to contain the new date is awaited.
- (4) On September 29 and October 1, 2022, Aneel authorized start of commercial operation of the generating units UG-01 and UG-02, respectively – both are part of the Poço Fundo small hydroelectric plant (SHP). These dates were approximately 3 months earlier than the deadlines for first supply stated in the conditions of the A-4 Auction held by Aneel in June 2018, which sold the additional supply arising from the expansion of generation capacity at the Poço Fundo SHP (by 9.16 MW to 30,00 MW) and of its assured physical offtake (by 5.79 MW average to 16.59 MW average).

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

5. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Bank accounts	1,884	5,917	271	3,772
Cash equivalents:				
Bank certificates of deposit (CDBs) (1)	475,301	70,251	472,845	50,846
Automatic applications - Overnight (2)	114,809	44,789	67,996	29,334
Others	6,894	2,114	2,244	2,112
	597,004	117,154	543,085	82,292
	598,888	123,071	543,356	86,064

- (1) Bank Certificates of Deposit (Certificados de Depósito Bancário or CDBs), accrued interest at between 80% and 105.2% of the CDI Rate on September 30, 2022 (Interbank Rate for Interbank Certificates of Deposit (or Certificados de Depósito Inter-bancário - CDIs) published by the Custody and Settlement Chamber (Câmara de Custódia e Liquidação, or Cetip) (90% and 106.6% on December 31, 2021). For these CDBs, the Company and its subsidiaries have repo transactions which state, on their trading notes, the bank's commitment to repurchase the security, on demand, on the maturity date of the transaction, or earlier.
- (2) Overnight transactions are repos available for redemption on the following day. They are usually backed by Treasury Bills, Notes or Bonds and referenced to a pre-fixed rate that varies between 13.62% p.a. to 13.64% p.a. on September 30, 2022 (8.87% p.a. to 9.14% p.a. on December 31, 2021). Their purpose is to settle the short-term obligations of the Company, or to be used in the acquisition of other assets with better return to replenish the portfolio.

Note 28 provides information in relation to the exposure of the Company and its subsidiaries to interest rate risks, and a sensitivity analysis of their effects on financial assets and liabilities.

6. MARKETABLE SECURITIES

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Current				
Bank certificates of deposit (CDBs) (1)	598,037	55,290	354,186	36,211
Financial Notes (LFs) – Banks (2)	866,206	779,375	513,008	510,436
Treasury Financial Notes (LFTs) (3)	108,871	98,108	64,478	64,254
Debentures (4)	5,890	10,975	3,488	7,188
Others	280	41	280	41
	1,579,284	943,789	935,440	618,130
Non-current				
Financial Notes (LFs) – Banks (2)	1,883	191,430	1,115	125,373
Debentures (4)	3,723	2,680	2,205	1,755
	5,606	194,110	3,320	127,128
	1,584,890	1,137,899	938,760	745,258

- (1) Bank Certificates of Deposit (Certificados de Depósito Bancário or CDBs), accrued interest of 103% on September 30, 2022 (107.24% on December 31, 2021) (Interbank Rate for Interbank Certificates of Deposit (or Certificados de Depósito Inter-bancário - CDIs) published by the Custody and Settlement Chamber (Câmara de Custódia e Liquidação, or Cetip).
- (2) *Bank Financial Notes (Letras Financeiras, or LFs)* are fixed-rate fixed-income securities, issued by banks and that accrued interest a percentage of the CDI rate published by Cetip. The LFs had remuneration at rates between 104.76% and 115% of the CDI rate on September 30, 2022 (105.00% and 130.00% on December 31, 2021).
- (3) Treasury Financial Notes (LFTs) are fixed-rate securities, their yield follows the daily changes in the Selic rate between the date of purchase and the date of maturity. The LFTs had remuneration at rates between 13.65% to 13.9% p.a. on September 30, 2022 (9.12% to 9.50% p.a. on December 31, 2021).
- (4) *Debentures* are medium and long term debt securities, which give their holders a right of credit against the issuing company. The debentures have remuneration varying from TR + 1.00% to 114.29% of the CDI rate on September 30, 2022 (TR + 1.00% to 109.00% of the CDI rate on December 31, 2021).

The classification of these securities and the investments of related parties are shown in notes 27 and 28, respectively.

7. CUSTOMERS, TRADERS AND POWER TRANSPORT CONCESSION HOLDERS

	Balances not yet due		Past due			Consolidated	
	Billed	Unbilled	Until 90 days	91 to 360 days	More than 360 days	Sep. 30, 2022	Dec. 31, 2021
Industrial	15,453	308,620	73,282	62,141	34,929	494,425	330,582
Commercial, services and others	360	82,417	11,886	182	9,390	104,235	96,663
Wholesale supply to other concession holders	23,876	181,925	40,650	15	97	246,563	242,026
Concession holders – transmission service	2,749	102,470	3,284	638	5,097	114,238	113,324
CCEE (Power Trading Chamber)	51,738	1,979	40,887	-	-	94,604	43,379
Expected credit losses of accounts receivable	-	-	(201)	(1,736)	(28,526)	(30,463)	(28,002)
	94,176	677,411	169,788	61,240	20,987	1,023,602	797,972
Current assets						1,022,725	794,579
Customers and traders						908,487	681,255
Concession holders – transmission service						114,238	113,324
Non-current assets						877	3,393
Customers and traders						877	3,393

	Balances not yet due		Past due			Parent Company	
	Billed	Unbilled	Until 90 days	91 to 360 days	More than 360 days	Sep. 30, 2022	Dec. 31, 2021
Industrial	1,584	276,109	73,282	60,082	29,734	440,791	281,119
Commercial, services and others	360	82,417	11,886	182	9,390	104,235	96,663
Wholesale supply to other concession holders	23,876	113,869	22,026	-	96	159,867	140,802
Concession holders – transmission service	2,756	100,038	3,165	472	5,084	111,515	111,164
CCEE (Power Trading Chamber)	51,738	-	38,616	-	-	90,354	41,286
Expected credit losses of accounts receivable	-	-	(201)	(1,736)	(25,631)	(27,568)	(24,576)
	80,314	572,433	148,774	59,000	18,673	879,194	646,458
Current assets						879,006	645,743
Customers and traders						767,491	534,579
Concession holders – transmission service						111,515	111,164
Non-current assets						188	715
Customers and traders						188	715

The exposure of the Company and its subsidiaries to credit risk related to Customers and traders is provided in Note 28.

The expected credit losses of accounts receivables are considered sufficient to cover any potential losses in the realization of accounts receivables as follows:

	Consolidated	Parent Company
Balance on December 31, 2021	28,002	24,576
Additions, net (Note 25c)	579	1,111
Disposals	1,882	1,881
Balance on September 30, 2022	30,463	27,568

8. RECOVERABLE TAXES

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Current				
ICMS tax recoverable	9,105	6,419	6,465	5,513
Cofins (a)	27,202	5,975	287	3,510
PIS/Pasep (a)	5,963	1,526	43	947
Social security contributions	18,528	17,145	18,528	17,145
Others	824	809	821	806
	61,622	31,874	26,144	27,921
Non-current				
ICMS tax recoverable	32,347	28,551	31,410	27,614
Cofins (a)	14,071	35,265	-	-
PIS/Pasep (a)	3,053	7,730	-	-
	49,471	71,546	31,410	27,614
	111,093	103,420	57,554	55,535

a) PIS/Pasep and Cofins taxes credits over ICMS

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

On May 12, 2020 the federal tax authority (Receita Federal) granted the application for qualification of the credits for offsetting against federal taxes payable up to the 2021 business year.

Final court judgment has also been given, against which there is no further appeal, in favor of the similar actions filed by the Company's wholly-owned subsidiaries Sá Carvalho, Cemig Geração Poço Fundo (previously denominated Usina Termelétrica Barreiro S.A.) and Horizontes Energia. The process of qualification of the credits of these companies was completed with the tax authority in September 2022, and offsetting of the federal tax is payable has begun. On September 30, 2022, the balance to be offset in these companies is R\$29,717, posted in Current assets.

Owing to the modulation of effects derived from STF decision, the wholly owned subsidiaries of Lot D, recognized, in 2021, PIS/Pasep and Cofins taxes credits over ICMS in the amount of R\$8,935 related the periods included in the legal action on that matter.

9. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Income tax and social contribution tax recoverable

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Current				
Income tax	536,172	503,437	534,679	501,836
Social contribution tax	239,082	149,078	238,992	148,687
	775,254	652,515	773,671	650,523

b) Income tax and social contribution tax payable

	Consolidated	
	Sep. 30, 2022	Dec. 31, 2021
Current		
Income tax	93,884	116,340
Social contribution tax	33,258	41,104
	127,142	157,444

The Company has some uncertainties relating to the treatments of certain taxes on profit, and management has concluded that it is more probable than not that the tax authority will accept the Company's conclusions. The effects of the potential contingencies are stated in Note 22.

c) Deferred income tax and social contribution tax

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Deferred tax assets				
Tax loss carryforwards	310,854	218,104	310,854	218,104
Post-employment obligations	431,942	414,995	431,942	414,995
Expected credit losses of accounts receivable	9,941	8,924	9,373	8,356
Provisions for contingencies	127,777	120,289	127,773	120,234
Provision for SAAG put option	222,349	216,339	222,349	216,339
Provisions for losses on investments	57,107	244,132	57,107	244,132
Other provisions	61,252	48,923	61,252	48,923
Paid concession	11,787	11,274	11,787	11,274
Other	22,916	21,369	16,242	15,190
	1,255,925	1,304,349	1,248,679	1,297,547
Deferred tax liabilities				
Fair Value as cost attributed on IFRS adoption	(157,097)	(219,067)	(140,668)	(201,878)
Adjustment of contract assets	(931,518)	(895,223)	(927,948)	(891,654)
Fair value of equity holdings	(123,187)	(129,641)	(123,187)	(129,641)
Adjustment to fair value	(245,172)	(412,436)	(245,172)	(412,436)
Reimbursement of costs – GSF	(285,330)	(319,210)	(223,231)	(253,901)
Other	(36,817)	(7,669)	(24,890)	(1,625)
	(1,779,121)	(1,983,246)	(1,685,096)	(1,891,135)
Net total	(523,196)	(678,897)	(436,417)	(593,588)
Total liabilities	(523,196)	(678,897)	(436,417)	(593,588)

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

	Consolidated	Parent Company
Balance on December 31, 2021	(678,897)	(593,588)
Effects allocated to income statement	155,816	157,171
Other	(115)	-
Balance on September 30, 2022	(523,196)	(436,417)

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

	Consolidated		Parent Company	
	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
Profit before income tax and social contribution tax	1,677,077	1,149,593	1,495,776	912,283
Income tax and social contribution tax – nominal expense (34%)	(570,206)	(390,862)	(508,564)	(310,176)
Tax effects applicable to:				
Interest on equity	-	45,946	-	45,946
Tax incentives	289	2,842	-	2,830
Share of profit (loss) of affiliate and joint controlled entities, net	104,883	9,584	289,121	276,515
Non-deductible penalties	(1,103)	(1,391)	(1,103)	(1,391)
Difference between presumed profit and real profit methods	64,251	109,862	-	-
Disposal of goodwill - Renova	108,416	-	108,416	-
Estimated losses on doubtful accounts receivable from related parties - Renova	233,931	-	233,931	-
Others	37,108	(3,277)	37,069	(3,710)
Income tax and social contribution tax – effective revenue (expense)	(22,431)	(227,296)	158,870	10,014
Current income tax and social contribution tax	(178,247)	(321,845)	1,699	(155,396)
Deferred income tax and social contribution tax	155,816	94,549	157,171	165,410
	(22,431)	(227,296)	158,870	10,014
Effective rate	1.34%	19.77%	(10.62%)	(1.10%)

	Consolidated		Parent Company	
	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021
Profit before income tax and social contribution tax	271,790	(428,795)	221,864	(472,639)
Income tax and social contribution tax – nominal expense (34%)	(92,409)	145,790	(75,434)	160,697
Tax effects applicable to:				
Tax incentives	277	(7,604)	-	(7,608)
Share of profit (loss) of affiliate and joint controlled entities, net	15,077	57,881	66,410	108,481
Non-deductible penalties	13	(1,182)	13	(1,182)
Difference between presumed profit and real profit methods	18,239	21,395	-	-
Others	38,255	1,856	38,389	1,592
Income tax and social contribution tax – effective revenue (expense)	(20,548)	218,136	29,378	261,980
Current income tax and social contribution tax	(49,665)	167,592	1,699	209,081
Deferred income tax and social contribution tax	29,117	50,544	27,679	52,899
	(20,548)	218,136	29,378	261,980
Effective rate	7.56%	50.87%	(13.24%)	55.43%

10. ESCROW DEPOSITS

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Labor claims	25,956	24,153	25,298	23,502
Tax issues				
Income tax on interest on equity	18,423	17,760	17,107	16,444
Pasep and Cofins taxes (1)	3,459	6,343	-	-
Income tax and social security contribution on indemnity for employees' 'Anuênio' benefit (2)	70,774	68,399	70,774	68,399
Urban property tax (IPTU)	14,668	13,272	14,666	13,270
Social contribution tax (3)	19,706	18,062	19,706	18,062
Others	6,467	4,615	5,789	4,010
	133,497	128,451	128,042	120,185
Others				
Court embargo	1,792	929	1,760	896
Regulatory	4,753	3,279	4,753	3,279
Administrative (4)	40,168	-	40,168	-
Others	4,519	5,008	4,406	4,897
	51,232	9,216	51,087	9,072
	210,685	161,820	204,427	152,759

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

(2) More details in Note 22 – Provisions (*Indemnity of employees' future benefit – the 'Anuênio'*).

(3) Escrow deposit in the legal action challenging an infringement claim relating to application of Social Contribution tax to amounts of cultural and artistic donations and sponsorship, expenses on punitive fines, and taxes with liability suspended.

(4) This includes the amount of R\$37,785 relating to the escrow deposits made for the legal action for breach of contract relating to provision of services of cleaning of power line pathways and firebreaks. For more details see Note 22 – Provisions (Other legal actions).

11. CONCESSION FINANCIAL ASSETS

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Generation – Indemnity receivable (11.1)	669,216	816,202	669,216	816,202
Generation – Concession grant fee (11.2)	2,917,634	2,792,201	-	-
	3,586,850	3,608,403	669,216	816,202
Current	308,010	283,233	-	-
Non-current	3,278,840	3,325,170	669,216	816,202

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

	Consolidated	Parent Company
Balance on December 31, 2021	3,608,403	816,202
Inflation adjustment	377,369	24,784
Amounts received	(227,152)	-
Settled	(171,770)	(171,770)
Balance on September 30, 2022	3,586,850	669,216

11.1 Generation – Indemnity receivable

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

On July 28, 2022 Aneel revoked Normative Resolution (ReN) 942, by publication of ReN 1027, establishing the general methodology and criteria for calculation – to be based on New Replacement Value, which is calculated, as first priority, based on the reference database of prices – then as second priority by the concession holder’s own prices database, then, as the last alternative, by the updated inspected accounting cost.

The Valuation Report was concluded, with the following results:

Generation plant	Concession expiration date	Installed capacity (MW)	Net balance of assets based on historical cost	Net balance of assets based on fair value – ReN 1,027/2022	Financial Update	Net balance of assets on September 30, 2022
Lot D						
UHE Três Marias	July 2015	396.00	71,029	166,903	6,419	173,322
UHE Salto Grande	July 2015	102.00	11,514	85,625	3,293	88,918
UHE Itutinga	July 2015	52.00	4,408	10,089	388	10,477
UHE Camargos	July 2015	46.00	7,278	19,611	754	20,365
PCH Piau	July 2015	18.01	1,622	4,376	168	4,544
PCH Gafanhoto	July 2015	14.00	1,371	5,247	202	5,449
PCH Peti	July 2015	9.40	1,330	6,056	233	6,289
PCH Dona Rita	Sep. 2013	2.41	600	1,569	60	1,629
PCH Tronqueiras	July 2015	8.50	2,373	8,510	292	8,802
PCH Joasal	July 2015	8.40	1,572	6,269	241	6,510
PCH Martins	July 2015	7.70	2,273	4,451	171	4,622
PCH Cajuru	July 2015	7.20	3,558	18,862	725	19,587
PCH Paciência	July 2015	4.08	871	4,146	159	4,305
PCH Marmelos	July 2015	4.00	694	2,409	93	2,502
Others						
UHE Volta Grande	Feb. 2017	380.00	235	361	14	375
UHE Miranda	Dec. 2016	408.00	34,697	90,862	3,494	94,356
UHE Jaguará	Aug. 2013	424.00	45,706	137,673	5,331	143,004
UHE São Simão	Jan. 2015	1,710.00	27,082	71,413	2,747	74,160
		3,601.70	218,213	644,432	24,784	669,216

With the conclusion of the Valuation Report, the Company wrote off the financial asset in the amount of R\$171,770, in June 2022. In the third quarter of 2022, there was a financial update of R\$24,784. The remaining balance of R\$669,216 represents management’s best estimate for the plants reimbursement, based on the evaluation criteria set by Aneel.

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

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

11.2 Generation - Concession grant fee

The concession grant fee paid for a 30 year concession contracts N° 08 to 16/2016, related to 18 hydroelectric plants of Auction 12/2015, won by the Company, was an amount of R\$2,216,353. The amount of the concession fee was recognized as a financial asset measured at amortized cost, as the Company has an unconditional right to receive the amount paid, updated by the IPCA Index and remuneratory interest (the total amount of which is equal to the internal rate of return on the project), during the period of the concession.

The changes in concession financial assets are as follows:

SPC	Plants	Dec. 31, 2021	Monetary updating	Amounts received	Sep. 30, 2022
Cemig Geração Três Marias S.A.	Três Marias	1,583,720	191,617	(122,048)	1,653,289
Cemig Geração Salto Grande S.A.	Salto Grande	497,154	60,379	(38,490)	519,043
Cemig Geração Itutinga S.A.	Itutinga	187,004	25,072	(16,364)	195,712
Cemig Geração Camargos S.A.	Camargos	140,201	18,691	(12,182)	146,710
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência and Piauí	183,635	25,918	(17,140)	192,413
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	125,187	19,239	(13,015)	131,411
Cemig Geração Oeste S.A.	Cajuru, Gafanhoto and Martins	75,300	11,669	(7,913)	79,056
		2,792,201	352,585	(227,152)	2,917,634

12. CONCESSION CONTRACT ASSETS

The amounts of contract assets on September 30, 2022 totaling:

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
National Grid ('BNES' - Basic Network of the Existing System) - Law 12,783/13	1,961,434	2,011,576	1,961,434	2,011,576
Transmission – Assets remunerated by tariff	2,587,251	2,265,406	2,471,348	2,149,524
	4,548,685	4,276,982	4,432,782	4,161,100
Current	696,010	592,337	666,713	565,659
Non-current	3,852,675	3,684,645	3,766,069	3,595,441

The changes in contract assets are as follows:

	Consolidated	Parent Company
Balance on December 31, 2021	4,276,982	4,161,100
Additions	269,760	269,760
Inflation adjustment	434,779	414,391
Amounts received	(432,836)	(412,469)
Balance on September 30, 2022	4,548,685	4,432,782

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

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Current				
Concession contract – 006/97 (b)				
National Grid ('BNES' – Basic Network of the Existing System)	385,272	317,692	385,272	317,692
National Grid - new facilities (RBNI)	234,051	209,185	234,051	209,185
Concession contract – 079/00 (a)	47,390	38,782	47,390	38,782
Concession contract – 004/05 (c)	29,297	26,678	-	-
	696,010	592,337	666,713	565,659
Non-current				
Concession contract – 006/97 (b)				
National Grid ('BNES' – Basic Network of the Existing System)	1,576,162	1,693,884	1,576,162	1,693,884
National Grid - new facilities (RBNI)	2,039,776	1,749,699	2,039,776	1,749,699
Concession contract – 079/00 (a)	150,131	151,858	150,131	151,858
Concession contract – 004/05 (c)	86,606	89,204	-	-
	3,852,675	3,684,645	3,766,069	3,595,441
	4,548,685	4,276,982	4,432,782	4,161,100

a) Concession contract nº 006/1997

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

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

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

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

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

In the proposed profile the minimum payment is made in the 2021-2022 cycle, with zero amortization of the debt portion of the balance; in the 2022-2023 cycle there is amortization at a rate of 3.0%, so as to amortize part of the debt and keep the level of payments stable; and there are then constant payments over the cycles of 2023-2024 to 2027-2028, with amortization rates of 16.11% per year. Thus, to achieve regulatory stability and mitigate sector risk, this RAPs financial component might not be included in 2023 periodic review.

b) Concession contract nº 079/2000

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

Index used for adjustment of the contract is the General Market Prices Index (Índice Geral de Preços do Mercado – IGPM).

