

**INTERIM FINANCIAL INFORMATION**

**2Q2023**



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**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2023 AND DECEMBER 31, 2022**  
**ASSETS**

(In thousands of Brazilian Reais)

	Note	Jun. 30, 2023	Dec. 31, 2022
<b>Circulante</b>			
Cash and cash equivalents	4	899,048	440,700
Marketable securities	5	671,821	279,717
Receivables from customers, traders and concession holders	6	3,047,560	2,761,370
Concession holders - Transport of energy	6	348,870	333,642
Recoverable taxes	7	986,261	1,828,665
Income tax and social contribution recoverable	8a	30,960	-
Inventories		27,940	30,259
Public lighting contribution		232,583	207,286
Reimbursement of tariff subsidies payments	10	117,184	90,923
Low-income subsidy		64,727	62,479
Concession sector assets	11b	458,615	746,031
Others assets		280,150	209,817
<b>TOTAL CURRENT</b>		<b>7,165,719</b>	<b>6,990,889</b>
<b>NON-CURRENT</b>			
Marketable Securities	5	1,067	1,052
Deferred Income tax and social contribution tax	8c	1,998,584	2,119,494
Recoverable taxes	7	626,843	540,281
Income tax and social contribution tax recoverable	8a	83,409	76,278
Escrow deposits	9	653,081	651,279
Concession holders - Transport of energy	6	40,907	43,386
Others assets		16,686	17,327
Concession sector assets	11b	432,194	198,059
Financial assets related to infrastructure	11a	1,538,165	1,369,652
Contract assets	12	2,785,768	1,849,852
Intangible assets	13	11,409,347	11,314,918
Leasing - right of use assets	15	272,890	240,178
<b>TOTAL NON-CURRENT</b>		<b>19,858,941</b>	<b>18,421,756</b>
<b>TOTAL ASSETS</b>		<b>27,024,660</b>	<b>25,412,645</b>

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

**STATEMENTS OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2023 AND DECEMBER 31, 2022**  
**LIABILITIES**

(In thousands of Brazilian Reais)

	Note	Jun. 30, 2023	Dec. 31, 2022
<b>CURRENT</b>			
Loans and debentures	18	881,326	883,795
Suppliers	16	1,697,417	1,929,723
Taxes payable	17	245,235	538,690
Income tax and social contribution	8b	-	88,043
Payroll and related charges		149,019	162,661
Regulatory charges payable	19	429,179	393,389
Employee and management profit-sharing		47,808	52,273
Post-employment obligations	20	289,196	274,904
Public lighting contribution		372,094	312,475
Accounts payable related to energy generated by residential consumers		510,559	455,273
Interest on equity, and dividends, payable		508,078	504,052
Amounts to be refunded to consumers	17	1,505,176	1,154,798
Leasing liabilities	15	55,715	43,602
Other liabilities		368,278	325,837
<b>TOTAL CURRENT</b>		<b>7,059,080</b>	<b>7,119,515</b>
<b>NON-CURRENT</b>			
Loans and debentures	18	5,198,274	3,692,203
Provisions	21	1,405,726	1,342,624
Post-employment obligations	20	3,501,965	3,550,093
Regulatory charges payable	19	37,947	55,437
Amounts to be refunded to consumers	17	420,936	1,632,200
Interest on equity, and dividends, payable		679,794	679,794
Leasing liabilities	15	240,684	216,271
Other liabilities		19,246	19,248
<b>TOTAL NON-CURRENT</b>		<b>11,504,572</b>	<b>11,187,870</b>
<b>TOTAL LIABILITIES</b>		<b>18,563,652</b>	<b>18,307,385</b>
<b>EQUITY</b>			
Share capital	22	5,834,312	5,371,998
Advance for future capital increase	22	450,000	-
Profit reserves		3,270,982	3,270,982
Equity valuation adjustments	22	(1,508,854)	(1,537,720)
Retained Earnings		414,568	-
<b>TOTAL EQUITY</b>		<b>8,461,008</b>	<b>7,105,260</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>27,024,660</b>	<b>25,412,645</b>

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

**STATEMENTS OF INCOME**  
**FOR THE SIX-MONTH PERIODS ENDED AS OF JUNE 30, 2023 AND 2022**  
 (In thousands of Brazilian Reais, except earnings per share)

	Note	Jan to Jun/2023	Jan to Jun/2022
<b>NET REVENUE</b>	23	<b>10,926,394</b>	<b>9,679,436</b>
<b>OPERATING COSTS</b>			
Cost of energy	24a	(6,091,925)	(5,704,087)
Infrastructure and construction cost	24b	(1,517,409)	(1,112,782)
Operating costs	24c	(1,588,138)	(2,763,777)
		<b>(9,197,472)</b>	<b>(9,580,646)</b>
<b>GROSS INCOME</b>		<b>1,728,922</b>	<b>98,790</b>
<b>OPERATING EXPENSES</b>	24c		
Expected credit losses		(29,415)	(133,709)
General and administrative expenses		(244,162)	(265,379)
Other operating expenses, net		(383,048)	(312,845)
		<b>(656,625)</b>	<b>(711,933)</b>
<b>Operating income before financial income (expenses) and taxes</b>		<b>1,072,297</b>	<b>(613,143)</b>
Finance income	25	313,765	405,157
Finance expenses	25	(394,548)	(712,741)
<b>Income before income tax and social contribution tax</b>		<b>991,514</b>	<b>(920,727)</b>
Current income tax and social contribution tax	8c	(150,506)	(155,798)
Deferred income tax and social contribution tax	8c	(106,039)	552,174
<b>Net income (loss) for the period</b>		<b>734,969</b>	<b>(524,351)</b>
Basic and diluted earnings (losses) per shares, R\$	22	0.31	(0.22)