On March 30, 2021, Ratifying Resolution 2,839 changed the amounts of the RAP and the amounts of the Adjustment Portion for this contract, generating a positive adjustment of R\$3,708 in contract assets amount.

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

The next Periodic Tariff Review (RTP) of the enhancements that have been approved will take place in June 2024 with effect from July 1st, 2024.

c) Concession contract nº. 004/2005

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

The indexer used for adjustment of the contract is the IGP-M (Índice Geral de Preços do Mercado – General Market Prices Index).

On July 13, 2021, Aneel established the RAP (Annual Permitted Revenue) for the 2021–2022 cycle, by Ratifying Resolution nº 2,895, which was amended by Ratifying Resolution nº 2,959 on October 5, 2021, due to applications for reconsideration filed by the transmission concession agents, including the Company.

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

The annual tariff adjustment

Through Ratifying Resolution (ReH) 3,067 of 2022, Aneel established the RAPs for the 2022-2023 cycle, in effect from July 1, 2022. The increase relates mainly to: (i) reprofiling of the Financial Component of the existing National Grid assets – which were 64% higher than in the 2021-2022 cycle; (ii) different monetary updating indexes in the period (11.7% for the IPCA and 10.7% for the IGPM); and (iii) new works addition.

	Readjustment index	RAP 2021-2022 cycle R\$MM	RAP 2022-2023 cycle R\$MM	Var %
Concession contract – 006/97	IPCA	682.8	825.6	21.0%
Concession contract – 079/00	IGPM	40.7	45.0	10.7%
Concession contract – 004/05	IGPM	28.5	31.5	10.7%
		752.0	902.1	19.96%

13. INVESTMENTS

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Affiliated companies				
Madeira Energia S.A. ("MESA") (1)	8,568	-	8,568	-
Fundo de Investimento em Participações Melbourne				
Multiestratégia ("FIP Melbourne") (1)	7,113	-	7,113	-
Jointly controlled entities				
Hidrelétrica Cachoeirão S.A. ("Hidrelétrica Cachoeirão")	61,290	59,014	61,290	59,013
Guanhães Energia S.A. ("Guanhães Energia")	159,078	125,172	159,078	125,172
Hidrelétrica Pipoca S.A. ("Hidrelétrica Pipoca")	56,483	46,722	56,483	46,722
Paracambi Energética S.A. ("Paracambi") (formerly Lightger) (5)	56,443	47,787	56,443	47,787
Baguari Energia S.A. ("Baguari Energia")	158,293	168,429	158,293	168,429
Aliança Norte Participações S.A. ("Aliança Norte") (2)	584,636	609,154	584,636	609,154
Amazônia Energia Participações S.A. ("Amazônia Energia") (2)	894,142	932,600	894,142	932,600
Aliança Geração de Energia S.A. ("Aliança Geração")	1,346,785	1,140,930	1,346,785	1,140,930
Retiro Baixo Energética S.A. ("Retiro Baixo")	187,607	200,385	187,607	200,385
Subsidiaries				
Cemig Baguari Energia S.A.	-	-	74	88
Cemig Geração Três Marias S.A.	-	-	1,734,041	1,652,343
Cemig Geração Salto Grande S.A.	-	-	563,969	526,776
Cemig Geração Itutinga S.A.	-	-	219,341	211,956
Cemig Geração Camargos S.A.	-	-	172,341	165,369
Cemig Geração Sul S.A.	-	-	242,191	214,845
Cemig Geração Leste S.A.	-	-	159,330	147,702
Cemig Geração Oeste S.A.	-	-	121,406	105,990
Rosal Energia S.A.	-	-	114,462	114,751
Sá Carvalho S.A.	-	-	154,905	134,209
Horizontes Energia S.A.	-	-	58,137	59,575
Cemig PCH S.A.	-	-	94,790	90,117
Cemig Geração Poço Fundo S.A.	-	-	164,747	144,129
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	-	-	10,110	7,734
Cemig Trading S.A.	-	-	2,531	2,158
Central Eólica Praias de Parajuru S.A.	-	-	187,410	177,707
Central Eólica Volta do Rio S.A.	-	-	278,903	273,988
Companhia de Transmissão Centroeste de Minas	-	-	120,219	122,079
Total of investments	3,520,438	3,330,193	7,919,345	7,481,708
Usina Hidrelétrica Itaocara S.A. ("Itaocara") – Equity deficit (3)	(14,280)	(20,767)	(14,280)	(20,767)
Madeira Energia S.A. ("MESA") – Provisions to losses (4)	-	(161,648)	-	(161,648)
Total	3,506,158	3,147,778	7,905,065	7,299,293

- (1) Indirect interest in the Santo Antônio plant through these investees.
- (2) Indirect interest in the Belo Monte plant through these investees.
- (3) The investee Usina Hidrelétrica Itaocara had negative shareholders' equity. Thus, after reducing the accounting value of its interest to zero, the Company recognized the loss to the extent that it assumed contractual obligations with the subsidiary and the other shareholders, which on September 30, 2022 is R\$14,280 (R\$20,767 on December 31, 2021). The loss is recorded in the balance sheet in Other obligations.
- (4) In June 2022, the provision relating to contractual obligations assumed by the Company with the investee and the other shareholders was reversed. See further information in this note.
- (5) On November 8, 2022, the investee's Extraordinary General Meeting approved the amendment of the bylaws that changed its corporate name to "Paracambi Energética S.A.".

For the period ended on September 30, 2022, management evaluates of potential decline in value of assets, as referred to in CPC 01/IAS 36 – *Impairments of Assets* and were not observed impairment of its investments. Thus, the reported assets net carrying amount is recoverable, and therefore the Company has not recognized any impairment loss related to its investments.

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

a) Changes in the right to exploitation of the regulated activity

Consolidated	Balance on Dec. 31, 2021	Amortization	Balance on September 30, 2022
Retiro Baixo	27,796	(1,040)	26,756
Aliança Geração	301,605	(18,982)	282,623
Aliança Norte	46,660	(1,479)	45,181
	376,061	(21,501)	354,560

Parent Company	Balance on Dec. 31, 2021	Amortization	Balance on September 30, 2022
Retiro Baixo	27,796	(1,040)	26,756
Parajuru	49,241	(3,462)	45,779
Volta do Rio	67,205	(5,081)	62,124
Aliança Geração	301,605	(18,982)	282,623
Aliança Norte	46,660	(1,479)	45,181
	492,507	(30,044)	462,463

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

Consolidated	Balance on Dec. 31, 2021	Gain (loss) by equity method	Addition	Dividends	Others (4)	Balance on September 30, 2022
Hidrelétrica Cachoeirão	59,014	12,076	-	(9,800)	-	61,290
Guanhães Energia	125,172	33,906	-	-	-	159,078
Hidrelétrica Pipoca	46,722	12,417	-	(2,656)	-	56,483
MESA (Santo Antônio Plant)	-	8,568	-	-	-	8,568
FIP Melbourne (Santo Antônio Plant) (1)	-	139,934	-	-	(132,821)	7,113
Baguari Energia	168,429	19,382	-	(29,518)	-	158,293
Paracambi (formerly Lightger) (5)	47,787	15,294	-	(6,638)	-	56,443
Amazônia Energia (Belo Monte Plant)	932,600	(38,458)	-	-	-	894,142
Aliança Norte (Belo Monte Plant)	609,154	(24,902)	384	-	-	584,636
Aliança Geração (2)	1,140,930	83,227	-	125,896	(3,268)	1,346,785
Retiro Baixo	200,385	19,559	-	(32,337)	-	187,607
Total of investments	3,330,193	281,003	384	44,947	(136,089)	3,520,438
Itaocara – equity deficit	(20,767)	6,487	-	-	-	(14,280)
MESA – provisions to losses (3)	(161,648)	161,648	-	-	-	-
Total	3,147,778	449,138	384	44,947	(136,089)	3,506,158

- (1) On September 12, 2022, AGPar made the payment to the FIP Melbourne fund associated with the Agreement arising from Arbitration Judgment CCBC-86/2016. As from that date the Company recognized this as a receivable, in the income statement. There is more information below in this note.
- (2) On March 24, 2022 the investee's Board of Directors approved the reversion of a portion of Dividends payable to the Retained earnings reserve, which is linked to certain financial conditions.
- (3) In June 2022, the provision relating to contractual obligations assumed by the Company with the investee and the other shareholders was reversed. See further information in this note.
- (4) This refers to expenditure on implementation of projects previously executed.
- (5) On November 8, 2022, the investee's Extraordinary General Meeting approved the amendment of the bylaws that changed its corporate name to "Paracambi Energética S.A."

Parent Company	Balance on Dec. 31, 2021	Gain (loss) by equity method	Addition	Dividends	Others (5)	Balance on September 30, 2022
Hidrelétrica Cachoeirão	59,013	12,076	-	(9,799)	-	61,290
Guanhães Energia	125,172	33,906	-	-	-	159,078
Hidrelétrica Pipoca	46,722	12,417	-	(2,656)	-	56,483
MESA (Santo Antônio Plant)	-	8,568	-	-	-	8,568
FIP Melbourne (Santo Antônio Plant) (1)	-	139,934	-	-	(132,821)	7,113
Baguari Energia	168,429	19,382	-	(29,518)	-	158,293
Central Eólica Praias Parajuru S.A.	177,707	14,656	-	(4,953)	-	187,410
Central Eólica Volta do Rio S.A.	273,988	4,915	-	-	-	278,903
Paracambi (formerly Lightger) (6)	47,787	15,294	-	(6,638)	-	56,443
Amazônia Energia (Belo Monte Plant)	932,600	(38,458)	-	-	-	894,142
Aliança Norte (Belo Monte Plant)	609,154	(24,902)	384	-	-	584,636
Aliança Geração (2) (5)	1,140,930	83,227	-	125,896	(3,268)	1,346,785
Retiro Baixo Energia S.A.	200,385	19,559	-	(32,337)	-	187,607
Cemig Baguari Energia S.A.	88	(14)	-	-	-	74
Cemig Geração Três Marias S.A.	1,652,343	191,698	-	(110,000)	-	1,734,041
Cemig Geração Salto Grande S.A.	526,776	63,193	-	(26,000)	-	563,969
Cemig Geração Itutinga S.A.	211,956	33,384	-	(25,999)	-	219,341
Cemig Geração Camargos S.A.	165,369	33,972	-	(27,000)	-	172,341
Cemig Geração Sul S.A.	214,845	31,347	-	(4,001)	-	242,191
Cemig Geração Leste S.A.	147,702	30,959	-	(19,331)	-	159,330
Cemig Geração Oeste S.A.	105,990	15,416	-	-	-	121,406
Rosal Energia S.A.	114,751	14,963	-	(15,252)	-	114,462
Sá Carvalho S.A.	134,209	46,517	-	(25,821)	-	154,905
Horizontes Energia S.A.	59,575	11,028	-	(12,466)	-	58,137
Cemig PCH S.A.	90,117	17,902	-	(13,229)	-	94,790
Cemig Geração Poço Fundo S.A. (3)	144,129	1,940	20,000	(1,322)	-	164,747
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	7,734	2,376	-	-	-	10,110
Cemig Trading S.A.	2,158	852	-	(479)	-	2,531
Companhia de Transmissão Centroeste de Minas	122,079	18,496	-	(20,356)	-	120,219
Total of investments	7,481,708	814,603	20,384	(261,261)	(136,089)	7,919,345
Itaocara – equity deficit	(20,767)	6,487	-	-	-	(14,280)
MESA – provisions to losses (4)	(161,648)	161,648	-	-	-	-
Total	7,299,293	982,738	20,384	(261,261)	(136,089)	7,905,065

- (1) On September 12, 2022, AGPar made the payment to the FIP Melbourne fund associated with the Agreement arising from Arbitration Judgment CCBC-86/2016. As from that date the Company recognized this as a receivable, in the income statement. There is more information below in this note.
- (2) On March 24, 2022 the investee's Board of Directors approved the reversion of a portion of Dividends payable to the Retained earnings reserve, which is linked to certain financial conditions.
- (3) In the second quarter of 2022, the Company transferred to this investee, as an advance against future capital increase, in the amount of R\$20,000.
- (4) In June 2022, the provision relating to contractual obligations assumed by the Company with the investee and the other shareholders was reversed. See further information in this note.
- (5) This refers to expenditure on implementation of projects previously executed.
- (6) On November 8, 2022, the investee's Extraordinary General Meeting approved the amendment of the bylaws that changed its corporate name to "Paracambi Energética S.A."

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

Company	Number of shares	September 30, 2022			December 31, 2021		
		Equity interest (%)	Share capital	Equity	Equity interest (%)	Share capital	Equity
Affiliated companies							
MESA	24,796,536,323	7.58	12,202,337	206,825	15.51	10,619,786	1,492,037
Jointly controlled entities							
Hidrelétrica Cachoeirão	35,000,000	49.00	35,000	125,081	49.00	35,000	120,436
Guanhães Energia (3)	548,626,000	49.00	548,626	324,650	49.00	548,626	255,453
Hidrelétrica Pipoca	41,360,000	49.00	41,360	113,639	49.00	41,360	93,390
Baguari Energia (1)	26,157,300,278	69.39	186,573	228,130	69.39	186,573	242,736
Paracambi (formerly Lightger) (3) (4)	79,078,937	49.00	79,232	125,618	49.00	79,232	97,525
Aliança Norte (Belo Monte plant)	41,949,320,044	49.00	1,209,750	1,100,929	49.00	1,209,043	1,147,947
Amazônia Energia (Belo Monte plant) (1)	1,322,897,723	74.50	1,322,898	1,200,190	74.50	1,322,698	1,251,811
Aliança Geração	1,291,582,500	45.00	1,291,488	2,364,804	45.00	1,291,488	1,857,905
Retiro Baixo	225,350,000	49.90	225,350	322,351	49.90	225,350	345,868
Usina Hidrelétrica Itaocara S.A.	156,259,500	49.00	156,259	(29,143)	49.00	156,259	(42,381)
Subsidiaries							
Cemig Baguari Energia S.A.	406,000	100.00	406	74	100.00	406	88
Cemig Geração Três Marias S.A.	1,291,423,369	100.00	1,291,423	1,734,041	100.00	1,291,423	1,652,343
Cemig Geração Salto Grande S.A.	405,267,607	100.00	405,268	563,969	100.00	405,268	526,776
Cemig Geração Itutinga S.A.	151,309,332	100.00	151,309	219,341	100.00	151,309	211,956
Cemig Geração Camargos S.A.	113,499,102	100.00	113,499	172,341	100.00	113,499	165,369
Cemig Geração Sul S.A.	148,146,505	100.00	148,147	242,191	100.00	148,147	214,845
Cemig Geração Leste S.A.	100,568,929	100.00	100,569	159,330	100.00	100,569	147,702
Cemig Geração Oeste S.A.	60,595,484	100.00	60,595	121,406	100.00	60,595	105,990
Rosal Energia S.A.	46,944,467	100.00	46,944	114,462	100.00	46,944	114,751
Sá Carvalho S.A.	361,200,000	100.00	36,833	154,905	100.00	36,833	134,209
Horizontes Energia S.A.	39,257,563	100.00	39,258	58,137	100.00	39,258	59,575
Cemig PCH S.A.	45,952,000	100.00	45,952	94,790	100.00	45,952	90,117
Cemig Geração Poço Fundo S.A. (2)	97,161,578	100.00	97,162	164,747	100.00	97,162	144,128
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	486,000	100.00	486	10,110	100.00	486	7,734
Cemig Trading S.A.	1,000,000	100.00	1,000	2,531	100.00	1,000	2,158
Central Eólica Praias de Parajuru S.A.	85,834,843	100.00	85,835	141,631	100.00	85,835	128,466
Central Eólica Volta do Rio S.A.	274,867,441	100.00	274,867	216,779	100.00	274,867	206,783
Companhia de Transmissão Centroeste de Minas	28,000,000	100.00	28,000	120,219	100.00	28,000	122,079

(1) Control shared under a shareholders' agreement.

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

(3) On June 23, 2022, Light completed the sale of its equity holdings in Guanhães and in Paracambi (formerly LightGer) to Brasal Energia S.A. The operation comprised the sale to Brasal Energia S.A. of the whole of the equity interest held by Light, of 51% of the share capital of LightGer and of Guanhães.

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

Madeira Energia S.A. ('MESA') and FIP Melbourne - (special purpose vehicle through which Cemig GT holds interests in 'SAAG')

Santo Antônio Energia S.A ('SAE') is a wholly owned subsidiary of MESA, SAESA, whose objects are construction, operation and maintenance of the *Santo Antônio* Hydroelectric Plant and its transmission system, for an initially agreed period of 35 years from signature of the concession contract, which took place on June 13, 2008, and was extended for a further 4 years in counterpart to the costs incurred on GSF, in accordance with Law 14,052/2020. The Santo Antônio Hydroelectric Plant began commercial operation in 2012, and reached full generation in December 2016. The shareholders of Mesa include Furnas, Novonor – in Judicial Recovery (previously named Odebrecht Energia), FIP Amazônia (FI-FGTS and Novonor), SAAG, and the Company. As well as its direct shareholding, the Company has an indirect equity interest in Mesa, through SAAG.

On September 30, 2022, MESA reported a negative net working capital in the amount of R\$334,351. An important event in the second quarter of 2022 was a cash inflow of R\$1,583,098, as a result of the capital increase approved by an Extraordinary General Meeting of Shareholders held for this purpose on April 29, 2022. The proceeds were used almost in their entirety in 3Q22 for payment of the agreements arising from the conclusion of the arbitration proceedings involving the construction consortium and other parties, referred to in more detail below. In relation to the low liquidity in the short term, it should be noted that structurally, Hydroelectric plants project finance structurally present negative net working capital in the first years of operation, because they are built using high levels of financial leverage. On the other hand, they have firm long-term contracts for energy supply as support and guarantee of payment of their debts.

To balance the situation of capital structure and liquidity, MESA has also been adopting actions aimed at readjustment the operational expenditure, protecting the exposure to hydrological risks, optimizing the capital structure, and managing the energy operations.

Dilution of Cemig GT's equity interest in Mesa

On June 7, 2022, the shareholder Furnas subscribed new common shares issued by Mesa, in the amount of R\$1,582,551, as a result of the capital increase approved by an Extraordinary General Meeting of Shareholders held on April 29, 2022, and in view of the other shareholders waiving their first refusal rights. With the paying up of the shares subscribed, the equity interest held by Furnas in Mesa increased from 43.06% to 72.36%, diluting the total equity interest held by Cemig GT from 15.51% to 7.58%. This percentage does not take into account the result of the arbitration proceeding CAM 115/2018, described in the next item of this Note.

On July 7, 2022 a Contract to Cancel the Shareholders' Agreement was signed at the Extraordinary General Meeting of Shareholders of Mesa, resulting in Furnas assuming shareholding control of Mesa. This EGM also decided to change the composition of the Boards of Directors of SAE and Mesa. These boards now each have 11 members, and Cemig GT and SAAG have the right to appoint, jointly, one member (and that member's alternate) to each board, until such time as Cemig GT and SAAG are completely released from all and any liabilities, obligations and/or guarantees given to Mesa and/or SAE under the financing contracts and instruments,

including those related to acquisition of energy. As a result, even with the cancellation of the shareholders' agreement, the position of the Company continued to qualify as significant influence over the investee.

With the capital increase referred to, the shareholders' equity of the investee is now, and thus the conditions that led to the Company recognizing a provision for negative net equity on December 31, 2021, have ceased to exist. Consequently, in accordance with CPC 18/IAS 28 (Investments in Associates and Joint Ventures) the Company reversed that provision, corresponding to the obligations assumed in favor of the investee in agreements for support and guarantees, which on May 31, 2022 had been R\$170,916.

Arbitral proceeding CAM-115/2018 – Madeira Energia S.A.

In 2018 SAAG and Cemig GT filed Arbitration Proceeding CAM 115/2018, seeking to annul the capital increase, approved by MESA Extraordinary General Meeting held on August 28, 2018, through capitalization of the credits arising from the annulment of the capital increase made in 2014, which had been annulled in a previous arbitration proceeding.

On December 13, 2021 was released the arbitration decision annulling the capital increase part of the arbitration proceeding, as well as on March 16, 2022, the Market Arbitration Chamber published a decision on a motion for clarification in which confirmed the terms of the judgment in full.

As a consequence of the arbitration decision, Cemig GT's direct and indirect equity holding in Mesa should be increased from 8.54% to 9.86% and 6.97% to 8.05%, respectively, resulting in a consolidated ownership increase from 15.51% to 17.91%.

On April 29, 2022, MESA informed that the shareholder Furnas, which is also a party in the arbitration process, notified MESA that, on April 28, 2022, a preliminary injunction in their legal action was granted, for the immediate suspension of the CAM 115/2018 arbitration decision, in order to maintain the equity interest held before its effects. According to MESA's legal advisors, the aforementioned suspension is not definitive and they assessed the probability of loss as probable, therefore, the investee maintained the provision for capital reduction in its interim financial information.

Since the legal proceeding in which the urgent provisional remedy was granted is at an initial phase, the Company, based on the opinion of its legal advisors, believes that a modification on the arbitration decision is remote, and awaits compliance with it.

With the dilution of shareholdings which took place in June 2022, the Company's direct and indirect shareholdings in Mesa were reduced from 8.54% and 6.97%, respectively, to 4.14% and 3.44%, respectively. If the effects of Arbitration Judgment CAM-115/2018 are implemented, the Company's respective equity interests will increase from 4.14% and 3.44%, to 4.43% and 3.68%, respectively.

Arbitral proceeding CCI-21,511/ASM/JPA (c. 21,673/ASM) – Santo Antônio Energia S.A.

On January 31, 2022, was released the arbitration decision on arbitration proceeding in CCI (International Chamber of Commerce) Nº 21,511/ASM/JPA (c. 21,673/ASM), which consolidated the matters between Santo Antônio Energia S.A. (SAE), Consórcio Construtor Santo Antônio (CCSA) and other parties, relating, in summary, to the following issues:

- i. Liability of CCSA for reimbursement of the costs of purchase of energy supply by SAE, due to non-compliance with the timetable for delivery of the works.
- ii. Liability of SAESA relating to the increase in costs incurred by CCSA arising, mainly, from strikes and work stoppages occurred from 2009 to 2013.

The result of this arbitration, made available by the International Arbitration Court of the International Chamber of Commerce on February 7, 2022, indicates that the main claims of SAE were rejected, as well the main claims of CCSA were granted, and, where applicable, of its co-consortium members against SAE. Also, the arbitration decision initially declared as being without effect the instrument entitled “Terms and Conditions”, which was the basis for recognition by the Parties of the “Reimbursable Expenditures”, as set out in an explanatory note to the financial statements of SAE, which was the basis for the application for reimbursement of SAE’s costs of purchase of energy, on the grounds of non-compliance by CCSA with its timetable for delivery of works.

As well as the granted CCSA claims, that have already been provisioned in SAE financial statements as “Guarantee Deposits” (R\$770 million) and “Other Provisions” (R\$492 million), other claims were also granted with an estimated additional value of R\$226 million payable.

On June 30, 2022 SAE, in a joint petition with Grupo Industrial Complexo Rio Madeira – GICOM, applied for extinction of the Action for Execution of Judgment filed by GICOM, which related to a portion of the amount defined by the Arbitration Judgment, due to an amicable agreement having been reached between the parties. This agreement terminated the action in which GICOM claimed R\$645 million.

On August 4, 2022, a Transaction Agreement was signed between SAE and Grupo Civil, part of CCSA, comprising the companies CNO S.A., Andrade Gutierrez Engenharia S.A. and Novonor Serviços e Participações S.A. – In Judicial Recovery, for definitive termination of the Arbitration Proceeding CCI 21,511/ASM/JPA.

Concomitantly with signature of the agreement, the Parties signed and filed, on August 4, 2022, a joint petition for termination of (a) Arbitration Proceeding CCI 21,511/ASM/JPA, and (b) the Action for Execution of Judgment filed by Grupo Civil, in relation to the claimed amount of R\$962 million, which was the remainder of the amount decided by the Arbitration Judgment. On October 3, 2022, SAE paid the final tranche, of R\$202,945, under the agreement signed with the construction company Grupo Civil (‘GCIVIL’), completing closure of CCI Arbitration Proceeding 21,511/ASM/JPA, and the Action for Compliance with Judgment brought by GCIVIL.

Under the financing contracts signed with the Brazilian Development Bank ('BNDES') and financing contracts under on lending from the BNDES, any obligations arising for SAE under judgments in the arbitration proceedings are to be paid in accordance with the terms of the respective financing contracts.

Thus, the capital increase subscribed and paid up on June 7, 2022 as described above, in the amount of R\$1,582,551 was allocated to pay debts arising from Arbitration Judgment CCI-21,511/ASM/JPA, being used for payment of the amounts under the agreement signed with GICOM and Grupo Civil.

SAE reiterated that the arbitration and the action were both heard in camera, and the agreements made are confidential.

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

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

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

In proportion to its holding in FIP Melbourne, the Company recognized a receivable of R\$133 million, in the income statement for 2022. Additionally, the provision for the put option was adjusted to reflect the receipt by the funds of the amounts in the agreement corresponding to their holding.

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

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

On September 30, 2022 NESA presents negative net working capital of R\$222.591 (R\$189,028 on December 31, 2021). According to the estimates and projections, the negative net working capital, and the future demands for investments in the hydroelectric plant, will be supported by revenues from future operations and/or raising of bank loans.

On September 21, 2015, NESA was awarded a preliminary injunction ordering the grantor to abstain, until hearing of the application for an injunction made in the original case, from applying to Appellant any penalties or sanctions in relation to the Belo Monte Hydroelectric Plant not starting operations on the date established in the original timetable for the project, including those specified in the grantor (Aneel) Normative Resolution 595/2013 and in the Concession Contract 01/2010-MME for the Belo Monte Hydroelectric Plant'. The legal advisors of NESA have classified the probability of loss as 'possible' and estimated the potential loss on September 30, 2022 to R\$3,026 million (R\$2,832 million on December 31, 2021).

d) Risks related to compliance with law and regulations

Jointly-controlled entities and affiliates:

Norte Energia S.A. ('NESA') – through Amazônia Energia and Aliança Norte

Investigations and other legal measures are in progress, conducted by the Federal Public Attorneys' Office, which involve other shareholders of NESA and certain executives of those other shareholders. In this context, the Federal Public Attorneys have started investigations on irregularities involving contractors and suppliers of NESA and of its other shareholders, which are still in progress.

At present, it is not possible to determine the outcome of these investigations, and their possible consequences. These might at some time in the future affect the investee, further to the write-downs of infrastructure assets in the amount of R\$183,000 recorded at NESA in 2015, based on the results of the independent internal investigation conducted by NESA and its other shareholders, the results of which were reflected in the Company through the equity method in that year.

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

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

Madeira Energia S.A. ('MESA')

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

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

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

Other investigations

In addition to the cases above, there are investigations being conducted by the Public Attorneys' Office of the State of Minas Gerais ('MPMG') and by the Civil Police of the State of Minas Gerais ('PCMG'), which aim to investigate possible irregularities in the investments made by the Company at Guanhões Energia and also at MESA.

Internal procedures for risks related to compliance with law and regulations.

Taking into account the investigations, that are being conducted by public authorities relating to Company and to certain investees, as described above, the governance bodies of the Company have authorized contracting third party investigator to analyze the internal procedures related to these investments. This independent investigation was subject to oversight of an independent Special Investigation Committee whose creation was approved by our Board of Directors.

The Company's internal investigation was completed and the corresponding report was issued on May 8, 2020 and identified no objective evidence substantiating illegal acts made by Company in the Company's investments that were the subjects of the investigation. Therefore, there was no impact in the Company's interim financial information, neither for the period ended on September 30, 2022 nor for prior periods business year.

In the second half of 2019, Company signed tolling agreements with the Securities and Exchange Commission (SEC) and US Department of Justice (DOJ), which were extended until August 2021 and on July 2022, respectively. Cemig has complied with the requests and intends to continue cooperating fully with to the SEC and the DOJ, in accordance with any demands presented.

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

In the end of 2020, the Company began internal procedures for investigation of complaints received from the MPMG, through Official Letters, the content of which refers to alleged irregularities in the purchasing processes. The investigation is being accompanied by an Investigation Committee, with support from specialized advisers.

The independent internal investigation begun in December, 2020 has been concluded in the end of 2021, with receipt of the final report. This was approved by the Investigation Committee and submitted by the Company to the MPMG, which has not yet completed its investigation, no matter was identified that might present a significant impact on the interim financial information at September 30, 2022 or on financial statements for prior years. The Company awaits completion of the investigations by the MPMG, and by the Brazilian and international authorities, with whom the report has been shared.

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

14. PROPERTY, PLANT AND EQUIPMENT

Consolidated	September 30, 2022			December 31, 2021		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
In service	7,380,717	(5,354,950)	2,025,767	7,328,985	(5,216,046)	2,112,939
Land	246,946	(28,220)	218,726	246,523	(25,822)	220,701
Reservoirs, dams and watercourses	3,301,814	(2,412,600)	889,214	3,295,828	(2,352,006)	943,822
Buildings, works and improvements	1,091,291	(854,729)	236,562	1,085,888	(837,918)	247,970
Machinery and equipment	2,713,629	(2,035,784)	677,845	2,667,242	(1,970,649)	696,593
Vehicles	14,136	(12,978)	1,158	20,602	(19,230)	1,372
Furniture and utensils	12,901	(10,639)	2,262	12,902	(10,421)	2,481
Under construction	332,833	-	332,833	304,586	-	304,586
Assets in progress	332,833	-	332,833	304,586	-	304,586
Net PP&E	7,713,550	(5,354,950)	2,358,600	7,633,571	(5,216,046)	2,417,525

Parent Company	September 30, 2022			December 31, 2021		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
In service	6,185,094	(4,712,461)	1,472,633	6,155,957	(4,609,197)	1,546,760
Land	242,323	(27,786)	214,537	241,900	(25,418)	216,482
Reservoirs, dams, watercourses	3,019,053	(2,258,791)	760,262	3,013,067	(2,204,303)	808,764
Buildings, works and improvements	1,001,797	(810,491)	191,306	997,133	(795,789)	201,344
Machinery and equipment	1,895,345	(1,592,187)	303,158	1,870,814	(1,554,440)	316,374
Vehicles	13,918	(12,760)	1,158	20,384	(19,012)	1,372
Furniture and utensils	12,658	(10,446)	2,212	12,659	(10,235)	2,424
Under construction	117,227	-	117,227	110,086	-	110,086
Assets in progress	117,227	-	117,227	110,086	-	110,086
Net PP&E	6,302,321	(4,712,461)	1,589,860	6,266,043	(4,609,197)	1,656,846

Changes in Property, plant and equipment were as follows:

Consolidated	Balance on Dec. 31, 2021	Addition	Reversal of provision (3)	Transfer (2)	Settled	Depreciation	Balance on September 30, 2022
In service	2,112,939	-	-	50,174	(8,669)	(128,677)	2,025,767
Land (1)	220,701	-	-	423	-	(2,398)	218,726
Reservoirs, dams, watercourses	943,822	-	-	6,217	-	(60,825)	889,214
Buildings, works and improvements	247,970	-	-	1,691	-	(13,099)	236,562
Machinery and equipment	696,593	-	-	41,697	(8,669)	(51,776)	677,845
Vehicles	1,372	-	-	146	-	(360)	1,158
Furniture and utensils	2,481	-	-	-	-	(219)	2,262
Under construction	304,586	76,763	1,658	(50,174)	-	-	332,833
Net PP&E	2,417,525	76,763	1,658	-	(8,669)	(128,677)	2,358,600

Parent Company	Balance on Dec. 31, 2021	Addition	Reversal of provision (3)	Transfer (2)	Settled	Depreciation	Balance on September 30, 2022
In service	1,546,760	-	-	18,255	(58)	(92,324)	1,472,633
Land (1)	216,482	-	-	423	-	(2,368)	214,537
Reservoirs, dams, watercourses	808,764	-	-	6,217	-	(54,719)	760,262
Buildings, works and improvements	201,344	-	-	951	-	(10,989)	191,306
Machinery and equipment	316,374	-	-	10,518	(58)	(23,676)	303,158
Vehicles	1,372	-	-	146	-	(360)	1,158
Furniture and utensils	2,424	-	-	-	-	(212)	2,212
Under construction	110,086	23,738	1,658	(18,255)	-	-	117,227
Net PP&E	1,656,846	23,738	1,658	-	(58)	(92,324)	1,589,860

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

Consortium

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

Consolidated and Parent Company	Stake in power output, %	Average annual depreciation rate %	September 30, 2022	December 31, 2021
In service				
Queimado Power Plant	82.50	3.94	220,070	220,009
Depreciation			(132,540)	(126,583)
Total in service			87,530	93,426
In progress				
Queimado Power Plant	82.50	-	74	43
Total in progress			74	43
Total			87,604	93,469

15. INTANGIBLE ASSETS

Consolidated	September 30, 2022			December 31, 2021		
	Historic cost	Accumulated amortization	Residual value	Historic cost	Accumulated amortization	Residual value
In service	1,327,495	(337,897)	989,598	1,326,989	(226,203)	1,100,786
Temporary easements	14,692	(5,235)	9,457	14,692	(4,726)	9,966
Paid concession	13,599	(8,961)	4,638	13,599	(8,491)	5,108
Assets of the concession (1)	202,337	(94,434)	107,903	202,338	(85,892)	116,446
Assets of the concession - GSF	1,031,810	(166,293)	865,517	1,031,809	(65,744)	966,065
Others	65,057	(62,974)	2,083	64,551	(61,350)	3,201
Under construction	15,814	-	15,814	12,126	-	12,126
Assets in progress	15,814	-	15,814	12,126	-	12,126
Net intangible assets	1,343,309	(337,897)	1,005,412	1,339,115	(226,203)	1,112,912

- (1) The rights of authorization to generate wind energy granted to the Parajuru and Volta do Rio, in the amount of R\$107,903, are recognized as investments in the interim financial information of the parent company and are classified under intangible assets in the statement of financial position, as per Technical Interpretation ICPC 09. These concession assets are amortized by the straight-line method, during the period of the concession.

Parent Company	September 30, 2022			December 31, 2021		
	Historic cost	Accumulated amortization	Residual value	Historic cost	Accumulated amortization	Residual value
In service	893,415	(224,159)	669,256	892,909	(131,617)	761,292
Temporary easements	11,451	(4,899)	6,552	11,451	(4,481)	6,970
Paid concession	11,720	(7,524)	4,196	11,720	(7,171)	4,549
Assets of the concession - GSF	805,613	(149,051)	656,562	805,613	(58,845)	746,768
Others	64,631	(62,685)	1,946	64,125	(61,120)	3,005
Under construction	15,799	-	15,799	12,113	-	12,113
Assets in progress	15,799	-	15,799	12,113	-	12,113
Net intangible assets	909,214	(224,159)	685,055	905,022	(131,617)	773,405

Changes in intangible assets are as follow:

Consolidated	Balance on December 31, 2021	Addition	Capitalization / Transfer (1)	Amortization	Balance on September 30, 2022
In service	1,100,786	-	507	(111,695)	989,598
Temporary easements	9,966	-	-	(509)	9,457
Paid concessions	5,108	-	-	(470)	4,638
Assets of the concession	116,446	-	-	(8,543)	107,903
Assets of the concession - GSF	966,065	-	-	(100,548)	865,517
Others	3,201	-	507	(1,625)	2,083
Under construction	12,126	4,195	(507)	-	15,814
Assets in progress	12,126	4,195	(507)	-	15,814
Total	1,112,912	4,195	-	(111,695)	1,005,412

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

Parent Company	Balance on December 31, 2021	Addition	Capitalization / Transfer (1)	Amortization	Balance on September 30, 2022
In service	761,292	-	507	(92,543)	669,256
Temporary easements	6,970	-	-	(418)	6,552
Paid concessions	4,549	-	-	(353)	4,196
Assets of the concession - GSF	746,768	-	-	(90,206)	656,562
Others	3,005	-	507	(1,566)	1,946
Under construction	12,113	4,193	(507)	-	15,799
Assets in progress	12,113	4,193	(507)	-	15,799
Total	773,405	4,193	-	(92,543)	685,055

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

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

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

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

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

16. LEASING

a) Right of use

Changes in the right of use assets are as follows:

Consolidated	Real estate property	Vehicles	Total
Balances at December 31, 2021	37,010	4,854	41,864
Settled (closed contracts)	(40)	-	(40)
Addition	58	5,160	5,218
Amortization (1)	(1,182)	(5,003)	(6,185)
Remeasurement (2)	1,251	153	1,404
Balances at September 30, 2022	37,097	5,164	42,261

Parent Company	Real estate property	Vehicles	Total
Balances at December 31, 2021	35,575	4,852	40,427
Settled (closed contracts)	(40)	-	(40)
Addition	58	5,160	5,218
Amortization (1)	(1,133)	(4,599)	(5,732)
Remeasurement (2)	1,246	(425)	821
Balances at September 30, 2022	35,706	4,988	40,694

- (1) Amortization of the Right of Use recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R\$86, for the consolidated and R\$84 for the individual interim financial information, from January to September 2022 (R\$81 for the consolidated and R\$79 for the individual interim financial information, from January to September, 2021).
- (2) The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The lease liabilities are restated with adjustment to the asset of Right of Use.

b) Lease liabilities

The changes in the lease liabilities are as follows:

	Consolidated	Parent Company
Balances on December 31, 2021	45,450	43,926
Settled (closed contracts)	(48)	(48)
Addition	5,218	5,218
Accrued interest (1)	3,993	3,820
Payment of principal portion of lease liability	(8,638)	(8,080)
Payment of interest	(420)	(395)
Remeasurement (2)	1,404	821
Balances on September 30, 2022	46,959	45,262
Current liabilities	5,360	4,988
Non-current liabilities	41,599	40,274

- (1) Financial revenues recognized in the financial statements are net of incorporation of the credits for PIS, Pasep and Cofins taxes on payments of rentals, in the amounts of R\$277 and R\$274, from January to September 2022, for the consolidated and individual interim financial information, respectively (R\$264 and R\$261 from January to September, 2021, for the consolidated and individual interim financial information, respectively).
- (2) The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The lease liabilities are restated with adjustment to the asset of Right of Use.