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

**STATEMENTS OF INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED AS OF JUNE 30, 2023 AND 2022**  
**(In thousands of Brazilian Reais, except earnings per share)**

	Note	Apr to Jun/2023	Apr to Jun/2022
<b>NET REVENUE</b>	23	5,549,457	4,931,119
<b>OPERATING COSTS</b>			
Cost of energy	24a	(3,038,649)	(2,836,650)
Infrastructure and construction cost	24b	(859,801)	(683,279)
Operating costs	24c	(782,541)	(2,089,903)
		<b>(4,680,991)</b>	<b>(5,609,832)</b>
<b>GROSS INCOME</b>		<b>868,466</b>	<b>(678,713)</b>
<b>OPERATING EXPENSES</b>	24c		
Expected credit losses		(21,334)	(89,450)
General and administrative expenses		(127,174)	(153,135)
Other operating expenses, net		(228,509)	(170,999)
		<b>(377,017)</b>	<b>(413,584)</b>
<b>Operating income before financial income (expenses) and taxes</b>		<b>491,449</b>	<b>(1,092,297)</b>
Finance income	25	189,527	218,830
Finance expenses	25	(177,962)	(551,217)
<b>Income before income tax and social contribution tax</b>		<b>503,014</b>	<b>(1,424,684)</b>
Current income tax and social contribution tax	8c	2,843	-
Deferred income tax and social contribution tax	8c	(140,418)	524,406
<b>Net income (loss) for the period</b>		<b>365,439</b>	<b>(900,278)</b>
Basic and diluted earnings (losses) per shares, R\$	22	0.15	(0.38)

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

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIODS ENDED AS OF JUNE 30, 2023 AND 2022**  
**(In thousands of Brazilian Reais)**

	Jan to Jun/2023	Jan to Jun/2022
Net income (loss) for the period	734,969	(524,351)
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items not to be reclassified to profit or loss in subsequent years</b>		
Post retirement liabilities adjustment - remeasurement of obligations of the defined benefit plans (note 20)	43,737	-
Income tax and social contribution tax on remeasurement of defined benefit plans (note 8)	(14,871)	-
	<b>28,866</b>	<b>-</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAXES</b>	<b>763,835</b>	<b>(524,351)</b>

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

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED AS OF JUNE 30, 2023 AND 2022**  
**(In thousands of Brazilian Reais)**

	Apr to Jun/2023	Apr to Jun/2022
Net income (loss) for the period	365,439	(900,278)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>365,439</b>	<b>(900,278)</b>

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

**STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY**  
**FOR THE SIX-MONTH PERIODS ENDED AS OF JUNE 30, 2023 AND 2022**  
 (In thousands of Brazilian Reais, except where otherwise stated)

	Share capital	Profit reserves	Equity valuation adjustments	Retained earnings	Total equity	Share capital
<b>AS OF DECEMBER 31, 2021</b>	<b>5,371,998</b>	-	<b>3,404,039</b>	<b>(1,833,371)</b>	-	<b>6,942,666</b>
Net loss for the period	-	-	-	-	(524,351)	(524,351)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	-	<b>(524,351)</b>	<b>(524,351)</b>
Interest on equity capital declared (R\$0.0553 per share)	-	-	-	-	(282,719)	(282,719)
<b>AS OF JUNE 30, 2022</b>	<b>5,371,998</b>	-	<b>3,404,039</b>	<b>(1,833,371)</b>	<b>(807,070)</b>	<b>6,135,596</b>
	-	-	-	-	-	-
<b>AS OF DECEMBER 31, 2022</b>	<b>5,371,998</b>	-	<b>3,270,982</b>	<b>(1,537,720)</b>	-	<b>7,105,260</b>
Net income for the period	-	-	-	-	734,969	734,969
Other comprehensive income, net of taxes	-	-	-	28,866	-	28,866
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	<b>28,866</b>	<b>734,969</b>	<b>763,835</b>
Capital increase	462,314	(194,000)	-	-	-	268,314
Advance for future capital increase	-	644,000	-	-	-	644,000
Interest on equity capital declared (R\$0.1358 per share)	-	-	-	-	(320,401)	(320,401)
<b>AS OF JUNE 30, 2023</b>	<b>5,834,312</b>	<b>450,000</b>	<b>3,270,982</b>	<b>(1,508,854)</b>	<b>414,568</b>	<b>8,461,008</b>

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



**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIODS ENDED AS OF JUNE 30, 2023 AND 2022**  
**(In thousands of Brazilian Reais)**