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

Cash flow	Consolidated		Parent Company	
	Nominal	Adjustments to present value	Nominal	Adjustments to present value
Consideration for the leasing	127,995	46,959	123,208	45,262
Potential PIS/Pasep and Cofins (9.25%)	11,508	3,747	11,391	3,709

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

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

	Consolidated (Nominal)	Parent Company (Nominal)
2022	1,526	1,333
2023	5,580	5,331
2024	5,515	5,316
2025	5,508	5,308
2026	5,508	5,308
2027 a 2045	104,358	100,612
Undiscounted values	127,995	123,208
Embedded interest	(81,036)	(77,946)
Lease liabilities	46,959	45,262

17. SUPPLIERS

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Wholesale supply, and transport of supply (1)	468,642	288,869	459,564	283,389
Materials and services	60,839	94,917	30,569	50,990
	529,481	383,786	490,133	334,379

- (1) This includes an estimate for purchase of energy in the Free Market, which varied significantly in the period, mainly due the effect of new contracts in the 2022 business year, increasing the volume of energy purchased, and also price adjustments to then existing contracts.

18. TAXES PAYABLE

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Current				
ICMS (value added) tax	27,091	22,797	21,849	17,910
Pasep tax (1)	15,075	14,336	13,312	12,242
Cofins tax (1)	68,839	64,946	61,401	56,360
Social security contributions	12,903	10,337	7,164	6,497
ISS tax on services	3,373	2,439	2,328	1,857
Others (2)	5,935	29,532	5,399	28,881
	133,216	144,387	111,453	123,747
Non-current				
Pasep tax (1)	63,281	59,582	61,268	57,923
Cofins tax (1)	292,173	274,465	282,881	266,807
	355,454	334,047	344,149	324,730
	488,670	478,434	455,602	448,477

- (1) Includes PIS/Pasep and Cofins recognized in current liability includes the deferred taxes related to the interest revenue arising from the financing component in contract asset and to the revenue of construction and upgrade associated with the transmission concession contract. More information in Note 12.
- (2) The balance of December 31, 2021 includes the withholding income tax on Interest on equity declared on December 10, 2021, and paid in January 2022, in accordance with the tax legislation.

19. LOANS, FINANCING AND DEBENTURES

Financing source	Principal maturity	Annual financing cost	Currency	Consolidated and Parent Company – September 30, 2022			Consolidated and Parent Company – December 31, 2021
				Current	Non-current	Total	
FOREIGN CURRENCY							
Eurobonds	2024	9.25%	USD	187,950	5,406,600	5,594,550	5,622,673
(-) Transaction costs				-	(6,380)	(6,380)	(8,220)
(+/-) Funds advanced (1)				-	(10,432)	(10,432)	(13,356)
Total of loans and financings				187,950	5,389,788	5,577,738	5,601,097
DEBENTURES							
Debentures – 3rd Issue, 3rd Series (2)	2022	IPCA + 6.20%	R\$	-	-	-	428,367
(-) Transaction costs				-	-	-	(4)
Total, debentures				-	-	-	428,363
Overall total				187,950	5,389,788	5,577,738	6,029,460

- (1) Advance of funds to achieve the yield to maturity agreed in the Eurobonds contract.
- (2) In February 2022 the Company amortized the Third Series of its Third Debenture Issue.

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

Guarantees

The Company's debtor balances on loans and financings guaranteed by the parent company, Cemig on September 30, 2022 were as follows:

Consolidated	September 30, 2022
Surety guarantees	5,577,738

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

Consolidated and Parent Company	2022	2023	2024	Total
Currency				
US dollar	187,950	-	5,406,600	5,594,550
Total, currency-denominated	187,950	-	5,406,600	5,594,550
(-) Transaction costs	-	(2,160)	(4,220)	(6,380)
(+/-) Funds advanced	-	-	(10,432)	(10,432)
Overall total	187,950	(2,160)	5,391,948	5,577,738

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

Currency	Accumulated change from Jan to Sep of 2022 (%)	Accumulated change from Jan to Sep of 2021 (%)	Indexer	Accumulated change from Jan to Sep of 2022 (%)	Accumulated change from Jan to Sep of 2021 (%)
US dollar	(3.12)	4.67	IPCA	4.09	6.90
			CDI	8.85	2.50

Currency	Accumulated change in the third quarter of 2022 (%)	Accumulated change in the third quarter of 2021 (%)	Indexer	Accumulated change in the third quarter of 2022 (%)	Accumulated change in the third quarter of 2021 (%)
US dollar	3.22	8.74	IPCA	(1.32)	3.02
			CDI	3.26	1.21

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

	Consolidated and Parent Company
Balances on December 31, 2021	6,029,460
Monetary variation	3,060
Exchange rate variations	(173,900)
Financial charges provisioned	411,830
Amortization of transaction cost	1,843
Financial charges paid	(285,043)
Amortization of financing	(409,512)
Balances on September 30, 2022	5,577,738

Restrictive covenants

There is an early maturity clause for cross-default in the event of non-compliance, by the Company or by its parent company Cemig, on any pecuniary obligation with individual or aggregate value greater than R\$50 million ("cross default").

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

Security	Covenant	Ratio required – Cemig GT	Ratio required --- Cemig (guarantor)	Compliance required
Eurobonds (1)	Net debt / (Ebitda adjusted for the Covenant) (2)	The following, or less: 2.5 on/after Dec. 31, 2021	Ratio to be the following, or less: 3.0 on/after December 31, 2021	Half-yearly and annual

- (1) In the event of overrun of the financial maintenance covenants, interest will automatically be increased by 2% p.a. during the period in which they remain exceeded. There is also an obligation to comply with a 'debt maintenance covenant', involving asset collateral of 2.0x Cemig's consolidated Ebitda (1.75x at Dec. 2017); and an 'incurrence' covenant comprising an asset guarantee in the Company of 1.5x Ebitda
- (2) Ebitda is defined as: (i) Profit before interest, income tax and Social Contribution tax on profit; depreciation; and amortization, calculated in accordance with CVM Resolution 156, of June 23, 2022; – less: (ii) non-operational profit; any non-recurring non-monetary credits or gains that increase net income; any payments in cash made on consolidated basis during the period relating to non-monetary charges that were newly added in the calculation of Ebitda in any prior period; and any non-recurring non-monetary expenses or charges.

Management monitors these indices systematically and constantly, so that the conditions are met.

The information on the derivative financial instruments (swaps) contracted to hedge the debt servicing of the Eurobonds (principal, in foreign currency, plus interest), and the Company's exposure to interest rate risks, are disclosed in Note 28.

20. REGULATORY CHARGES

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Liabilities				
Global reversion reserve (RGR)	2,467	3,529	-	-
Royalties for use of water resources (CFURH)	13,634	5,374	10,407	2,227
Energy development account (CDE)	83,257	63,060	83,257	63,060
Electricity services inspection charge (TFSEE)	789	717	713	641
Alternative power source program (Proinfa)	13,647	16,623	13,647	16,623
National scientific and technological development fund (FNDCT)	1,391	1,120	734	577
Research and development (P&D)	13,544	22,103	5,201	16,166
Energy system expansion research	834	699	506	428
Energy development account (CDE) on Research and development (P&D)	548	476	377	330
	130,111	113,701	114,842	100,052
Current liabilities	125,249	111,160	114,842	100,052
Non-current liabilities	4,862	2,541	-	-

21. POST-EMPLOYMENT OBLIGATIONS

Changes in net liabilities were as follows:

Consolidated and Parent Company	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities on December 31, 2021	548,112	744,895	14,207	1,307,214
Expense recognized in Statement of income	43,908	61,134	1,183	106,225
Contributions paid	(45,913)	(31,448)	(601)	(77,962)
Net liabilities on September 30, 2022	546,107	774,581	14,789	1,335,477
			Sep. 30, 2022	Dec. 31, 2021
Current liabilities			81,236	75,257
Non-current liabilities			1,254,241	1,231,957

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

The amounts reported as 'Expense recognized in the Statement of income' refer to the costs of post-employment obligations, in the amount of R\$98,565 from January to September, 2022 (R\$69,177 from January to September, 2021), plus the finance expenses and monetary updating on the debt with Forluz, in the amounts of R\$7,660 from January to September, 2022 (R\$11,377 from January to September, 2021).

Life insurance

Until the end of the Collective Agreement in effect until October 2021, the Company made available coverage of 50% of the life insurance policy cost, with certain specific characteristics for retirees.

However, as a result of the amendment in the Collective Work Agreement for 2021-2023, in relation to offer and payment of life insurance for the employees and former employees, the Company wrote off, in the fourth quarter of 2021, the balance of the obligation, remeasured using the revised actuarial assumptions, recognized in the income statement and Shareholders' equity, in the amounts of R\$91,290, and R\$13,618.

On February 2022 the Association of Retired Electricity Workers and Pension Holders of Cemig and its Subsidiaries (Associação dos Eletricitários Aposentados e Pensionistas da Cemig e Subsidiárias – AEA/MG) filed an injunction ordering the Company to comply with and maintain in full the same terms relating to coverage of the life insurance premium as were previously practiced. However, the Regional Employment Law Appeal Court of the 3rd Region refused the request for urgency, on the grounds that it was a dispute involving the validity of a collective rule. In view of this, the Company's legal advisers assessed the chances of loss in this legal action as 'remote'.

Debt with the pension fund (Forluz)

On September 30, 2022 the Company has recognized an obligation for past actuarial deficits relating to the pension fund in the amount of R\$65,436 (R\$87,015 on December 31, 2021). This amount has been recognized as an obligation payable, and will be amortized until June of 2024, through monthly installments calculated by the system of constant installments (known as the 'Price' table) and adjusted by the IPCA (Expanded National Customer Price) inflation index (published by the Brazilian Geography and Statistics Institute – IBGE) plus 6% per year. The Company is required to pay this debt even if Forluz has a surplus, thus, the Company maintain recorded the debt in full and record the effects of monetary updating and interest in finance income in the statement of income.

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 September 30, 2022 the total amount payable by the Company as result of the Plan A deficit was R\$124,727 (R\$121,961 on December 31, 2021 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\$82,991, and up to 2033 for the 2017 deficit, in the amount of R\$41,736. Remuneratory interest applicable to the outstanding balance is 6% p.a., plus the effect of the IPCA. If the plan reaches actuarial surplus before the full period of amortization of the debt, also Company will not be required to pay the remaining installments and the contract will be extinguished.

Deposits on consignment to Forluz

Resolution of the 2019 deficit

In December 2020, in accordance with the applicable legislation, Forluz proposed to Cemig a new Debt Assumption Instrument to be signed between Forluz and the sponsors Cemig, Cemig GT and Cemig D, in accordance with the plan to cover the deficit of Plan A, which occurred in 2019. The total amount to be paid by the Company as a result of the deficit found in Plan A, without considering parity of contribution, is R\$36,304, through 166 monthly installments. The remuneration interest rate to the outstanding balance is 6% p.a., plus the effect of the IPCA. If the plan reaches actuarial surplus before the full period of amortization of the debt, also Company will not be required to pay the remaining installments and the contract will be extinguished.

The Company recognized the legal obligation in relation to the deficit of Plan A, corresponding to 50% of the minimum amount, and, thus, obeying the contribution parity rule, made the payments of R\$3,200 (R\$1,535 on December 31, 2021), with remain at the disposal of Forluz to be redeemed at an account with an official bank. Due to the refusal by Forluz to receive this amount, on May 26, 2021 the Company proposed an Action of Consignment in Payment.

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

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

Resolution of the 2020 deficit

On March 31, 2022, in view of the divergences mentioned in the previous item, payment in consignment of the 2020 deficit of Plan A was begun, with deposit of the first tranche, limited to 50% of the amounts specified in the Plan proposed by Forluz, in obedience to the constitutional rule of parity of contribution. Forluz appealed, exercising its procedural right, on April 18, 2022. The amount deposited by the Company, on September 30, 2022, was R\$1,638, which will be held in escrow, available to Forluz, by an official bank.

The total amount to be paid by the Company arising from the deficit ascertained in Plan A, without considering parity, is R\$56,947, in 158 monthly payments, with remuneratory interest of 6% per year on the outstanding balance, plus inflation as measured by the IPCA-IBGE (Expanded National Consumer Price index). If the plan reaches actuarial balance before the full period of amortization of the contract, the Company is dispensed from payment of the remaining installments and the contract is extinguished.

22. PROVISIONS

Consolidated	Dec. 31, 2021	Additions	Reversals	Settled	Sep. 30, 2022
Labor	59,957	14,486	(405)	(6,446)	67,592
Tax	317,326	55,327	(67,489)	(196)	304,968
Regulatory	4,131	641	-	(155)	4,617
Others	56,629	7,022	(5)	(894)	62,752
Total	438,043	77,476	(67,899)	(7,691)	439,929

Parent Company	Dec. 31, 2021	Additions	Reversals	Settled	Sep. 30, 2022
Labor	59,957	14,486	(405)	(6,446)	67,592
Tax	317,287	55,327	(67,451)	(195)	304,968
Regulatory	4,131	641	-	(155)	4,617
Others	56,397	6,766	(5)	(893)	62,265
Total	437,772	77,220	(67,861)	(7,689)	439,442

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

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

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

Provisions, made for legal actions in which the chances of loss have been assessed as ‘probable’

Labor claims

The Company and its subsidiaries are involved in various legal claims filed by its employees and employees of third parties. Most of these claims relate to overtime and additional pay, severance payments, various benefits, salary adjustments, complementary additions to or re-calculation of retirement pension payments by Forluz, and salary adjustments. The recorded amount is R\$67,592 (R\$59,957 on December 31, 2021)

Tax

Social Security contributions on profit sharing payments

The Brazilian tax authority (*Receita Federal*) has filed administrative and court proceedings against the Company, relating to social security contributions on the payment of profit sharing to its employees over the period 1999 to 2016, alleging that the Company did not comply with the requirements of Law 10,101/2000 on the argument that it did not previously establish clear and objective rules for the distribution of these amounts. In August 2019, the Regional Federal Court of the First Region published a decision against the Company on this issue. As a result the Company, based on the opinion of its legal advisers, reassessed the chances of loss from ‘possible’ to ‘probable’ for some portions paid as profit-sharing amounts, maintaining the classification of the probability of loss as ‘possible’ for the other portions, since it believes that it has arguments on the merit for defense and/or because it believes that the amounts questioned are already within the period of limitation. The recorded amount is R\$269,823 (R\$314,056 on December 31, 2021).

In August 2022, changing its case law, the Higher Tax Appeal Chamber (CSRF) of the Tax Appeals Council (CARF), canceled claims for Social Security contributions on amounts paid as profit sharing. The Chamber recognized that there was no change in the identity or type of the payment of these amounts, provided that they were paid to the employees after signature of the related agreement, whether or not that signature had been given after the start of the period to which the calculation of targets referred. Based on this decision, the Company altered its expectation for the provisions relating to the contingencies of profit-sharing payment that are still in proceedings in the administrative sphere, from ‘probable’ to ‘possible’, resulting in a reduction of R\$67,451 in the provision, compared to the prior quarter. The Company continues to monitor the legal actions in progress in the judiciary, for which it has maintained the assessment of chances of loss as ‘probable’, thus maintaining the related provisioning.

Non-homologation of offsetting of tax credit

The federal tax authority did not ratify the Company declared offsetting, in Corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes – IRPJ, CSLL, PIS/Pasep and Cofins – identified by official tax deposit receipts (‘DARFs’ and ‘DCTFs’). The Company is contesting the non-homologation of the amounts offset. The amount recorded is R\$1,202 (R\$1,152 on December 31, 2021).

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

In 2006 the Company paid an indemnity to its employees, totaling R\$41,860, in exchange for rights to future payments (referred to as the *Anuênio*) for time of service, which would otherwise be incorporated into salaries. The company did not pay income tax nor Social Security contributions in relation to these amounts because it considered that those obligations are not applicable to amounts paid as an indemnity. However, given the disagreement, and to avoid risk of a future penalty payment, the Company filed legal actions for recognition of the right not to be taxed on these *Anuênio* payments, making separate submissions and argument in relation to (a) income tax and (b) the social security contribution, and making escrow payments into court of the amount involved in each action, in the aggregate historic amount of R\$28,716. In the action relating to applicability of the Social Security contribution, a court judgment was given that impeded consideration of an appeal to the Federal Supreme Court – thus consideration by the Higher Appeal Court remains. In October 2022, a judgment was published refusing to recognize the Special Appeal filed by the Company, reducing the chances of success in the action. As a result the assessment of the chances of loss in this action were altered from 'possible' to 'probable', and a provision made for the amount deposited in escrow. This is treated as a modifying subsequent event for the third quarter of 2022. 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 recorded is R\$ 31,544 (R\$ 30,496 on December 31, 2021).

Other tax actions

The Company are involved in numerous administrative and judicial claims relating to taxes, including, among other matters, subjects relating to the Social Integration Program (*Programa de Integração Social*, or PIS), the Contribution to Finance Social Security (*Contribuição para o Financiamento da Seguridade Social*, or Cofins), Corporate Income tax (*Imposto de Renda Pessoa Jurídica*, or IRPJ), the Social contribution tax on Net income (*Contribuição Social sobre o Lucro Líquido*, or CSLL), and motions to stay tax enforcement. The amount recorded is R\$2,399 (R\$2,118 on December 31, 2021).

Regulatory

The Company and its subsidiaries are defendant in court and administrative proceedings challenging, especially: reduction of an energy supply contract, limitation on a procedure for operation of the sluice dam of a hydroelectric plant, a claim of infringement arising from an inspection by the grantor, and other matters. The amount recorded is R\$4,617 (R\$4,131 on December 31, 2021).

Other legal actions

The Company is involved, as plaintiff or defendant, in other lesser claims, related to the normal course of its operations. The amount recorded is R\$62,753 (R\$56,629 on December 31, 2021) has been recorded. Management believes that it has appropriate defense for these actions and does not expect these issues to give rise to significant losses that could have an adverse effect on the Company's financial position or profit. The main subjects related to these contingencies concern: (i) disputes on alleged losses suffered as a result of supposed breach of contract at the time of provision of services of cleaning of power line pathways and firebreaks; and (ii) customer relations.

Contingent liabilities – loss assessed as 'possible'

The Company is a party in legal actions in which the chances of loss have been assessed as 'possible', since its legal advisers have assessed that there are chances of the actions being judged in favor of the Company, and a provision has not been constituted.

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Labor	91,606	92,223	89,690	90,459
Civil				
Customers relations	27,960	28,488	27,865	28,385
Other civil cases	55,107	47,454	54,250	46,819
	83,067	75,941	82,114	75,204
Tax	464,975	411,435	438,058	385,878
Regulatory	527,292	480,620	527,292	480,620
Other	397,504	350,404	378,081	332,189
Total	1,564,444	1,410,623	1,515,237	1,364,350

The main contingent liabilities are as follows:

Taxes and contributions

Social Security contributions

The Brazilian tax authority (*Receita Federal do Brasil*) has filed administrative proceedings related to various matters: the Workers' Food Program (*Programa de Alimentação do Trabalhador*, or PAT); education benefit; food benefit; Special Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers' support programs); and fines for non-compliance with accessory obligations. The Company have presented defenses and await judgment. The amount of the contingency is approximately R\$19,783 (R\$18,655 on December 31, 2021). Management has classified the chance of loss as 'possible', also taking into account assessment of the chance of loss in the judicial sphere, (the claims mentioned are in the administrative sphere), based on the evaluation of the claims and the related case law.

The social contribution tax on net income (CSLL)

The federal tax authority issued tax assessments against the Company for the years of 2012 and 2013, alleging undue non-addition, or deduction, of amounts relating to the following items in calculating the Social Contribution tax on net income: (i) taxes with liability suspended; (ii) donations and sponsorship (Law 8,313/91); and (iii) fines for various alleged infringements. The amount of this contingency is R\$95,637 (R\$88,424 on December 31, 2021).

Regulatory matters

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

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

This should take effect in the CCEE as from November 2008, resulting in an additional disbursement for the Company, related to the expense on purchase of energy in the spot market on the CCEE, in the approximate amount of R\$478,203 (R\$436,835 on December 31, 2021). On November 9, 2008 the Company obtained an interim decision in the Regional Federal Appeal Court (*Tribunal Regional Federal*, or TRF), suspending the obligatory nature of the requirement to pay into court the amount that would have been owed under the Special Financial Settlement made by the CCEE and has classified the chance of loss as ‘possible’, since this action deals with the General Agreement for the Energy Sector, in which the Company has the full documentation to support its arguments.

Environmental claims

Impact arising from construction of power plants

The Public Attorneys’ Office of Minas Gerais State has filed class actions requiring the formation of a Permanent Preservation Area (APP) around the reservoir of the *Capim Branco* hydroelectric plant, suspension of the effects of the environmental licenses, and recovery of alleged environmental damage. Based on the opinion of its legal advisers in relation to the changes that have been made in the new Forest Code and in the case law on this subject, the Company has classified the chance of loss in this dispute as ‘possible’. The estimated value of the contingency is R\$134,494 (R\$123,098 on December 31, 2021).

Other environmental claims

The Company is involved in environmental matters, relating to protected areas, environmental licenses, recovery of environmental damage, and other matters, in the amount of R\$92,573 (R\$72,557 on December 31, 2021). No provision has been made, since based on the opinion of its legal advisors management has classified the chance of loss as ‘possible’.

Renova: Application to override corporate identity

A receivables investment fund filed an application for Override of Legal Identity (Incidente de Desconsideração da Personalidade Jurídica – IDPJ) in relation to certain companies of the Renova group, aiming to include some shareholders of Renova, including the Company and its parent company (Cemig), as defendants jointly and severally liable. The amount involved in this dispute is estimated in the amount of R\$95,732 on September 30, 2022 (R\$86,256 on December 31, 2021). The probability of loss have been assessed as ‘possible’.

23. EQUITY AND REMUNERATION TO SHAREHOLDERS

a) Share capital

On September 30, 2022 the Company’s issued and outstanding share capital is R\$4,123,724 (R\$4,123,724 on December 31, 2021), represented by 2,896,785,358 nominal common shares, fully subscribed, without nominal value, wholly owned by Cemig (Companhia Energética de Minas Gerais).

On October 31, 2022 an Extraordinary General Meeting of Stockholders (EGM) approved an increase in the Company’s share capital, from R\$4,123,724 to R\$5,473,724, with no alteration in the number of common shares, by capitalization of the amount of R\$1,350,000 from the injection of capital made by Cemig (the Company’s controlling stockholder) in the form of an Advance against Future Capital Increase (*Adiantamento para Futuro Aumento de Capital*, or AFAC).

b) Earnings basic and diluted per share

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

	Jan to Sep/2022	Jan to Sep/2021	Jul to Sep/2022	Jul to Sep/2021
Number of shares (A)	2,896,785,358	2,896,785,358	2,896,785,358	2,896,785,358
Earnings (losses) for the period (B)	1,654,646	922,297	251,242	(210,659)
Earnings (losses) per share – Basic and diluted – in R\$ (B/A)	0.57	0.32	0.09	(0.07)

The put option of investments in SAAG, as described in note 28, issued by the Company, could potentially dilute basic earnings per share in the future; however, they have not caused dilution of earnings per share in the periods analyzed.

24. REVENUES

The revenue of the Company and its subsidiaries is as follows:

	Consolidated		Parent Company	
	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
Total revenue from supply of energy – with taxes (a)	5,774,556	5,849,708	5,118,698	5,182,980
Transmission revenue (b)				
Transmission operation and maintenance revenue	540,262	427,199	542,946	431,305
Transmission construction revenue (Note 12)	269,760	137,828	269,760	137,828
Interest revenue arising from the financing component in the transmission contract asset (Note 12)	434,779	433,075	414,391	433,075
Revenue from updating of the concession grant fee	352,585	368,842	-	-
Transactions on CCEE	136,773	276,860	118,907	226,672
Generation indemnity revenue	24,784	-	24,784	-
Advances for services provided	-	153,970	-	-
Other operating revenues	77,372	77,640	111,795	109,776
Sector / regulatory charges – Deductions from revenue (c)	(1,518,290)	(1,464,803)	(1,370,589)	(1,315,079)
	6,092,581	6,260,319	5,230,692	5,206,557

	Consolidated		Parent Company	
	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021
Total revenue from supply of energy – with taxes (a)	1,872,105	2,142,625	1,634,027	1,896,928
Transmission revenue (b)				
Transmission operation and maintenance revenue	191,022	140,511	192,053	141,812
Transmission construction revenue	100,492	75,694	100,492	75,694
Interest revenue arising from the financing component in the transmission contract asset	41,635	158,956	38,818	158,956
Revenue from updating of the concession grant fee	59,722	125,438	-	-
Transactions on CCEE	95,918	212,490	95,191	199,841
Generation indemnity revenue	24,784	-	24,784	-
Other operating revenues	21,392	37,005	32,428	47,992
Sector / regulatory charges – Deductions from revenue (c)	(488,366)	(523,493)	(442,082)	(483,164)
	1,918,704	2,369,226	1,675,711	2,038,059

(a) Revenue from energy supply

This table shows energy supply by type of customer:

	Consolidated				Parent Company			
	Jan to Sep/2022		Jan to Sep/2021		Jan to Sep/2022		Jan to Sep/2021	
	MWh	R\$	MWh	R\$	MWh	R\$	MWh	R\$
Industrial	11,062,705	3,209,095	10,842,290	2,897,075	10,325,036	2,924,201	10,092,027	2,711,738
Commercial	3,120,427	792,985	3,038,995	657,320	3,116,128	791,149	3,034,796	655,540
Rural	12,454	3,631	26,127	7,275	12,454	3,631	26,127	7,275
Subtotal	14,195,586	4,005,711	13,907,412	3,561,670	13,453,618	3,718,981	13,152,950	3,374,553
Net unbilled retail supply	-	49,694	-	89,894	-	30,523	-	76,438
	14,195,586	4,055,405	13,907,412	3,651,564	13,453,618	3,749,504	13,152,950	3,450,991
Wholesale supply to other concession holders (1)	8,594,661	1,723,811	9,675,905	2,219,580	6,152,463	1,370,877	7,067,886	1,740,685
Wholesale supply unbilled, net	-	(4,660)	-	(21,436)	-	(1,683)	-	(8,696)
	22,790,247	5,774,556	23,583,317	5,849,708	19,606,081	5,118,698	20,220,836	5,182,980

	Consolidated				Parent Company			
	Jul to Sep/2022		Jul to Sep/2021		Jul to Sep/2022		Jul to Sep/2021	
	MWh	R\$	MWh	R\$	MWh	R\$	MWh	R\$
Industrial	3,627,964	1,094,518	3,838,364	1,040,722	3,372,782	980,355	3,583,394	977,408
Commercial	997,490	254,045	1,042,841	222,394	996,126	253,491	1,041,621	221,902
Rural	4,032	1,204	6,217	1,677	4,032	1,204	6,217	1,677
Subtotal	4,629,486	1,349,767	4,887,422	1,264,793	4,372,940	1,235,050	4,631,232	1,200,987
Net unbilled retail supply	-	(30,124)	-	29,728	-	(31,924)	-	27,950
	4,629,486	1,319,643	4,887,422	1,294,521	4,372,940	1,203,126	4,631,232	1,228,937
Wholesale supply to other concession holders (1)	2,859,640	535,183	3,106,070	777,773	2,052,761	420,100	2,299,135	599,958
Wholesale supply unbilled, net	-	17,279	-	70,331	-	10,801	-	68,033
	7,489,126	1,872,105	7,993,492	2,142,625	6,425,701	1,634,027	6,930,367	1,896,928

- (1) This revenue includes sales contracts in the Regulated Market to distribution companies, sales on the Free Market to traders and generation companies, 'bilateral contracts' with other agents, and the revenues from management of generation assets (GAG) for the 18 hydroelectric plants of Lot D of Auction no 12/2015

(b) Transmission concession revenue

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

	Consolidated		Consolidated	
	Jan to Sep/2022	Jan to Sep/2021	Jul to Sep/2022	Jul to Sep/2021
Construction and upgrades revenue	269,760	137,828	100,492	75,694
Construction and upgrades costs	(197,998)	(101,728)	(72,112)	(54,604)
Margin	71,762	36,100	28,380	21,090
Mark-up (%)	36.24%	35.49%	39.36%	38.62%
Operation and maintenance revenue	540,262	427,199	191,022	140,511
Operation and maintenance cost	(195,201)	(184,309)	(58,488)	(64,095)
Margin	345,061	242,890	132,534	76,416
Mark-up (%)	176.77%	131.78%	226.60%	119.22%

(c) Deductions on revenue

	Consolidated		Parent Company	
	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
Taxes on revenue				
ICMS tax	495,180	519,969	442,860	471,157
Cofins tax	525,757	520,396	467,257	462,365
PIS and Pasep taxes	114,139	112,973	101,444	100,381
ISS tax on services	3,190	8,115	3,063	3,074
	1,138,266	1,161,453	1,014,624	1,036,977
Charges to the customer				
Global Reversion Reserve (RGR)	9,812	11,006	8,695	9,231
Energy Development Account (CDE)	238,375	183,088	238,375	183,088
CDE on P&D	2,918	4,176	2,233	3,241
Proinfa	60,623	44,682	60,623	44,682
Research and Development (P&D)	7,152	5,656	5,210	4,090
National Scientific and Technological Development Fund (FNDCT)	10,070	9,833	7,443	7,331
Energy System Expansion Research (EPE)	5,035	4,916	3,721	3,665
Electricity Services Inspection Charge (TFSEE)	6,701	11,266	6,005	6,315
Royalties for use of water resources (CFURH)	39,338	28,727	23,660	16,459
	380,024	303,350	355,965	278,102
	1,518,290	1,464,803	1,370,589	1,315,079

	Consolidated		Parent Company	
	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021
Taxes on revenue				
ICMS tax	152,954	182,848	133,750	166,324
Cofins tax	165,724	197,107	149,496	182,789
PIS and Pasep taxes	35,978	42,791	32,457	39,684
ISS tax on services	1,315	1,010	1,272	971
	355,971	423,756	316,975	389,768
Charges to the customer				
Global Reversion Reserve (RGR)	2,686	3,686	2,616	3,110
Energy Development Account (CDE)	81,038	61,336	81,038	61,336
CDE on P&D	835	929	583	711
Proinfa	20,318	14,011	20,318	14,011
Research and Development (P&D)	2,074	2,292	1,361	1,660
National Scientific and Technological Development Fund (FNDCT)	2,909	3,222	1,945	2,371
Energy System Expansion Research (EPE)	1,454	1,610	972	1,185
Electricity Services Inspection Charge (TFSEE)	2,366	2,124	2,140	1,925
Royalties for use of water resources (CFURH)	18,715	10,527	14,134	7,087
	132,395	99,737	125,107	93,396
	488,366	523,493	442,082	483,164

25. OPERATING COSTS AND EXPENSES

a) Cost of energy

	Consolidated		Parent Company	
	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
Energy purchase for resale				
Spot market – CCEE	59,755	220,707	49,392	187,977
Acquired in free market	3,349,884	3,599,357	3,350,266	3,510,000
PIS/Pasep and Cofins credits	(313,581)	(345,671)	(312,718)	(338,125)
	3,096,058	3,474,393	3,086,940	3,359,852
Charges for use of the national grid				
Transmission charges - Basic network	165,546	146,115	134,790	118,967
Distribution charges	31,696	24,068	7,927	7,593
PIS/Pasep and Cofins credits	(16,198)	(14,471)	(13,128)	(11,647)
	181,044	155,712	129,589	114,913
Total	3,277,102	3,630,105	3,216,529	3,474,765

	Consolidated		Parent Company	
	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021
Energy purchase for resale				
Spot market – CCEE	13,054	155,045	5,759	137,886
Acquired in free market	1,369,996	1,540,193	1,374,769	1,466,402
PIS/Pasep and Cofins credits	(127,680)	(153,111)	(127,350)	(147,429)
	1,255,370	1,542,127	1,253,178	1,456,859
Charges for use of the national grid				
Transmission charges - Basic network	59,424	52,672	48,446	42,874
Distribution charges	10,026	10,803	2,143	3,056
PIS/Pasep and Cofins credits	(5,752)	(5,271)	(4,666)	(4,242)
	63,698	58,204	45,923	41,688
Total	1,319,068	1,600,331	1,299,101	1,498,547

b) Transmission infrastructure construction cost

	Consolidated		Parent Company	
	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
Personnel	9,178	6,869	9,178	6,869
Materials	137,396	66,194	137,396	66,194
Outsourced services	52,533	28,930	52,533	28,930
Other (recovery of expenses)	(1,109)	(265)	(1,109)	(265)
	197,998	101,728	197,998	101,728

	Consolidated		Parent Company	
	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021
Personnel	3,736	2,144	3,736	2,144
Materials	45,606	37,793	45,606	37,793
Outsourced services	22,817	14,935	22,817	14,935
Other (recovery of expenses)	(47)	(268)	(47)	(268)
	72,112	54,604	72,112	54,604

c) Other operating costs and expenses

	Consolidated								Total Jan to Sep/2022	Total Jan to Sep/2021
	Operating costs		Expected credit losses of accounts receivable		General and administrative expenses		Other operating expenses (revenue)			
	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021		
Personnel	195,928	199,199	-	-	54,872	30,135	-	-	250,800	229,334
Employee profit shares	-	-	-	-	778	5,876	28,345	21,598	29,123	27,474
Post-employment obligation	-	-	-	-	-	-	98,565	69,177	98,565	69,177
Materials	10,803	18,667	-	-	5,857	1,057	-	-	16,660	19,724
Outsourced services	85,920	99,052	-	-	66,273	24,760	-	-	152,193	123,812
Depreciation and amortization (1)	239,368	175,899	-	-	7,475	7,002	(372)	(372)	246,471	182,529
Contingency provisions (reversals)	9,577	23,231	-	-	-	-	-	-	9,577	23,231
Expected credit losses of accounts receivable	-	-	579	13,172	-	-	-	-	579	13,172
Reversal of provision for doubtful with related party - Renova (note 30)	-	-	-	-	-	-	(53,356)	-	(53,356)	-
Put option – SAAG	-	-	-	-	-	-	17,675	36,335	17,675	36,335
Impairment (2)	-	-	-	-	-	-	37,182	-	37,182	-
Write-off of financial asset (note 11)	-	-	-	-	-	-	171,770	-	171,770	-
Other operating costs and expenses	10,258	20,174	-	-	5,724	7,065	18,015	20,430	33,997	47,669
	551,854	536,222	579	13,172	140,979	75,895	317,824	147,168	1,011,236	772,457

	Parent Company								Total Jan a Set/2022	Total Jan a Set/2021
	Operating costs		Expected credit losses of accounts receivable		General and administrative expenses		Other operating expenses (revenue)			
	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021		
Personnel	178,143	183,245	-	-	54,872	30,134	-	-	233,015	213,379
Employee profit shares	-	-	-	-	605	5,746	28,025	21,582	28,630	27,328
Post-employment obligation	-	-	-	-	-	-	98,565	69,177	98,565	69,177
Materials	4,525	8,015	-	-	5,857	1,057	-	-	10,382	9,072
Outsourced services	40,549	65,068	-	-	66,273	24,760	-	-	106,822	89,828
Depreciation and amortization (1)	183,040	127,578	-	-	7,475	7,003	-	-	190,515	134,581
Contingency provisions (reversals)	9,359	23,220	-	-	-	-	-	-	9,359	23,220
Expected credit losses of accounts receivable	-	-	1,111	13,393	-	-	-	-	1,111	13,393
Reversal of provision for doubtful with related party - Renova (note 30)	-	-	-	-	-	-	(53,356)	-	(53,356)	-
Put option – SAAG	-	-	-	-	-	-	17,675	36,335	17,675	36,335
Impairment (2)	-	-	-	-	-	-	37,182	-	37,182	-
Write-off of financial asset (note 11)	-	-	-	-	-	-	171,770	-	171,770	-
Other operating costs and expenses	5,403	12,898	-	-	6,171	7,021	17,345	19,685	28,919	39,604
	421,019	420,024	1,111	13,393	141,253	75,721	317,206	146,779	880,589	655,917

- (1) Net of PIS/Pasep and Cofins taxes applicable to amortization of the Right of Use, in the amount of R\$81 for the Consolidated and R\$79 for the Parent Company interim financial information, from January to September, 2022 (R\$81 and R\$79 from January to September, 2021, for the Consolidated and Parent Company financial statement, respectively).
- (2) In March 2022 the Company received an extra-judicial notice from the client White Martins, advising that its application for provisional remedy relating to alteration of the inflation index used to update prices from the IGP-M to the IPCA index, and exclusion of amounts of ICMS tax from the basis for calculation of PIS/Pasep and Cofins taxes, had been granted. This will be the subject of an arbitration proceeding, in accordance with the conditions contractually agreed. The procedure for the start of these proceedings is in progress, and depends on signature of the arbitration terms of reference. In this context, a provision for impairment was posted in 3Q22, in accordance with CPC 48/IFRS 9 (Financial instruments), for the difference generated by these alterations, considering that receipt of the amount in question will depend on the result of the arbitration, and not on the fact of its being a receivable from a client.