	Note	Jan to Jun/2023	Jan to Jun/2022
<b>CASH FLOW FROM OPERATIONS</b>			
Net income (loss) for the period		734,969	(524,351)
<b>ADJUSTMENTS:</b>			
Post-employment obligations	20	189,738	225,518
Depreciation and amortization	13 and 15a	391,114	354,256
Expected credit losses	24c	29,415	133,709
Other provisions	24c	172,296	1,515,558
Adjustment of assets in progress	13	(15,584)	(7,053)
Write-off of net residual value of unrecoverable Concession financial assets and Intangible assets	11a and 13	37,623	10,309
Refunded of PIS/Pasep and Cofins over ICMS credits to customers - realization	23	(1,257,507)	(935,491)
Financial interest and inflation adjustment		214,139	538,523
Adjustment to expectation of contractual cash flow from the concession	11a	(77,575)	(38,762)
Amortization of transaction cost of loans	18	2,008	874
CVA (Parcel A Compensation) Account and Other Financial Components in tariff adjustment	23	143,809	972,040
Deferred income tax and social contribution tax	8a	106,039	(552,174)
		670,484	1,692,956
<b>(Increase) decrease in assets</b>			
Receivables from customers, traders and concession holders		(315,605)	65,861
Concession holders - Transport of energy		(12,749)	(11,039)
CVA (Parcel A Compensation) Account and Other Financial Components in tariff adjustment		-	190,658
Recoverable taxes	7	(77,534)	170,438
Income tax and social contribution tax recoverable		(18,397)	(15,177)
Escrow deposits		19,041	5,833
Public lighting contribution		(25,297)	34,578
Reimbursement of tariff subsidies	10	(26,261)	196,457
Low-income subsidy		(2,248)	(3,729)
Others		(105,212)	(241,935)
		(564,262)	391,945
<b>Increase (decrease) in liabilities</b>			
Suppliers		(245,417)	(473,489)
Taxes payable		534,962	443,452
Income tax and social contribution tax payable		150,506	155,798
Payroll and related charges		(13,642)	30,268
Public lighting contribution		59,619	(65,595)
Regulatory charges	19	18,406	(244,792)
Post-employment obligations	20	(179,837)	(165,708)
Provisions	21	(69,911)	(62,997)
Employees' and managers' profit sharing		(4,465)	(18,882)
Others		125,831	103,173
		376,052	(298,772)
<b>Cash generated by operating activities</b>			
Interest paid on loans and debentures	18	(180,280)	(160,970)
Interest paid in leasing contracts	15	(26,456)	(937)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>275,538</b>	<b>1,624,222</b>
<b>INVESTING ACTIVITIES</b>			
Marketable securities - cash investments	5	(392,119)	(176,717)
Intangible assets	13	(55,182)	(26,207)
Contract assets	12	(1,437,260)	(1,070,325)
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>(1,884,561)</b>	<b>(1,273,249)</b>
<b>FINANCING ACTIVITIES</b>			
Loans and debentures obtained, net	18	1,988,311	987,575
Leasing liabilities paid	15	(601)	(29,525)
Payment of loans and debentures	18	(564,339)	(548,393)
Interest on capital and dividends paid		-	(170,477)
Advance for future capital increase		644,000	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>2,067,371</b>	<b>239,180</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at the beginning of the period	4	440,700	198,694
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	4	<b>899,048</b>	<b>788,847</b>

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

**STATEMENTS OF ADDED VALUE**  
**FOR THE SIX-MONTH PERIODS ENDED AS OF JUNE 30, 2023 AND 2022**  
**(In thousands of Brazilian Reais)**

	Jan to Jun/2023	Jan to Jun/2022
<b>REVENUES</b>		
Sales of energy and services	13,966,989	14,549,997
Distribution construction revenue	1,517,409	1,112,782
Adjustment to expectation of reimbursement of distribution concession financial assets	77,575	38,762
Adjustment to estimated credit losses	(29,415)	(133,709)
	<u>15,532,558</u>	<u>15,567,832</u>
<b>INPUTS ACQUIRED FROM THIRD PARTIES</b>		
Energy bought for resale	(4,967,318)	(4,549,599)
Charges for use of national grid	(1,611,107)	(1,618,064)
Outsourced services	(1,353,616)	(1,044,929)
Materials	(884,503)	(687,342)
Other operating costs	(341,441)	(1,584,128)
	<u>(9,157,985)</u>	<u>(9,484,062)</u>
<b>GROSS VALUE ADDED</b>	<b>6,374,573</b>	<b>6,083,770</b>
<b>RETENTIONS</b>		
Depreciation and amortization	(391,114)	(354,256)
<b>NET ADDED VALUE PRODUCED BY THE COMPANY</b>	<b>5,983,459</b>	<b>5,729,514</b>
<b>ADDED VALUE RECEIVED BY TRANSFER</b>		
Financial revenues	330,066	417,156
<b>ADDED VALUE TO BE DISTRIBUTED</b>	<b>6,313,525</b>	<b>6,146,670</b>
<b>DISTRIBUTION OF ADDED VALUE</b>		
<b>Employees</b>	<b>666,489</b>	<b>698,834</b>
Direct remuneration	403,221	374,610
Post-employment obligations and Other benefits	239,320	264,509
FGTS fund	23,948	22,780
Programmed Voluntary Retirement Plan ('PDVP')	-	36,935
<b>Taxes</b>	<b>4,487,950</b>	<b>5,237,957</b>
Federal	2,858,899	2,234,285
State	1,625,330	3,000,188
Municipal	3,721	3,484
<b>Remuneration of external capital</b>	<b>424,117</b>	<b>734,230</b>
Interest	419,515	728,991
Rentals	4,602	5,239
<b>Remuneration of own capital</b>	<b>734,969</b>	<b>(524,351)</b>
Interest on Equity	320,401	282,719
Retained earnings (losses)	414,568	(807,070)
	<u>6,313,525</u>	<u>6,146,670</u>

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

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIODS ENDED AS OF JUNE 30, 2023 AND 2022  
(In thousands of Brazilian Reais, except where otherwise indicated)**

**1. OPERATING CONTEXT**

Cemig Distribuição S.A. ('Cemig D', 'Cemig Distribuição' or 'the Company') is a Brazilian corporation registered for trading with the Brazilian Securities Commission (Comissão de Valores Mobiliários, or CVM), and in the Brazilian Register of Corporate Taxpayers (CNPJ) under No. 06.981.180/0001-16. A wholly-owned subsidiary of Companhia Energética de Minas Gerais - Cemig ('Cemig'), it was incorporated on September 8, 2004, and began operating on January 1, 2005, pursuant to the separation of activities ('unbundling') of Cemig. Its shares are not traded on any exchange. It is domiciled in Brazil, with head office in Belo Horizonte city, Minas Gerais.

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

The Company has a concession area of 567,478 km<sup>2</sup>, comprising approximately 97% of the Brazilian state of Minas Gerais, serving 9,132,370 customers, on June 30, 2023.

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

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

## 2. BASIS OF PREPARATION

### 2.1. Statement of compliance

The Interim Accounting Information has been prepared in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), Technical Pronouncement 21 (R1) ('CPC21'), which applies to interim financial statements, 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.

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

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

Management certifies that all the material information in the interim financial accounting, and only that 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 August 3, 2023.

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

Number of the Notes		Title of the Notes
Dec. 31, 2022	Jun. 30, 2023	
1	1	Operational contexto
2	2	Basis of preparation
3	-	Concessions
4	3	Operational segments
5	4	Cash and cash equivalents
6	5	Marketable securities
7	6	Customers and traders; Concession holders (power transport)
8	7	Recoverable taxes
9	8	Income tax and social contribution tax
10	9	Escrow deposits
11	10	Reimbursement of tariff subsidies
12	11	Concession financial assets and liabilities
13	12	Contract assets
14	13	Intangible assets
-	14	Special obligations
15	15	Leasing - Right of Use
16	16	Suppliers
17	17	Taxes and amounts reimbursement to customers
18	18	Loans and debentures
19	19	Regulatory charges
20	20	Post-employment obligations

Number of the Notes		Title of the Notes
Dec. 31, 2022	Jun. 30, 2023	
21	21	Provisions
22	22	Equity and remuneration to shareholders
23	23	Revenue
24	24	Operating costs and expenses
25	25	Financial revenue and expenses
26	26	Related party transactions
27	27	Financial instruments and risk management
-	28	Periodic tariff review
28	-	Insurance
29	-	Contractual obligations
30	29	Risks related to compliance with laws and regulations
31	30	Subsequent events

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

Number of the Notes	Title of the Notes
3	Concessions
28	Insurance
29	Contractual obligations

### 2.3. Regrouping of items in the Statement of income

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

### 2.4. New pronouncements, or revisions of pronouncements, applied for the first time in 2023

The alterations to CPC 23 / IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*, CPC 26 / IAS 1 - *Presentation of Financial Statements*, and CPC 32 / IAS 12 - *Income Taxes*, and the application of CPC 50 / IFRS 17 - *Insurance Contracts*, which come into effect for years starting on or after January 1, 2023, have had no impact on the Company's interim accounting information.

## 3. OPERATING SEGMENTS

The Company operates only in energy distribution, and only in the Brazilian State of Minas Gerais. Its Income statement reflects this activity. Management believes that its Income statements and the other information contained in these Notes provide the required information about its sole operational segment.

## 4. CASH AND CASH EQUIVALENTS

	Jun. 30, 2023	Dec. 31, 2022
Contas bancárias	40,810	83,858
Aplicações financeiras		
Certificados de Depósitos Bancários (1)	725,251	309,894
Aplicações automáticas - Overnight (2)	132,987	46,948
	<b>858,238</b>	<b>356,842</b>
	<b>899,048</b>	<b>440,700</b>

- (1) Bank Certificates of Deposit (Certificados de Depósito Bancário, or CBDs), accrued interest at 80% to 112%, of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or Certificados de Depósito Inter-bancário - CDIs) published by the Custody and Settlement Chamber (Câmara de Custódia e Liquidação, or Cetip) on June 30, 2023 (80% to 112% on December 31, 2022). For these CBDs, the Company and its subsidiaries have repo transactions which state, on their trading notes, the bank's commitment to repurchase the security, on demand, on the maturity date of the transaction, or earlier.
- (2) Automated applications (Overnight) transactions are repos available for redemption on the following day. They are usually backed by Treasury Bills, Notes or Bonds and referenced to a pre-fixed rate of 13.38% to 13.64% on June 30, 2023 (13.62% to 13.64% on December 31, 2022). Their purpose is to settle the short-term obligations of the Company and its subsidiaries, or to be used in the acquisition of other assets with better return to replenish the portfolio.