	Consolidated								Total Jul a Set/2022	Total Jul a Set/2021
	Operating costs		Expected credit losses of accounts receivable		General and administrative expenses		Other operating expenses (revenue)			
	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021		
Personnel	65,990	60,530	-	-	12,089	12,168	-	-	78,079	72,698
Employee profit shares	-	-	-	-	-	412	9,121	13,956	9,121	14,368
Post-employment obligation	-	-	-	-	-	-	34,599	23,202	34,599	23,202
Materials	4,054	5,895	-	-	1,877	819	-	-	5,931	6,714
Outsourced services	34,597	37,423	-	-	22,083	11,024	-	-	56,680	48,447
Depreciation and amortization (1)	80,138	83,190	-	-	2,315	2,451	(165)	(124)	82,288	85,517
Contingency provisions (reversals)	(18,643)	5,862	-	-	-	-	-	-	(18,643)	5,862
Expected credit losses of accounts receivable	-	-	884	7,593	-	-	-	-	884	7,593
Put option – SAAG	-	-	-	-	-	-	(14,724)	22,977	(14,724)	22,977
Impairment (2)	-	-	-	-	-	-	37,182	-	37,182	-
Other operating costs and expenses	3,011	7,654	-	-	1,168	3,057	8,201	3,789	12,380	14,500
	169,147	200,554	884	7,593	39,532	29,931	74,214	63,800	283,777	301,878

	Parent Company								Total Jul a Set/2022	Total Jul a Set/2021
	Operating costs		Expected credit losses of accounts receivable		General and administrative expenses		Other operating expenses (revenue)			
	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021		
Personnel	60,141	55,281	-	-	12,090	12,167	-	-	72,231	67,448
Employee profit shares	-	-	-	-	1	409	9,049	13,929	9,050	14,338
Post-employment obligation	-	-	-	-	-	-	34,599	23,202	34,599	23,202
Materials	1,751	3,200	-	-	1,877	819	-	-	3,628	4,019
Outsourced services	16,376	22,300	-	-	22,083	11,024	-	-	38,459	33,324
Depreciation and amortization (1)	61,290	64,517	-	-	2,315	2,452	-	-	63,605	66,969
Contingency provisions (reversals)	(18,614)	5,858	-	-	-	-	-	-	(18,614)	5,858
Expected credit losses of accounts receivable	-	-	983	7,801	-	-	-	-	983	7,801
Put option – SAAG	-	-	-	-	-	-	(14,724)	22,977	(14,724)	22,977
Impairment (2)	-	-	-	-	-	-	37,182	-	37,182	-
Other operating costs and expenses	1,431	2,950	-	-	1,613	3,056	7,914	5,466	10,958	11,472
	122,375	154,106	983	7,801	39,979	29,927	74,020	65,574	237,357	257,408

- (1) Net of PIS/Pasep and Cofins taxes applicable to amortization of the Right of Use, in the amount of R\$24 for the Consolidated and R\$23 for the Parent Company interim financial information, from July to September, 2022 (R\$27 and R\$26 from July to September, 2021, for the Consolidated and Parent Company financial statement, respectively).
- (2) In March 2022 the Company received an extra-judicial notice from the client White Martins, advising that its application for provisional remedy relating to alteration of the inflation index used to update prices from the IGP-M to the IPCA index, and exclusion of amounts of ICMS tax from the basis for calculation of PIS/Pasep and Cofins taxes, had been granted. This will be the subject of an arbitration proceeding, in accordance with the conditions contractually agreed. The procedure for the start of these proceedings is in progress, and depends on signature of the arbitration terms of reference. In this context, a provision for impairment was posted in 3Q22, in accordance with CPC 48/IFRS 9 (Financial instruments), for the difference generated by these alterations, considering that receipt of the amount in question will depend on the result of the arbitration, and not on the fact of its being a receivable from a client.

Personnel - 2022 Programmed Voluntary Retirement Plan ('PDVP')

On April 18, 2022 Cemig approved the Programmed Voluntary Severance Plan ('the 2022 PDVP'), with an employee adherence period from May 2 to 20, 2022. The program was reopened for joining by employees in the period from May 30 to June 3, 2022. The program provided the standard legal payments for voluntary termination of employment and a bonus, as an indemnity, which is calculated by the application of a percentage determined by the length of time the employee has worked for Cemig, on the current remuneration, for each year of employment, according to the Program terms, and, for those employees whose job tenure in Cemig is longer than 25 years, the value of 12 remunerations.

The total amount of R\$10,838 has been recorded as expense related to this program, corresponding to enrollment of 57 employees.

In May 2021, the Company approved the Programmed Voluntary Retirement Plan ('the 2021 PDVP'). The total amount of R\$6,168 has been recorded as expense related to this program, corresponding to enrollment of 53 employees, in the period from May 10 to 31, 2021. The provided for the standard legal payments for voluntary termination of employment and a bonus, as an indemnity, which was calculated by the application of a percentage determined by the length of time the employee has worked for Cemig, on the current remuneration, for each year of employment, according to the Program terms, and, for those employees whose job tenure in Cemig is longer than 36 years, the value of 10.5 remunerations.

26. FINANCE INCOME AND EXPENSES

	Consolidated		Parent Company	
	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
FINANCE INCOME				
Income from cash investments	137,453	47,138	82,217	34,561
Arrears fees on sale of energy	7,770	4,772	6,020	3,949
Monetary updating	36,968	20,944	36,460	19,724
Monetary updating on escrow deposits	9,268	1,756	9,198	1,742
FX variation from loans and financings (Note 19)	173,900	-	173,900	-
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS	2,104	4,125	-	2,504
Other finance income	9,168	19,747	8,310	18,806
Pasep and Cofins taxes on financial revenues	(10,697)	(4,047)	(9,692)	(3,779)
	365,934	94,435	306,413	77,507
DESPESAS FINANCEIRAS				
Costs of loans, financings and debentures (Note 19)	(411,830)	(637,535)	(411,830)	(637,209)
Amortization of transaction cost (Note 19)	(1,843)	(15,778)	(1,843)	(15,778)
Monetary updating – Forluz	(7,660)	(11,377)	(7,660)	(11,377)
Inflation adjustment – Loans, financings and debentures (Note 19)	(3,060)	(31,158)	(3,060)	(30,038)
Monetary updating	(15,768)	(15,965)	(3,781)	(8,273)
FX variation from loans and financings (Note 19)	-	(212,850)	-	(212,850)
Discount and premium on repurchase of debt securities (Eurobonds) (Note 19)	-	(491,036)	-	(491,036)
Losses on financial instruments (Note 28)	(301,940)	(577,129)	(301,940)	(577,129)
Leasing – Monetary variation (Note 16)	(3,716)	(3,616)	(3,546)	(3,463)
Other finance expenses	(5,067)	(9,343)	(1,935)	(5,553)
	(750,884)	(2,005,787)	(735,595)	(1,992,706)
NET FINANCE EXPENSES	(384,950)	(1,911,352)	(429,182)	(1,915,199)

	Consolidated		Parent Company	
	Jul to Sep/2022	Jul to Sep/2021	Jul to Sep/2022	Jul to Sep/2021
FINANCE INCOME				
Income from cash investments	60,093	19,977	36,099	14,486
Arrears fees on sale of energy	3,139	1,609	2,549	1,297
Monetary updating	15,325	15,425	14,880	15,424
Monetary updating on escrow deposits	4,414	813	4,402	805
Gains on financial instruments	100,087	35,636	100,087	35,636
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS	819	2,062	-	623
Other finance income	602	-	311	-
Pasep and Cofins taxes on financial revenues	(6,239)	(1,769)	(5,817)	(1,615)
	178,240	73,753	152,511	66,656
DESPESAS FINANCEIRAS				
Costs of loans, financings and debentures	(149,379)	(191,332)	(149,379)	(193,946)
Amortization of transaction cost	(634)	(5,258)	(634)	(5,258)
Monetary updating – Forluz	(809)	(3,649)	(809)	(3,649)
Inflation adjustment – Loans, financings and debentures	-	(9,748)	-	(9,280)
Monetary updating	(3,359)	(1,386)	631	(540)
FX variation from loans and financings	(168,600)	(504,600)	(168,600)	(504,600)
Discount and premium on repurchase of debt securities (Eurobonds) (note 19)	-	(491,036)	-	(491,036)
Leasing – Monetary variation	(1,253)	(1,182)	(1,200)	(1,137)
Other finance expenses	(1,281)	(7,862)	(1,085)	(4,412)
	(325,315)	(1,216,053)	(321,076)	(1,213,858)
NET FINANCE EXPENSES	(147,075)	(1,142,300)	(168,565)	(1,147,202)

27. RELATED PARTY TRANSACTIONS

The main principal balances and transactions with related parties are as follows (consolidated):

ENTITIES (1)	ASSETS		LIABILITIES		REVENUE		COSTS/EXPENSES	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021	Jan to Sep/2022	Jan to Sep/2021	Jan to Sep/2022	Jan to Sep/2021
Transactions in energy (2)								
Madeira Energia	7,991	7,533	171,362	106,975	71,474	72,681	(1,206,686)	(1,137,611)
Aliança Geração	-	-	9,428	6,928	-	-	(78,379)	(68,054)
Norte Energia	2,345	2,338	-	-	19,332	19,871	-	(66,485)
Paracambi (formerly Lightger)	-	-	2,396	2,160	-	-	(25,711)	(21,474)
Hidrelétrica Pipoca	-	-	3,378	3,153	-	-	(35,259)	(27,706)
Taesa	-	-	1,371	1,488	206	187	(11,934)	(9,079)
Cemig Distribuição	29,192	24,997	1,243	1,927	220,252	191,743	(25,566)	(21,218)
Connection charges								
Cemig Distribuição (8)	11,049	8,650	-	-	63,893	58,803	-	-
Cooperation Working Agreement								
Cemig Distribuição (7)	2,565	2,362	-	-	431	2,464	-	-
Provision of service (5)								
Aliança Geração	529	512	-	-	3,642	3,563	-	-
Baguari Energia	296	211	-	-	1,261	432	-	-
Taesa	157	150	-	-	941	908	-	-
Other credits								
Companhia Energética de Minas Gerais	-	4,038	-	-	-	-	-	-
Contingencies								
Aliança Geração (4)	-	-	55,563	52,497	-	-	(3,066)	(8,233)
Adjustment for losses								
Madeira Energia (3)	-	-	-	161,648	-	-	-	-
Hidrelétrica Itaocara (6)	-	-	14,280	20,767	-	-	-	-
Interest on Equity, and dividends								
Companhia Energética de Minas Gerais	-	-	685,082	799,947	-	-	-	-
Retiro Baixo	-	7,202	-	-	-	-	-	-
FIC Pampulha								
Current								
Cash and cash equivalents	114,809	44,789	-	-	-	-	-	-
Marketable securities	1,579,004	943,747	-	-	82,367	7,966	-	-
Non-current								
Marketable securities	5,606	194,110	-	-	-	-	-	-
Forluz								
Current								
Post-employment obligations (9)	-	-	44,023	40,878	-	-	(43,908)	(31,409)
Supplementary pension contributions – Defined contribution plan (10)	-	-	-	-	-	-	(15,278)	(15,007)
Administrative running costs (11)	-	-	-	-	-	-	(5,858)	(5,190)
Leasing (12)	36,985	36,900	5,137	4,983	-	-	(4,954)	(4,681)
Non-current								
Post-employment obligations (9)	-	-	502,084	507,234	-	-	-	-
Leasing (12)	-	-	36,411	35,534	-	-	-	-
Cemig Saúde								
Current								
Health Plan and Dental Plan (13)	-	-	44,015	38,807	-	-	(62,317)	(42,090)
Non-current								
Health Plan and Dental Plan (13)	-	-	745,355	720,295	-	-	-	-

The main conditions with reference to the related party transactions are:

- (1) The relationship between the Company and its investees are described in Note 13.
- (2) Transactions in energy between generators and distributors are made in auctions in the Regulated Market (ACR) organized by the federal government. The transactions in sale and purchase of energy between generators and distributors are made through auctions in the Regulated Market, organized by the federal government. In the Free Market they are carried out through auctions or by direct contracting, in accordance with applicable legislation. The transactions for transport of energy, are by transmission companies, arise from the centralized operation of the National Grid carried out by the National System Operator (ONS).
- (3) In June 2022, the provision relating to contractual obligations assumed by the Company in favor of the investee and the other shareholders was reversed. More details in Note 13.
- (4) This refers to the aggregate amounts of legal actions realized and legal actions provisioned arising from the agreement made between Aliança Geração, Vale S.A. and Cemig. The action is provisioned in the amount of R\$157 million (R\$149 million at December 31, 2021), of which Cemig's portion is R\$56 million (R\$52 million on December, 31, 2021).
- (5) Refers to a contract to provide plant operation and maintenance services.
- (6) A liability was recognized corresponding to the Company's interest in the share capital of Hidrelétrica Itaocara, due to its negative equity (more details in Note 13).
- (7) An Administrative and Human Resources Sharing Agreement between Cemig, Cemig Distribuição, Cemig Geração e Transmissão and other subsidiaries of the Group, consented to by Aneel Dispatch 3,208/2016. This principally includes reimbursement of expenses related to sharing of infrastructure, personnel, transport, telecoms and IT;
- (8) This refers to the Contract for Connection of Distribution Facilities to the Transmission System (CCT);
- (9) The contracts of Forluz are updated by the Expanded Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*, or IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) plus interest of 6.00% p.a. and will be amortized until the business year of 2031 (more details in Note 21).
- (10) 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.
- (11) 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.
- (12) Rental of the Company's administrative head office, in effect until august 2024 (able to be extended every five years, until 2034, currently in final phase of renewal), with annual inflation adjustment by the IPCA index and price reviewed every 60 months in line with market prices. On September 20, 2021 the rental contract was adjusted upward by 9.68%, corresponding to accumulated IPCA inflation over the prior 12 months. On April 27, 2021, Cemig signed with Forluz a contract amendment due to the transfer of Cemig Sim and Gasmig facilities to Júlio Soares building, reducing the Company's rent expenses;
- (13) Post-employment obligations relating to the employees' health and dental plan (more details in Note 21).

Dividends receivables

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Sá Carvalho S.A.	-	-	25,821	-
Cemig Geração Três Marias S.A.	-	-	110,000	28,000
Cemig Geração Salto Grande S.A.	-	-	-	17,793
Cemig Geração Itutinga S.A.	-	-	4,812	-
Cemig Geração Camargos S.A.	-	-	8,711	-
Horizontes Energia S.A.	-	-	11,660	-
Cemig PCH S.A.	-	-	13,230	-
Cemig Geração Poço Fundo S.A.	-	-	1,320	-
Cemig Trading S.A.	-	-	479	-
Aliança Geração de Energia S.A.	-	224,896	-	224,896
Rosal Energia S.A.	-	-	15,252	-
Companhia de Transmissão Centroeste de Minas	-	-	5,786	-
Others (1)	-	7,202	-	9,515
	-	232,098	197,071	280,204

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

Purchase of energy guarantee

In the Financing Instruments of Santo Antônio Energia S.A., the Company granted a guarantee of trading of this investee's production, until 57.42 MW average per year, for a minimum annual revenue of R\$66,114, with base date December 31, 2007, adjusted by the IPCA inflation index, during the period from May 1, 2027 until conclusion of settlement of the obligations arising from those Financing Instruments. Additionally, a guarantee was given for trading of the Assured Energy of this investee, 6.04 MW average, for the period from January 1, 2030 up to completion of settlement of the obligations arising from those Financing Instruments.

Cash investments in the *FIC Pampulha* investment fund

The invests part of its cash balance in a reserved (group) investment fund, which has the characteristics of fixed income and obeys the Company's cash investment policy. The amounts invested by the fund are reported in Marketable Securities in current or non-current assets, in proportion to the interests held by the Company in the fund, 55.84% on September 30, 2022 (53.20% on December 31, 2021).

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

Remuneration of key management personnel

The total costs of key personnel comprising the Executive Board, the Fiscal Council, the Audit Committee and the Board of Directors are within the limits approved at a General Shareholders' Meeting, and the effects on the interim financial information of the periods ended September 30, 2022 and September 30, 2021, are as follows:

	Jan to Sep/2022	Jan to Sep/2021
Remuneration	2,873	2,803
Profit shares	686	412
Private pension	280	234
Health and dental plans	28	20
Life insurance	8	-
Total (1)	3,875	3,469

(1) The Company does not directly remunerate the members of the key management personnel, being remunerated by the controlling shareholder. The reimbursement of these expenses is carried out through an agreement for sharing human resources and infrastructure between Cemig, Cemig Distribuição, Cemig Geração e Transmissão and other subsidiaries of the Group, approved by Dispatch Aneel 3,208 / 2016.

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments classification and fair value

The main financial instruments by the Company and its subsidiaries, are as follows:

	Level	September 30, 2022		December 31, 2021	
		Balance	Fair value	Balance	Fair value
Financial assets					
Amortized cost (1)					
Marketable securities	2	160,621	160,621	597,205	597,205
Customers and traders concession holders (transmission service)	2	1,023,602	1,023,602	797,972	797,972
Restricted cash	2	14,387	14,387	17,063	17,063
Escrow deposits	2	210,685	210,685	161,820	161,820
Concession grant fee – Generation concessions	3	2,917,634	2,917,634	2,792,201	2,792,201
		4,326,929	4,326,929	4,366,261	4,366,261
Fair value through income or loss					
Cash equivalents – Investments		597,004	597,004	117,154	117,154
Marketable securities					
Bank certificates of deposit (CDBs)	1	598,038	598,038	55,290	55,290
Financial notes (LF's) – Banks	2	711,470	711,470	387,296	387,296
Treasury financial notes (LFT's)	1	108,871	108,871	98,108	98,108
Debentures	2	5,890	5,890	-	-
		2,021,273	2,021,273	657,848	657,848
Derivative financial instruments – Swap/NDF	3	812,788	812,788	1,219,176	1,219,176
Indemnifiable receivable – Generation	3	669,216	669,216	816,202	816,202
		1,482,004	1,482,004	2,035,378	2,035,378
		7,830,206	7,830,206	7,059,487	7,059,487
Financial Liabilities					
Amortized cost (1)					
Loans, financing and debentures	2	(5,577,738)	(5,577,738)	(6,029,460)	(6,029,460)
Debt with pension fund (Forluz)	2	(65,436)	(65,436)	(87,015)	(87,015)
Deficit of pension fund (Forluz)	2	(124,727)	(124,727)	(121,961)	(121,961)
Concessions payable	3	(28,018)	(28,018)	(26,813)	(26,813)
Suppliers	2	(529,481)	(529,481)	(383,786)	(383,786)
Leasing	2	(46,959)	(46,959)	(45,450)	(45,450)
		(6,372,359)	(6,372,359)	(6,694,485)	(6,694,485)
Fair value through income or loss					
Derivative financial instruments - Swap/NDF	3	(91,693)	(91,693)	(6,130)	(6,130)
Put Option (SAAG)	3	(653,967)	(653,967)	(636,292)	(636,292)
		(7,118,019)	(7,118,019)	(7,336,907)	(7,336,907)

(1) On September 30, 2022 and December 31, 2021, the book values of financial instruments reflect their fair values.

Information about (i) classifications of financial instruments at fair value; (ii) methodology for calculation of fair value of positions; and (iii) derivative financial instruments can be found in the financial statements for the year ending December 31, 2021.

b) Derivative financial instruments

Put SAAG option

A liability of R\$653,967 was recorded in the Company's interim financial information for the difference between the exercise price and the estimated fair value of the assets. Considering the early liquidation of Funds, and early maturity of put option, this amount was classified as current liabilities.

Also, in 3Q22, the total value of the liability was adjusted to reflect receipt, by FIP Melbourne, under the agreement arising from Arbitration Judgment 86/2016, of the amounts paid by AGPar. More details in Note 13.

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

	Consolidated and Parent
Balance on December 31, 2021	636,292
Adjustment to fair value	17,675
Balance on September 30, 2022	<u>653,967</u>

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

Swap transactions

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

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

The 6-monthly interest on the swap was settled in June 2022, resulting in a negative item of R\$35,505, and cash outflow of the same amount (this compares to a positive amount of R\$1,069,162 in the first half of 2021, with a net cash inflow of R\$912,341).

On August 29, 2022, part of the derivative financial instruments contracted was dismantled, in the amount of US\$250 million, resulting in a gain recorded by the Company of R\$225,516, the net inflow of cash being R\$191,689.

On August 29, 2022 the Company contracted a short-term hedge against variation in the US dollar exchange rate for a volume of US\$280 million, locking in the exchange rate at R\$5.2040/US\$. The instrument contracted was a non-deliverable forward (NDF), without physical delivery of currency, guaranteeing the Company a pre-agreed rate at the moment of maturity, on December 16, 2022.

Assets	Liability	Maturity period	Trade market	Notional amount	Realized gain (loss) Jan to Sep, 2022	Realized gain (loss) Jan to Sep, 2021
US\$ exchange variation + Rate (9.25% p.y.)	R\$ 151.99% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US\$250,000	206,154	954,841
US\$ exchange variation + Rate (9.25% p.y.)	R\$ 125.52% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US\$500,000	(16,143)	90,621
US\$ exchange variation higher R\$5.0984	US\$ exchange variation lower R\$5.0954	August 3, 2021	Over the counter	US\$600,000	-	23,700
					<u>190,011</u>	<u>1,069,162</u>

The notional amount of derivative transactions are not presented in the statement of financial position, since they refer to transactions that do not require cash as only the gains or losses actually incurred are recorded. The net result of those transactions on September 30, 2022 was a negative adjustment of R\$301,940 (negative adjustment of R\$577,129 on September 30, 2021), which was posted in finance income (expenses).

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

This table presents the derivative instruments contracted by the Company as of September 30, 2022 and December 31, 2021:

Assets	Liability	Maturity period	Trade market	Notional amount (2)	Unrealized gain (loss)		Unrealized gain (loss)	
					Carrying amount on September 30, 2022	Fair value on September 30, 2022	Carrying amount on December 31, 2021	Fair value on December 31, 2021
US\$ exchange variation + Rate (9.25% p.y.) (1)	R\$ + 151.99% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US\$250,000	418,702	284,347	873,095	706,401
US\$ exchange variation + Rate (9.25% p.y.) (1)	R\$ + 125.52% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US\$500,000	552,725	368,139	577,565	506,645
US\$ exchange variation higher R\$5.2040	US\$ exchange variation lower R\$5.2040	December 16, 2022	Over the counter	US\$280,000	56,738	68,609		
					1,028,165	721,095	1,450,660	1,213,046
Current assets						68,609		-
Non-current assets						744,179		1,219,176
Current liabilities						(91,693)		(6,130)

(1) For the US\$1 billion Eurobond issued on December 2017: (i) for the principal, a call spread was contracted, with floor at R\$3.25/US\$ and ceiling at R\$5.00/US\$; and (ii) a swap was contracted for the total interest, for a coupon of 9.25% p.a. at an average rate equivalent to 150.49% of the CDI. For the additional US\$500 issuance of the same Eurobond issued on July 2018 a call spread was contracted for the principal, with floor at R\$3.85/US\$ and ceiling at R\$5.00/US\$, and a swap was contracted for the interest, resulting in a coupon of 9.25% p.a., with an average rate equivalent to 125.52% of the CDI rate. The upper limit for the exchange rate in the hedge instrument contracted by the Company for the principal of the Eurobonds is R\$5.00/US\$. The instrument matures in December 2024. If the USD/BRL exchange rate is still over R\$5.00 in December 2024, the company will disburse, on that date, the difference between the upper limit of the protection range and the spot dollar on that date. The Company is monitoring the possible risks and impacts associated with the dollar being valued above R\$5.00 and assessing various strategies for mitigating the foreign exchange risk up to the maturity date of the transaction. The hedge instrument fully protects the payment of six-monthly interest, independently of the USD/BRL exchange rate.

(2) In thousands of US\$.

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

The fair value on September 30, 2022 was R\$721,095 (R\$1,213,046 on December 31, 2021), which would be the reference if the Company would liquidate the financial instrument on September 30, 2022, but the swap contracts protect the Company's cash flow up to the maturity of the bonds in 2024 and they have carrying amount of R\$1,028,165 at September 30, 2022 (R\$1,450,660 on December 31, 2021).

The Company is exposed to market risk due to having contracted this hedge, the principal potential impact being a change in future interest rates and/or the future exchange rates. Based on the futures curves for interest rates and dollar, the Company prepare a sensitivity analysis and estimates that in a probable scenario, its results would be positively affected by the swap and call spread, on September 30, 2023, in the amount of R\$101,304. The fair value of the financial instrument was estimated in R\$822,399, with a positive amount of R\$849,865 refers to the option (call spread) and a negative amount of R\$27,466 refers to the swap.

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

Parent Company and Consolidated	Base scenario September 30, 2022	'Probable' scenario June 30, 2023	'Possible' scenario: exchange rate depreciation and interest rate increase 25%	'Remote' scenario: exchange rate depreciation and interest rate increase 50%
Swap, asset	3,033,599	2,982,260	2,759,729	2,546,216
Swap, liability	(3,100,113)	(3,009,726)	(3,072,249)	(3,133,325)
Option / Call spread	719,000	849,865	817,907	782,253
NDF	68,609	-	-	-
Derivative hedge instrument	721,095	822,399	505,387	195,144

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

c) Financial risk management

Exchange rate risk

For the debt denominated in foreign currency, the Company contracted a derivative financial instrument that protects the risks associated with the interest and principal, in the form of a swap and a call spread, respectively, in accordance with the hedge policy of the Company. The Company exposure to market risk associated to this instrument is described in the topic "Swap transaction" of this Note.

The Company is exposed to risk of increase in exchange rates, with effect on Loans and financings, and cash flow.

Exposure to exchange rates	Consolidated and Parent Company			
	September 30, 2022		December 31, 2021	
	Foreign currency	R\$	Foreign currency	R\$
US dollar				
Loans and financings (Note 19)	(1,034,763)	(5,594,550)	(1,007,557)	(5,622,673)
Net (liabilities) exposed		(5,594,550)		(5,622,673)

Sensitivity analysis

The Company estimates, based on finance information from its financial consultants, that in a probable scenario, on September 30, 2023 the exchange rates of foreign currencies in relation to the Real will be as follows: depreciation of the dollar exchange rate by 7.89%, to R\$4.98/US\$. The Company has made a sensitivity analysis of the effects on profit arising from depreciation of the Real exchange rate considering the increase of 25%, and 50%, in relation to this 'probable' scenario.

Risk: Exposure to exchange rates	September 30, 2022	September 30, 2023		
	Book value	'Probable' scenario Dollar 4.98	'Possible' scenario + 25% Dollar 6.23	'Remote' scenario + 25% Dollar 7.47
US dollar				
Loans and financings (Note 19)	(5,594,550)	(5,153,120)	(6,446,574)	(7,729,680)
Net liabilities exposed	(5,594,550)	(5,153,120)	(6,446,574)	(7,729,680)
Net effect of exchange rate variation		441,430	(852,024)	(2,135,130)

Interest rate risk

This risk arises from the effect of variations in Brazilian interest rates on the net financial result composed of financial expenses associated to loans, financings and debentures in Brazilian currency, and also on financial revenues from cash investments made by the Company and its subsidiaries. The Company does not contract derivative financial instruments for protection from this risk. Variations in interest rates are continually monitored with the aim of assessing the need for contracting of financial instruments that mitigate this risk.

The Company and its subsidiaries were exposed to the risk of reduction in Brazilian interest rates, since it has assets indexed to variation in interest rates:

Exposure to Brazilian domestic interest rates	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Assets				
Cash equivalents (Note 5) – CDI rate	597,004	117,154	543,085	82,292
Securities (Note 6) – CDI and Selic rates	1,584,890	1,137,899	938,760	745,258
Restricted cash – CDI	14,387	17,063	6,264	5,843
Net assets exposed	2,196,281	1,272,116	1,488,109	833,393

Sensitivity analysis

The Company and its subsidiaries estimate that in a probable scenario, the Selic rate on September 30, 2023 will be 13%. They have made a sensitivity analysis of the effects on profit arising from reductions of 25% and 50% in this rate in relation to the 'probable' scenario. Variation in the CDI rate accompanies the variation in the Selic rate.

Risk: Reduction in Brazilian interest rates – Consolidated	September 30, 2022	September 30, 2023		
	Amount Book value	'Probable' scenario: Selic 13%	'Possible' scenario -25% Selic 9.75%	Remote' scenario -50% Selic 6.50%
Assets				
Cash equivalents – Cash investments (Note 5)	597,004	674,615	655,212	635,809
Marketable securities (Note 6)	1,584,890	1,790,926	1,739,417	1,687,908
Restricted cash	14,387	16,257	15,790	15,322
Net assets	2,196,281	2,481,798	2,410,419	2,339,039
Net effect of variation in interest rates		285,517	214,138	142,758

Inflation risk

The Company and its subsidiaries are exposed to the risk of reduction in inflation index on September 30, 2022. A portion of the loans, financings and debentures as well as the pension fund liabilities are adjusted using the IPCA (Expanded National Customer Price). The revenues related to the contract are also adjusted using the IPCA and IGP-M index, mitigating part of the Company risk exposure.

The Company and its subsidiaries are exposed to risk of reduction of inflation, due to their having more assets than liabilities indexed to the variation of inflation indicators, as follows:

Exposure to inflation	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Assets				
Generation – Concession grant fee – IPCA (Note 11)	2,917,634	2,792,201	-	-
Liabilities				
Loans, financings and debentures – IPCA (Note 19)	-	(428,367)	-	(428,367)
Debt agreed with pension fund (Forluz) – (Note 21)	(65,436)	(87,015)	(65,436)	(87,015)
Solution for Forluz pension fund deficit (Note 21)	(124,727)	(121,961)	(124,727)	(121,961)
	(190,163)	(637,343)	(190,163)	(637,343)
Net assets (liabilities) exposed	2,727,471	2,154,858	(190,163)	(637,343)

Sensitivity analysis

The Company and its subsidiaries estimate that in a probable scenario, the IPCA inflation index on September 30, 2023 will be 5.37%. For the risk of reduction in inflation they have made a sensitivity analysis of the effects on profit arising from reductions in rates of 25% and 50% in relation to the 'probable' scenario.

Risk: reduction in inflation Consolidated	September 30, 2022	June 30, 2023		
	Book value	'Probable' scenario: IPCA 5.37%	'Possible' scenario - 25% IPCA 4.03%	Remote' scenario - 50% IPCA 2.69%
Assets				
Generation – Concession Grant Fee – IPCA (Note 11)	2,917,634	3,074,311	3,035,215	2,996,118
Liabilities				
Debt agreed with pension fund (Forluz) (Note 21)	(65,436)	(68,950)	(68,073)	(67,196)
Solution for Forluz pension fund deficit (Note 21)	(124,727)	(131,425)	(129,753)	(128,082)
	(190,163)	(200,375)	(197,826)	(195,278)
Net assets exposed	2,727,471	2,873,936	2,837,389	2,800,840
Net effect of variation in inflation		146,465	109,918	73,369

Liquidity risk

The information on how the Company manages liquidity risk is given in Note 29 to the financial statements for the year ended December 31, 2021.

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

Consolidated	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at (interest rates):						
Floating rates						
Loans, financings and debentures	-	282,941	274,779	5,718,819	-	6,276,539
Onerous concessions	348	687	3,075	13,618	15,044	32,772
Debt agreed with pension fund (Forluz)	3,289	6,635	30,733	31,830	-	72,487
Solution for deficit of pension fund (Forluz)	1,453	2,929	13,595	79,908	100,106	197,991
	5,090	293,192	322,182	5,844,175	115,150	6,579,789
Fixed rate						
Suppliers	526,502	2,979	-	-	-	529,481
	531,592	296,171	322,182	5,844,175	115,150	7,109,270

Parent Company	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at (interest rates):						
Floating rates						
Loans, financings and debentures	-	282,941	274,779	5,718,819	-	6,276,539
Onerous concessions	348	687	3,075	13,618	15,044	32,772
Debt agreed with pension fund (Forluz)	3,289	6,635	30,733	31,830	-	72,487
Solution for deficit of pension fund (Forluz)	1,453	2,929	13,595	79,908	100,106	197,991
	5,090	293,192	322,182	5,844,175	115,150	6,579,789
Fixed rate						
Suppliers	489,712	421	-	-	-	490,133
	494,802	293,613	322,182	5,844,175	115,150	7,069,922

Risk of debt early maturity

The Company has loans, financings and debentures contracts with covenants relating to financial index of the Company and its parent company, and cross-default clauses. Non-compliance with these covenants could result in earlier maturity of debts.

The Company has not identified any events or conditions that are not in compliance with the restrictive covenants for financial indices requiring half-yearly or annual compliance. More details in Note 19.

Credit Risk and Hydrological risk

The information on how the Company manages credit and hidrological risk is given in Note 29 to the financial statements for the year ended December 31, 2021.

d) Capital management

The comparisons of the Company's consolidated net liabilities and its equity are as follows:

	Consolidated		Parent Company	
	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2022	Dec. 31, 2021
Total liabilities	11,036,756	11,595,320	10,606,646	11,147,824
Cash and cash equivalents (Note 5)	(598,888)	(123,071)	(543,356)	(86,064)
Marketable securities (Note 6)	(1,579,284)	(943,789)	(935,440)	(618,130)
Net liabilities	8,858,584	10,528,460	9,127,850	10,443,630
Total equity	9,410,100	7,755,454	9,410,100	7,755,454
Net liabilities / equity	0.94	1.36	0.97	1.35

29. OPERATING SEGMENTS

The detailed information on the operational segments is given in Note 5 to the financial statements for the year ended December 31, 2021.

INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2022								
ACCOUNT/DESCRIPTION	ENERGY			INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING					
NET REVENUE	2,003,331	855,092	4,394,956	-	7,253,379	(1,113,667)	(47,131)	6,092,581
COST OF ENERGY	(232,401)	(204)	(4,166,586)	-	(4,399,191)	1,113,667	8,422	(3,277,102)
OPERATING COSTS AND EXPENSES (3)								
Personnel	(114,944)	(95,231)	(18,178)	(22,447)	(250,800)	-	-	(250,800)
Employees' and managers' profit sharing	(12,450)	(11,735)	(2,214)	(2,724)	(29,123)	-	-	(29,123)
Post-employment obligations	(50,243)	(31,371)	(7,178)	(9,773)	(98,565)	-	-	(98,565)
Materials, outsourced services and other expenses (revenues)	(320,139)	(55,241)	(9,464)	(28,485)	(413,329)	-	38,709	(374,620)
Depreciation and amortization	(246,459)	(2)	(10)	-	(246,471)	-	-	(246,471)
Operating provisions (reversals)	(7,136)	(963)	(40,634)	37,076	(11,657)	-	-	(11,657)
Construction costs	-	(197,998)	-	-	(197,998)	-	-	(197,998)
Total cost of operation	(751,371)	(392,541)	(77,678)	(26,353)	(1,247,943)	-	38,709	(1,209,234)
OPERATING COSTS AND EXPENSES	(983,772)	(392,745)	(4,244,264)	(26,353)	(5,647,134)	1,113,667	47,131	(4,486,336)
Equity in earnings of unconsolidated investees, net	251	-	15	448,872	449,138	-	-	449,138
Gains arising from the sale of non-current asset held for sale	-	-	-	6,644	6,644	-	-	6,644
OPERATING RESULT BEFORE FINANCE AND TAX RESULT	1,019,810	462,347	150,707	429,163	2,062,027	-	-	2,062,027
Finance income and expenses, net	(124,589)	(80,248)	21,199	(201,312)	(384,950)	-	-	(384,950)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	895,221	382,099	171,906	227,851	1,677,077	-	-	1,677,077
Income tax and social contribution tax	(265,339)	(118,873)	(37,544)	399,325	(22,431)	-	-	(22,431)
NET INCOME FOR THE PERIOD	629,882	263,226	134,362	627,176	1,654,646	-	-	1,654,646

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

INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2021

ACCOUNT/DESCRIPTION	ENERGY			INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2)(3)	TOTAL
	GENERATION	TRANSMISSION	TRADING					
NET REVENUE	2,137,635	687,399	4,660,590	-	7,485,624	(1,183,134)	(42,171)	6,260,319
COST OF ENERGY	(571,507)	-	(4,245,838)	-	(4,817,345)	1,183,134	4,106	(3,630,105)
OPERATING COSTS AND EXPENSES (3)								
Personnel	(112,865)	(81,652)	(15,068)	(19,749)	(229,334)	-	-	(229,334)
Employees' and managers' profit sharing	(12,044)	(10,791)	(2,021)	(2,618)	(27,474)	-	-	(27,474)
Post-employment obligations	(30,174)	(27,311)	(5,044)	(6,648)	(69,177)	-	-	(69,177)
Materials, outsourced services and other expenses	(146,313)	(53,999)	(9,146)	(19,812)	(229,270)	-	38,065	(191,205)
Depreciation and amortization	(179,031)	(2,576)	(389)	(533)	(182,529)	-	-	(182,529)
Operating provisions	(12,643)	(7,980)	(14,108)	(38,007)	(72,738)	-	-	(72,738)
Construction costs	-	(101,728)	-	-	(101,728)	-	-	(101,728)
Total cost of operation	(493,070)	(286,037)	(45,776)	(87,367)	(912,250)	-	38,065	(874,185)
OPERATING COSTS AND EXPENSES	(1,064,577)	(286,037)	(4,291,614)	(87,367)	(5,729,595)	1,183,134	42,171	(4,504,290)
Renegotiation of hydrological risk (Law 14,052/20), net	1,031,809	-	-	-	1,031,809	-	-	1,031,809
Periodic tariff review, net	-	217,063	-	-	217,063	-	-	217,063
Equity in earnings of unconsolidated investees, net	32,971	-	-	23,073	56,044	-	-	56,044
OPERATING RESULT BEFORE FINANCE AND TAX RESULT	2,137,838	618,425	368,976	(64,294)	3,060,945	-	-	3,060,945
Finance income and expense, net	(681,225)	(350,900)	12,655	(891,882)	(1,911,352)	-	-	(1,911,352)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	1,456,613	267,525	381,631	(956,176)	1,149,593	-	-	1,149,593
Income tax and social contribution tax	(384,301)	(73,268)	(93,564)	323,837	(227,296)	-	-	(227,296)
NET INCOME (LOSS) FOR THE PERIOD	1,072,312	194,257	288,067	(632,339)	922,297	-	-	922,297

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

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

30. DISPOSAL OF EQUITY INTEREST

Cemig GT's interest in Renova disposal process

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

According with the agreement, the closing of the transaction was subject to compliance with certain precedent conditions that are usual in similar transactions, including prior approval by the grantor authorities, the creditors holding asset guarantees listed in Renova’s Court-Supervised Reorganization Plan and the counterparties in certain commercial contracts.

The equity interest held in Renova, which carrying amount since December 31, 2018 was zero due to the equity deficit, was classified as an asset held for sale, according to CPC 31/ IFRS 5 – *Non-current Asset held for Sale and Discontinued Operation*, at the fourth quarter of 2021, in view of the high probability of conclusion of its plan for sale, especially after approval by the competent governance body, which preceded signature of the instrument.

Conclusion of the sale transaction

On May 5, 2022, the Company concluded the sale of its entire equity interest held in Renova, as well as the onerous assignment of all credits owed to the Company by Renova for a total consideration of R\$60,000, with a right to receive an earn out subject to certain future events, as provided in Share Purchase Agreement (‘the Agreement’) entered into with AP Energias Renováveis Fundo de Investimento em Participações Multiestratégia on November 11, 2021.