Note 27 of this interim financial information provides information in relation to the exposure of the Company to interest rate risks, and a sensitivity analysis of their effects on financial assets and liabilities.

## 5. MARKETING SECURITIES

	Jun. 30, 2023	Dec. 31, 2022
Bank certificates of deposit (1)	370,665	30,587
Financial Notes (LFs) - banks (2)	216,954	182,161
Treasury Financial Notes (LFTs) (3)	79,741	64,208
Debentures (4)	4,175	2,647
Others	1,353	1,166
	<b>672,888</b>	<b>280,769</b>
<b>Current asset</b>	<b>671,821</b>	<b>279,717</b>
<b>Non-current asset</b>	<b>1,067</b>	<b>1,052</b>

- (1) Bank Certificates of Deposit (Certificados de Depósito Bancário, or CBDs), are remunerated at a percentage of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or Certificados de Depósito Inter-bancário - CDIs) published by the Custody and Settlement Chamber (Câmara de Custódia e Liquidação, or Cetip) varying between 103% to 104.3% on June 30, 2023 (103% to 104.4% of the CDI Rate on December 31, 2022), according to the operation.
- (2) Bank Financial Notes (Letras Financeiras, or LFs) are fixed-rate fixed-income securities, issued by banks and that accrued interest a percentage of the CDI rate published by Cetip. The LFs had remuneration rates varying between 103.3% and 109.89% of the CDI rate on June 30, 2023 (103.3% and 110.26% on December 31, 2022).
- (3) Treasury Financial Notes (LFTs) are fixed-rate securities, their yield follows the daily changes in the Selic rate between the date of purchase and the date of maturity. The LFTs had remuneration rates varying between 13.67% and 13.87% on June 30, 2023 (13.65% and 13.88% on December 31, 2022).
- (4) Debentures are medium and long term debt securities, which give their holders a right of credit against the issuing company. The debentures have remuneration varying from TR+1% to 114.29% of the CDI Rate on June 30, 2023 (TR+1% to 114.29% of the CDI Rate on December 31, 2022).

The accounting policy and the classification of these securities and the financial investments in related parties' securities are stated in notes 27 and 26 of this interim financial information. The earnings of these securities are properly stated in the Statements of Cash Flows in the investment activity.

## 6. RECEIVABLES FROM CUSTOMERS, TRADERS AND CONCESSION HOLDERS

Customer type	Balances not yet due		Balances past due			Total	
	Billed energy	Not yet billed energy	Up to 90 days	91 to 360 days	More than 360 days	Jun. 30, 2023	Dec. 31, 2022
Residential	716,635	276,184	393,508	243,962	360,296	1,990,585	1,800,806
Industrial	40,657	60,013	21,610	27,698	120,175	270,153	255,015
Commercial, services and others	282,627	158,462	103,634	94,828	197,813	837,364	796,559
Rural	130,508	92,258	49,154	30,936	48,005	350,861	292,220
Public authorities	65,265	34,006	3,467	248	17,100	120,086	97,942
Public lighting	49,565	581	207	1	971	51,325	12,303
Public services	63,427	36,226	4,940	3,251	31,681	139,525	125,823
<b>Subtotal - customers</b>	<b>1,348,684</b>	<b>657,730</b>	<b>576,520</b>	<b>400,924</b>	<b>776,041</b>	<b>3,759,899</b>	<b>3,380,668</b>
Concession holders - Transport of energy	72,097	285,666	22,830	6,303	75,657	462,553	460,272
Energy in spot market - supply	-	-	8,390	-	7,876	16,266	56,315
Provision for expected credit losses	(124,247)	(11,770)	(50,385)	(94,014)	(520,965)	(801,381)	(758,857)
	<b>1,296,534</b>	<b>931,626</b>	<b>557,355</b>	<b>313,213</b>	<b>338,609</b>	<b>3,437,337</b>	<b>3,138,398</b>
<b>Current</b>							
Receivables from customers, traders and concession holders						3,047,560	2,761,370
Concession holders - Transport of energy						348,870	333,642
<b>Non-current</b>							
Concession holders - Transport of energy						40,907	43,386

The Company exposure to credit risk related to customers and traders is provided in Note 27 of this interim financial information. The transactions involving related parties is provided in Note 26 of this interim financial information.

The expected credit losses are considered sufficient to cover eventual losses in the realization of these assets and their composition, by class of consumer, is as follows:

	Jun. 30, 2023	Dec. 31, 2022
Residential	312,162	269,007
Industrial	113,169	122,227
Commercial, services and others	208,552	194,431
Rural	34,405	31,070
Public authorities	28,771	26,621
Public lighting	302	(88)
Public services	31,244	32,346
Concession holders - Transport of energy	72,776	83,243
	<b>801,381</b>	<b>758,857</b>

Changes in the expected credit losses are as follows:

<b>Balance on December 31, 2022</b>	<b>758,857</b>
Additions, net (Note 24)	29,415
Amounts written off, reversals	13,109
<b>Balance on June 30, 2023</b>	<b>801,381</b>

## 7. RECOVERABLE TAXES

	Jun. 30, 2023	Dec. 31, 2022
<b>Current</b>		
ICMS tax recoverable	396,285	404,590
Cofins tax (a)	484,750	1,170,056
PIS/Pasep taxes (a)	104,802	253,606
Others	424	413
	<b>986,261</b>	<b>1,828,665</b>
<b>Non-current</b>		
ICMS tax recoverable	600,946	515,972
Cofins tax (a)	21,277	19,973
PIS/Pasep taxes (a)	4,620	4,336
	<b>626,843</b>	<b>540,281</b>
	<b>1,613,104</b>	<b>2,368,946</b>

### a) Pis/Pasep and Cofins taxes credits over ICMS

The Company has recorded at June 30, 2023 the amount of R\$589,552 in current assets (R\$1,421,739 at December 31, 2022) and R\$25,897 in non-current assets (R\$24,309 at December 31, 2022) corresponding to the tax credits of PIS/Pasep and Cofins over ICMS, with updating by the Selic rate to the date of their actual offsetting.