As a result of conclusion of the transaction, the Company recognized the following accounting effects, in May 2022:

Consolidated	
Number of shares held by Cemig	15,115,372
Total sale price	6,644
Value of assets held for sale on March 31, 2022	-
Accounting capital gain	6,644
Income tax and Social Contribution tax (nominal rate) (1)	(2,259)
Capital gain net of taxes and costs of the sale:	4,385
Amount received for assignment of the credits payable to Cemig GT	53,356
Book value of the credits	-
Gain on assignment of the credits – in other revenues	53,356
Income tax and Social Contribution tax (nominal rate) (1)	(18,141)
Gain on assignment of credits, net of tax	35,215
Estimated expenses of sale (2)	(3,959)
Total receivable, net of estimated expenses	35,641

(1) Realization of deductibility of the total value of the credits, which had been totally provisioned in the accounts, plus the deductibility of the goodwill paid on acquisition of the investment, produced an aggregate tax loss of R\$504,351, reducing expenditure on income tax and Social Contribution tax by R\$315,318.

(2) Estimated expenses based on contracted legal advisory services.

31. PARLIAMENTARY COMMITTEE OF INQUIRY ('CPI')

On June 17, 2021, the Legislative Assembly of Minas Gerais has established a Parliamentary Committee of Inquiry ('CPI') to investigate management acts of Cemig since January 2019. CPI was entitled to investigate the facts underlying the application for its creation, and requested, through application, several documents and information related, mainly, human resources management and purchasing processes which were fully met by the Company within the stipulated deadlines.

On February 18, 2022 the CPI approved its final report, submitted to the Public Attorneys' Office of Minas Gerais State, and other control bodies, for assessment of what further submissions of it should be made. To date, there have been no decisions on measures that might be adopted by the Public Attorneys' Office of Minas Gerais state due to the results indicated by the Inquiry.

We would note, on the subject of the processes of contracting, that the Company carries out regular audits. At present one of these is being studied: based on the results identified to date, no material impacts on the interim financial information in September 30, 2022, nor for prior business years, have been identified.

FINANCIAL RESULTS

(Figures in R\$ '000 unless otherwise indicated)

Net income for the quarter

In the third quarter of 2022, the Company reports a net income of R\$251,242 which compares with its loss of R\$210,659 in the third quarter of 2021. This mainly reflects the difference in Net financial revenue (expenses) between the two periods.

In the third quarter of 2022, we highlight the recognition of an revenue on foreign exchange variation in the debt in foreign currency (Eurobonds), with loss on the corresponding hedge instrument, totaling a net expense of R\$45,219 (net of taxes) in the third quarter of 2022, compared to a loss of R\$309,516 (net of taxes) in the same period of 2021. Additionally, a gain of R\$132,821 has been recognized, relating to the payment made by AGPar to FIP Melbourne under the agreement resulting from the arbitration proceeding in which judgment was favorable to the Company (more details in Note 13).

The result for the third quarter of 2021 was impacted, mainly, by the Recognition of the premium on repurchase of debt securities in the amount of R\$491,036 as a result of the partial buyback of its Eurobonds – Tender Offer. More details in note 19.

The main variations affecting the revenue, costs, expenses and net finance income (expenses) are noted below.

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

The Company's Ebitda, adjusted including the removal of non-recurrent items, decreased in 9.09% in the third quarter of 2022 compared to the same period of 2021. The adjusted Ebitda margin increased from 15.55% in the third quarter of 2021 to 17.45% in the third quarter of 2022. From January to September of 2022, the Ebitda adjusted increased 36.06% compared to the same period of 2021, and, the margin increased from 24.56% to 34.04% in the analyzed periods.

The Ebitda, measured according to CVM Resolution 156/2022, decreased in 37.28% in the third quarter of 2022, compared to the same period of 2021. The Ebitda margin decreased from 33.73% in the third quarter of 2021 to 26.12% in the third quarter of 2022. From January of 2022, the Ebitda decreased 28.83%, compared to the same period of 2021, and, the Ebitda margins decreased from 51.81% to 37.89% in the analyzed periods.

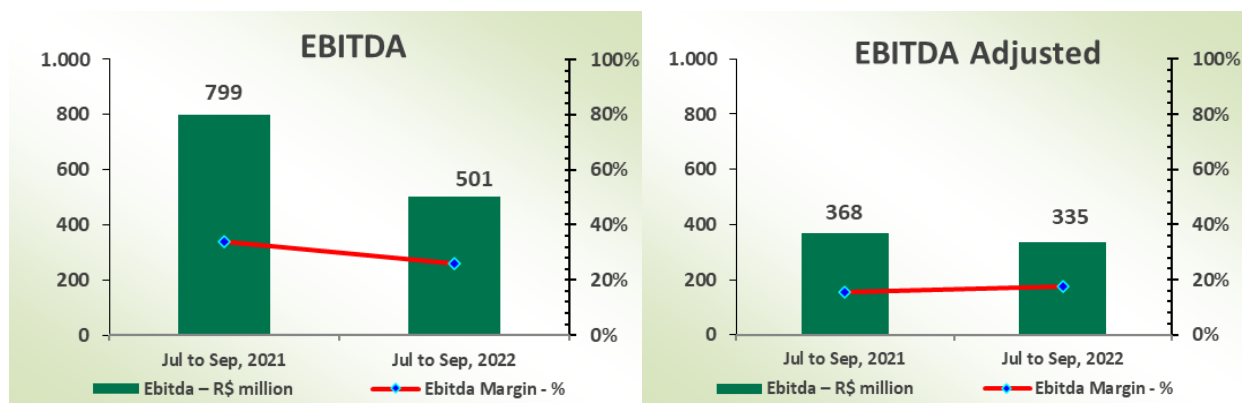
More details on the specific items of this Comment.

Ebitda – R\$'000	Jul to Sep/2022	Jul to Sep/2021	Var %	Jan to Sep/2022	Jan to Sep/2021	Var %
Net income (loss) for the period	251,242	(210,659)	(219.26)	1,654,646	922,297	79.40
+ Current and deferred income tax and social contribution tax	20,548	(218,136)	-	22,431	227,296	(90.13)
+/- Net financial revenue (expenses)	147,075	1,142,300	-	384,950	1,911,352	(79.86)
+ Depreciation and amortization	82,288	85,517	(3.78)	246,471	182,529	35.03
= Ebitda according to "CVM Resolution 156" (1)	501,153	799,022	(37.28)	2,308,498	3,243,474	(28.83)
Non-recurrent items						
- Renegotiation of hydrological risk (Law 14,052/20), net (note 15)	-	(122,208)	-	-	(1,031,809)	-
- Renegotiation of hydrological risk (Law 14,052/20), investees (*)	-	(308,460)	-	-	(308,460)	-
- Advances for services provided, net (**)	-	-	-	-	(148,350)	-
- Periodic Tariff Review adjustments	-	-	-	-	(217,063)	-
- Gains arising from the sale of non-current asset held for sale – (note 30)	-	-	-	(60,000)	-	-
+ Write-off of financial asset (note 11)	-	-	-	171,770	-	-
- Reversal of provision for loss - MESA (note 13)	-	-	-	(161,648)	-	-
- Reversal of tax provisions – Social security contributions on profit sharing	(67,451)	-	-	(67,451)	-	-
+ Impairment (note 25)	37,182	-	-	37,182	-	-
+ Tax provisions – Indemnity of employees' future benefit (the 'Anuênio')	31,544	-	-	31,544	-	-
- PUT Option - SAAG	(34,748)	-	-	(34,748)	-	-
- Result of the agreement between FIP Melbourne and AGPar	(132,821)	-	-	(132,821)	-	-
= Ebitda Adjusted (2)	334,859	368,354	(9.09)	2,092,326	1,537,792	36.06

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

(**) The amount refers to early payment of amounts for provision of services of the subsidiary ESCEE to a free customer, net of PIS/Pasep and Cofins taxes.

- (1) Ebitda is a non-accounting measure prepared by the Company, reconciled with the consolidated interim financial information in accordance with CVM Circular SNC/SEP nº 1/2007 and CVM Resolution nº 156 of June 23, 2022. It comprises Net income adjusted by the effects of net financial revenue (expenses), Depreciation and amortization, and Income and Social Contribution taxes. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it does not have a standard meaning; and it may be non-comparable with measures with similar titles provided by other companies. The Company publishes Ebitda because it uses it to measure its own performance. Ebitda should not be considered in isolation or as a substitution for net income or operational profit, nor as an indicator of operational performance or cash flow, nor to measure liquidity nor the capacity for payment of debt.
- (2) The Company adjusts the EBITDA measured according to CVM Resolution n. 156/2022 removing non-current items, which, because of their nature, do not contribute towards information on the potential of future cash generation, since they are extraordinary items.



Revenue from supply of energy

	Jul to Sep/2022			Jul to Sep/2021		
	MWh	R\$ (mn)	Average price/MWh billed – R\$/MWh ¹	MWh	R\$ (mn)	Average price/MWh billed – R\$/MWh
Industrial	3,627,964	1,094,518	301.69	3,838,364	1,040,722	271.14
Commercial	997,490	254,045	254.68	1,042,841	222,394	213.26
Rural	4,032	1,204	298.61	6,217	1,677	269.74
Subtotal	4,629,486	1,349,767	291.56	4,887,422	1,264,793	258.79
Net unbilled retail supply	-	(30,124)	-	-	29,728	-
	4,629,486	1,319,643	291.56	4,887,422	1,294,521	258.79
Wholesale supply to other concession holders (2)	2,859,640	535,183	187.15	3,106,070	777,773	250.40
Wholesale supply unbilled, net	-	17,279	-	-	70,331	-
	7,489,126	1,872,105	251.69	7,993,492	2,142,625	255.53

(1) The calculation of the average price does not include revenue from supply not yet billed.

(2) Includes Regulated Market Energy Sale Contracts (CCEARs) and 'bilateral contracts' with other agents.

The Company reports a revenue from supply of energy of R\$1,872,105 in the third quarter of 2022, compared to R\$2,142,625 in the third quarter of 2021, an decrease of 12.63%. This variation is mainly due from reduction of 5.28% in the consumption by industrial, commercial and rural Free Clients, and reduction of 7.93% on sales to traders and generators. This variation is mainly, related to the transfer of energy purchase contracts to Cemig (Parent's Company).

Transmission concession revenue

The transmission concession revenue of the Company and Centroeste comprises the sum of revenues recorded for construction, reinforcements, improvements, operation and maintenance, as specified in the transmission contracts. The main variations in revenue are presented below:

- This infrastructure operation and maintenance revenue was R\$191,022 in the third quarter of 2022, compared to R\$140,511 in the third quarter of 2021, 35.95% higher. This primarily reflects the annual adjustment of the transmission Company's RAP, as an effect of Aneel Ratifying Resolution (ReH) 3,067/2022;
- The revenues posted for construction, strengthening and enhancement of infrastructure totaled R\$100,492 in the third quarter of 2022, compared to R\$75,694 in the third quarter of 2021, 32.76% higher. This mainly reflects the increased investments in transmission; and
- Revenues from financial remuneration of transmission contract assets were 73.81% lower, at R\$41,635 in the third quarter of 2022, compared to R\$158,956 in the third quarter of 2021. This increase mainly reflects the lower value of the IPCA inflation index – the indexor used for remuneration of the contract – which was (1.32)% in the third quarter of 2022, compared to 3.02% in the same period of 2021.

More details in Note 12.

Revenue from transactions in the Power Trading Chamber (CCEE)

Revenue from transactions with energy on the CCEE (Power Trading Chamber) in the third quarter of 2022 was R\$95,918, or 54.86% lower than in the third quarter of 2021 (R\$212,490). This reduction is mainly due to the reduction of 88.58% in the average spot price (PLD) in the Southeast and Center-West regions, which was R\$66.43/MWh in the third quarter of 2022, compared to R\$581.71/MWh in the third quarter of 2021, due to a better hydrological condition.

Taxes and regulatory charges reported as deductions from revenue

Taxes and charges applied to operating revenue in the third quarter of 2022 were R\$488,366, or 6.71% lower than in the third quarter of 2021 (R\$523,493). This variation is mainly associated with the taxes calculated as a percentage of sales revenue. Hence, their variations are substantially proportional to the changes in revenue.

Operating costs and expenses

Operating costs and expenses in the third quarter of 2022 totaled R\$1,674,957, 14.40% lower than in the third quarter of 2021 (R\$1,956,813).

The following paragraphs outline the main variations in operating costs and expenses:

Energy purchased for resale

The expense on energy purchased for resale in the third quarter of 2022 was R\$1,255,370, compared to R\$1,542,127 in the third quarter of 2021, representing an reduction of 18.59%. This variation is mainly due from the following factors:

- The cost of electricity bought in the Free Market was 11.05% lower, at R\$1,369,996 in 3Q22, compared to R\$1,540,193 in 3Q21. This mainly reflects: (i) the transfer of energy purchase contracts to Cemig (the Company's controlling stockholder); and (ii) the lower average price of acquisition, reflecting termination of more expensive contracts and start of lower-priced ones; and
- Expense on purchase of supply at the spot price was R\$13,054 in 3Q22, compared to R\$155,045 in 3Q21, an reduction of 91.58%. This is mainly due to excess energy available in 2022 compared to the positions in 2021. Also, there was a reduction of 88.58% in the average spot price (PLD) in the Southeast and Center-West regions, which was R\$66.43/MWh in 3Q22, compared to R\$581.71/MWh in 3Q21.

Operating provisions

Net operating provisions in the third quarter of 2022 was an expense of R\$4,699, compared to an expense of R\$36,432 in the same period of 2021, an reduction of 87.10%. This variation arising mainly from the following factors:

- Changes in SAAG's option, which represented a reversal of R\$14,724 in the third quarter of 2022, compared to provisions of R\$22,977 in the same period of 2021. This movement is mainly associated with the positive effects on the recoverable value of MESA. Also, in 3Q22, the total value of the liability was adjusted to reflect receipt, by FIP Melbourne, under the agreement arising from Arbitration Judgment 86/2016, of the amounts paid by AGPar. More details in note 13;
- Reversal of a tax provision related to social security contributions on payment of profit shares, in the amount of R\$67,541, due to the assessment of the chances of loss in this legal action being adjusted from 'probable' to 'possible'. More details in Note 22.
- These effects were partially offset by recognition of a tax provision, of R\$31,544, for the legal action disputing charging of the Social Security contribution on payments made as indemnity for time of service ('anuênios'), due to the assessment of the chances of loss in this legal action being adjusted from 'possible' to 'probable'. More details in Note 22.
- Recognition of impairment, in a total of R\$37,182, of a receivable from the client White Martins, which will be the subject of arbitration. More details in Note 25(c).

Post-employment obligations

The impact of the post-employment obligations of the Company on operational profit in the third quarter of 2022 was an expense of R\$34,599, compared to an expense of R\$23,202 in the third quarter of 2021, representing an increase of 42.12%. This variation mainly relates to the increase in the discount rate, and in the expectation for inflation, which increased the projection of costs of post-retirement liabilities for 2022.

Construction cost

Construction cost in the third quarter of 2022 was 32.06% higher, at R\$72,112, compared to R\$54,604 in the same period of 2021, mainly reflecting the execution of the portfolio of Transmission investment projects, with a greater volume of supply of equipment and conclusion of services in the third quarter of 2022.

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

A net gain of R\$175,118 value of non-consolidated investees was posted by the equity method in the third quarter of 2022, which compares with a net gain of R\$178,884 in the third quarter of 2021. This primarily reflects the recognition, in the third quarter of 2022, of a receivable in the amount of R\$132.821, following the payment made by AGPar to FIP Melbourne under an agreement arising from CCBC Arbitration Judgment 86/2016. A significant element for 2021 was the net profit of the investee Aliança Geração, Amazônia Energia and Aliança Norte (stockholders in Norte Energia S.A. – 'Nesa') and Santo Antônio Energia, due to recognition of the effects of renegotiation of hydrological risk (GSF).

Note 13 gives the breakdown of equity method gains/losses, by investee.

Net Financial Result

The Company reports net financial expense of R\$147,075 in the third quarter of 2022, compared to net financial expenses of R\$1,142,300 in the third quarter of 2021. This variation is mainly due to the following factors:

- Appreciation of the dollar against the Real in the third quarter of 2022 of 3.22%, compared to appreciation, of 8.74%, in the third quarter of 2021 – generating a posting of revenues of R\$168,600 in the third quarter of 2022 vs. expenses of R\$504,600, in the third quarter of 2021;
- The fair value of the financial instrument contracted to hedge the risks connected with the Eurobonds resulted in a positive item of R\$100,087 in the third quarter of 2022, compared with a positive item of R\$35,636 in the third quarter of 2021. This results mainly arises the appreciation of the dollar against the Real; and
- Recognition of the premium on repurchase of debt securities in the amount of R\$491,036 as a result of the partial buyback of its Eurobonds – Tender Offer.

For a breakdown of financial income/expenses see Note 26.

Income tax and social contribution tax

For the third quarter of 2022, the expenses on income tax and social contribution tax was R\$20,548, on pre-tax gain of R\$271,790 – an effective rate of 7.56%. For the third quarter of 2021, the credits on income tax and social contribution tax was R\$218,136, or an effective rate of 50.87% on the pre-tax loss of R\$428,795.

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

Reynaldo Passanezi Filho
Chief Executive Officer

Dimas Costa
Chief Trading Officer

Leonardo George de Magalhães
Chief Finance and Investor Relations
Officer

Paulo Mota Henriques
Chief Generation and Transmission
Officer

**Marco da Camino Ancona Lopez
Soligo**
Chief Officer for Management of
Holdings

Marney Tadeu Antunes
Interim Director without portfolio

Mário Lúcio Braga
Controller
CRC-MG-47,822

José Guilherme Grigolli Martins
Accounting Manager
Accountant – CRC-1SP/242451-O4



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

To the Board Directors and Shareholders of
Cemig Geração e Transmissão S.A.
Campinas - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Cemig Geração e Transmissão S.A. (“the Company”), included in the Quarterly Information Form (ITR), for the quarter ended September 30, 2022, which comprises the statement of financial position as of September 30, 2022 and the respective statements of income, and other comprehensive income for the three and nine-months period then ended, and changes in shareholders’ equity and cash flows for the nine-month period then ended, and explanatory footnotes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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



Emphasis of matter

Risks related to compliance with laws and regulations

As mentioned in notes 13 and 31 to the individual and consolidated interim financial information, there are investigations being conducted by public authorities regarding the Company, its subsidiaries and investees Madeira Energia S.A. and Norte Energia S.A., which involve the investees and their executives and other shareholders of these investees. We are currently unable to foresee future developments or potential impacts of these investigations conducted by public authorities. Our conclusion is not modified in respect of this matter.

Other matters

Statements of Value Added

The quarterly information referred to above include the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34. These statements were submitted to the same review procedures followed together with the review of the Company's interim financial information, in order to form our conclusion whether they are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the statements of value added were not prepared, in all material respects, in accordance with the criteria set on that Standard and consistently with the individual and consolidated interim financial information taken as a whole.

Corresponding figures

The corresponding figures related to the individual and consolidated statement of financial position as of December 31, 2021 were audited by other independent auditors who issued an unmodified audit report dated March 29, 2022 and the individual and consolidated Statements of Income and other comprehensive income for the three and nine-month period and Statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2021 were reviewed by other independent auditors who issued an unmodified review report dated November 11, 2021. The corresponding figures related to the individual and consolidated statement of value added (DVA) for the nine-month period ended September 30, 2021 were submitted to the same review procedures by those independent auditors and, based on their review, those auditors issued report reporting that nothing has come to their attention that causes them to believe that the statements of value added were not prepared, in all material respects, in accordance with the criteria set on that Standard and consistently with the individual and consolidated interim financial information taken as a whole.

Belo Horizonte, November 11, 2022

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-MG
Free-translation – Original version issued in Portuguese¹

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

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