In the first quarter of 2023, credits of PIS/Pasep and Cofins taxes were offset against payable federal taxes in the amount of R\$820,641 (R\$823,148 in 2022).

## 8. INCOME AND SOCIAL CONTRIBUTION TAXES

### a) Income tax and social contribution tax recoverable

	Jun. 30, 2023	Dec. 31, 2022
Income tax	70,637	61,390
Social contribution tax	43,732	14,888
	<b>114,369</b>	<b>76,278</b>
<b>Current</b>	<b>30,960</b>	<b>-</b>
<b>Non-current</b>	<b>83,409</b>	<b>76,278</b>

### b) Income tax and social contribution tax payable

	Jun. 30, 2023	Dec. 31, 2022
<b>Current</b>		
Income tax	-	77,292
Social contribution tax	-	10,751
	<b>-</b>	<b>88,043</b>

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 21.

### c) Deferred income tax and social contribution tax

Temporary differences of income tax and social contribution tax	Jun. 30, 2023	Dec. 31, 2022
<b>Deferred tax assets</b>		
Tax loss / negative basis	311,650	-
Post-employment obligations	1,246,016	1,238,981
Expected credit losses	313,973	295,384
Impairment	16,937	22,271
Operational Provisions (1)	81,928	523,338
Provisions for contingencies	414,430	396,213
Administrative tax	4,313	4,500
Provision for profit shares	16,255	17,773
Others	9,843	8,586
	<b>2,415,345</b>	<b>2,507,046</b>
<b>Deferred tax liabilities</b>		
Adjustment to expectation of cash flow - Concession assets	(234,270)	(212,326)
Borrowing costs capitalized	(173,775)	(169,801)
Funding cost	(8,716)	(5,425)
	<b>(416,761)</b>	<b>(387,552)</b>
<b>Total net assets presented in the balance sheet</b>	<b>1,998,584</b>	<b>2,119,494</b>

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



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

<b>Balance on December 31, 2022</b>	<b>2,119,494</b>
Effects allocated to net income	(106,039)
Effects allocated to Statement of comprehensive income	(14,871)
<b>Balance on June 30, 2023</b>	<b>1,998,584</b>

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

	Jan to Jun/2023	Jan to Jun/2022
Profit before income tax and social contribution tax	991,514	(920,727)
Nominal rate	34%	34%
Income tax and social contribution tax - nominal expense	(337,115)	313,047
<b>Tax effects applicable to:</b>		
Interest on equity and dividends payable	108,937	96,124
Tax incentives	12,350	13,433
Non-deductible contributions and donations	(1,710)	(2,658)
Non-deductible penalties	(55,480)	(21,560)
Selic rate on tax overpayments	13,199	-
Others	3,274	(2,010)
	<b>(256,545)</b>	<b>396,376</b>
<b>Effective rate</b>	<b>25.87%</b>	<b>(43.05)%</b>
<b>Current tax</b>	<b>(150,506)</b>	<b>(155,798)</b>
<b>Deferred tax</b>	<b>(106,039)</b>	<b>552,174</b>

	Apr to Jun/2023	Apr to Jun/2022
Profit before income tax and social contribution tax	503,014	(1,424,684)
Nominal rate	34%	34%
Income tax and social contribution tax - nominal expense	(171,025)	484,393
<b>Tax effects applicable to:</b>		
Interest on equity and dividends payable	56,228	51,769
Tax incentives	397	-
Non-deductible contributions and donations	279	(1,184)
Non-deductible penalties	(28,160)	(9,153)
Selic rate on tax overpayments	1,975	-
Others	2,731	(1,418)
	<b>(137,575)</b>	<b>524,407</b>
<b>Effective rate</b>	<b>(27.35)%</b>	<b>(36.81)%</b>
<b>Current tax</b>	<b>2,843</b>	<b>-</b>
<b>Deferred tax</b>	<b>(140,418)</b>	<b>524,406</b>

## 9. ESCROW DEPOSITS

	Jun. 30, 2023	Dec. 31, 2022
<b>Labor claims</b>	<b>178,166</b>	<b>203,119</b>
<b>Tax contingencies</b>		
Income tax on Interest on Equity	12,497	12,198
Income tax and Social Security contribution on 'Anuênio' employee indemnity (1)	223,353	218,771
JCP in the Income tax and Social Security contribution calculation base (2)	92,143	85,832
Others	71,744	64,197
	<b>399,737</b>	<b>380,998</b>
<b>Others</b>		
Regulatory	32,331	31,428
Third party	8,679	5,786
Customer relations	5,871	6,166
Court embargo	17,321	13,056
Patrimonial	4,481	4,448
Others	6,495	6,278
	<b>75,178</b>	<b>67,162</b>
	<b>653,081</b>	<b>651,279</b>

(1) More details in Note 21 - Provisions under the section relating to the 'Anuênio indemnity';

(2) More details in Note 21 - Provisions - Interest on Equity.

## 10. REIMBURSEMENT OF TARIFF SUBSIDIES

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

In the first half of 2023, the amount recognized as subsidies revenues was R\$554,619 (R\$485,093 in the first half of 2022). Of such amounts, Cemig D has a receivable of R\$117,184 (R\$90,923 on December 31, 2022) in current assets.

## 11. CONCESSION FINANCIAL AND SECTOR ASSETS AND LIABILITIES

FINANCIAL AND SECTORIAL CONCESSION ASSETS	Jun. 30, 2023	Dec. 31, 2022
Financial assets related to infrastructure (a)	1,538,165	1,369,652
CVA (Parcel A Compensation) Account and Other Financial Components in tariff-setting (b)	890,809	944,090
	<b>2,428,974</b>	<b>2,313,742</b>
<b>Current asset</b>	<b>458,615</b>	<b>746,031</b>
<b>Non-current asset</b>	<b>1,970,359</b>	<b>1,567,711</b>

### a) Financial assets related to infrastructure

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

<b>Balance on December 31, 2022</b>	<b>1,369,652</b>
Transfers of contract assets (Note 12)	91,586
Disposals	(648)
Adjustment of expectation of cash flow from the concession financial assets	77,575
<b>Balance on June 30, 2023</b>	<b>1,538,165</b>

As a result of ratification of Cemig's 5th Periodic Tariff Review (Revisão Tarifária Periódica - RTP), R\$39,516 was added to inflation correction of financial assets, with reference to November 30, 2022 as base date. The increase arises from the difference between (a) the estimate of updating of the assets used by the Company and (b) the New Replacement Value for these assets ratified in the RTP process.

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

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

BALANCE SHEET	Jun. 30, 2023			Dec. 31, 2022		
	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Assets	183,459	707,350	890,809	544,370	399,720	944,090
Current asset	183,459	275,156	458,615	544,370	201,661	746,031
Non-current asset	-	432,194	432,194	-	198,059	198,059
<b>Total current, net</b>	<b>183,459</b>	<b>275,156</b>	<b>458,615</b>	<b>544,370</b>	<b>201,661</b>	<b>746,031</b>
<b>Total non-current, net</b>	<b>-</b>	<b>432,194</b>	<b>432,194</b>	<b>-</b>	<b>198,059</b>	<b>198,059</b>
<b>Total, net</b>	<b>183,459</b>	<b>707,350</b>	<b>890,809</b>	<b>544,370</b>	<b>399,720</b>	<b>944,090</b>

FINANCIAL COMPONENTS	Jun. 30, 2023			Dec. 31, 2022		
	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
<b>Items of 'Parcel A'</b>						
Energy Development Account (CDE) quota	(1,646)	1,093	(553)	140,528	(139,639)	889
Tariff for use of transmission facilities of grid participants	242,595	84,600	327,195	4,297	211,497	215,794
Tariff for transport of Itaipu supply	30,188	9,364	39,552	180	17,786	17,966
Alternative power source program (Proinfra)	(38,660)	-	(38,660)	38,984	(7,872)	31,112
ESS/EER System Service/Energy Charges	(528,351)	107,000	(421,351)	377,682	204,843	582,525
Energy bought for resale	(552,065)	(229,619)	(781,684)	233,721	(1,321,656)	(1,087,935)
<b>Other financial components</b>						
Over contracting of supply (1)	767,227	264,037	1,031,264	40,617	708,966	749,583
Neutrality of Parcel A	(62,951)	273,727	210,776	(32,683)	235,990	203,307
Other financial items	389,787	210,544	600,331	(235,974)	537,513	301,539
Excess demand and reactive power	(62,665)	(13,396)	(76,061)	(22,983)	(47,707)	(70,690)
<b>TOTAL</b>	<b>183,459</b>	<b>707,350</b>	<b>890,809</b>	<b>544,369</b>	<b>399,721</b>	<b>944,090</b>

- (1) In 2017 and 2018 Cemig D was overcontracted (i.e. it contracted more supply than the demand that occurred in practice). The gain arising from the sale of the excess supply of energy in the spot market (at prices higher than it was bought for) was provisionally passed through to consumers by Aneel in the tariff adjustments of 2018 and 2019, including the portion in excess of the limit of 105% of the regulatory load - thus reducing the tariff that was set by these annual adjustments, in the form of application of a negative financial component. Since this is a case of voluntary overcontracting, the Company considers that, based on the regulations in force at the time, the portion above the regulatory limit should be recovered in the subsequent tariff adjustment. In 2020, by SGT/SEM Dispatch 2508, part of the amount relating to the overcontracting of 2017 - a total of R\$39,270 - was recognized and taken into account in the tariff adjustment process of 2021. As a result of administrative appeals presented to Aneel, these amounts were adjusted by Aneel Dispatch 2168 of 2022, recognizing the entirety of the overcontracting of 2017 as voluntary. With the publication of the dispatch, and considering the present rules, the gains that had not yet been recovered through the tariff in relation to the overcontracting of 2017, of which the updated value is R\$228,477, were recognized by Aneel in the 2023 tariff process. In relation to the over-contracting of 2018, in the amount of R\$28,275, the Company continues to recognize the right to the amount, and awaits publication of the related dispatch.

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

<b>Balance on December 31, 2022</b>	<b>944,090</b>
Net constitution of financial assets (liabilities)	430,080
Assets realized	(573,889)
Transfer of other assets (1)	(1,550)
Updating - Selic rate (Note 25)	92,078
<b>Balance on June 30, 2023</b>	<b>890,809</b>

- (1) Amounts relating to the reversal, for the purpose of moderation of tariffs, of the credits that could not be returned to consumers in final billing, as specified in §6 of Article 141 of Normative Resolution (REN) 1,000 of 2021.

## 12. CONCESSION CONTRACT ASSETS

Changes in concession contract assets are as follows:

<b>Balance on December 31, 2022</b>	<b>1,849,852</b>
Additions	1,462,227
Transfers to financial assets (Note 11)	(91,586)
Transfers to intangible assets (Note 13)	(450,309)
Adjustment of assets in progress (1)	15,584
<b>Balance on June 30, 2023</b>	<b>2,785,768</b>

(1) Refers to the reversal of provisions recorded in previous years for losses recorded in assets in progress (canceled works).

The amount of additions in the period of January to June 2023 were R\$1,613,710 and includes the amount of R\$24,967 under the heading capitalized borrowing costs (R\$16,250 in the same period of 2022), as presented in Note 18 of this interim financial information. The capitalization of financial charges is a non-cash transaction, and is therefore not reflected in the cash flow statements.

## 13. INTANGIBLE ASSETS

### a) a) Balance composition

	Jun. 30, 2023			Dec. 31, 2022		
	Historic cost	Accumulated amortization	Amount, net	Historic cost	Accumulated amortization	Amount, net
Assets of concession	26,419,265	(11,559,761)	14,859,504	25,760,065	(11,151,378)	14,608,687
(-) 'Special obligations' (c)	(5,501,028)	1,912,126	(3,588,902)	(5,287,534)	1,809,300	(3,478,234)
<b>Net concession assets</b>	<b>20,918,237</b>	<b>(9,647,635)</b>	<b>11,270,602</b>	<b>20,472,531</b>	<b>(9,342,078)</b>	<b>11,130,453</b>
Intangible assets in progress	138,745	-	138,745	184,465	-	184,465
<b>Total intangible assets</b>	<b>21,056,982</b>	<b>(9,647,635)</b>	<b>11,409,347</b>	<b>20,656,996</b>	<b>(9,342,078)</b>	<b>11,314,918</b>

### b) Changes in intangible assets

<b>Balance on December 31, 2022</b>	<b>11,314,918</b>
Additions	55,182
Disposals	(36,975)
Transfers of contract assets (Note 12)	450,309
Amortization	(374,087)
<b>Balance on June 30, 2023</b>	<b>11,409,347</b>

The principal annual amortization rates, which take into account the expected useful life of assets, reflect the level of consumption expected from them and are reviewed annually by management, as follows:

Distribution	(%)	Administration	(%)
System cable - below 69 KV	6.67	Software	20.00
System cable - below 69 KV	3.57	Vehicles	14.29
Structure - Posts	3.57	General equipment	6.25
Overhead distribution transformer	4.00	Buildings	3.33
Circuit breaker - up to 69 kV	3.03		
Capacitor bank - up to 69 kV	6.67		
Voltage regulator - up to 69 kV	4.35		
Electronic meder	7.69		

The average annual and amortization rate of assets linked to the distribution concession is 4.09%, which is represented by activity as follows:

Distribution	Administration
3.91%	15.72%

Under the regulations of the energy segment, property, plant and equipment used in the distribution concession are linked to these services, and cannot be withdrawn, disposed of, assigned or provided in guarantee without the prior express authorization of the Grantor.

## 14. SPECIAL OBLIGATIONS

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

These obligations linked to concession break down as follows:

Obligations Linked to the Concession	Jun. 30, 2023	Dec. 31, 2022
Customer Financial Participation	(5,013,133)	(4,753,794)
Participation of the Union, States and Municipalities (1)	(612,837)	(593,689)
Universalization of the Public Electricity Service	(306,080)	(306,080)
Others, Exceeding Demand and Surplus Reactives	(359,628)	(351,017)
Energy Efficiency Program (PEE)	(95,552)	(95,552)
Donations and Grants For Investments in the Service Granted	(4,071)	(4,071)
Research and Development	(7,648)	(6,967)
Financial Update - Special Obligations	(21,482)	-
(-) Accumulated Amortization	1,912,126	1,809,300
<b>Total</b>	<b>(4,508,305)</b>	<b>(4,301,870)</b>

Allocation	Jun. 30, 2023	Dec. 31, 2022
Infrastructure under construction - Contract Asset	(813,100)	(732,030)
Infrastructure - Intangible in Service	(3,588,902)	(3,478,234)
Infrastructure - Financial Asset	(106,303)	(91,606)
<b>Total</b>	<b>(4,508,305)</b>	<b>(4,301,870)</b>

(1) The participation of the federal government, states and municipalities is the most significant (70% of the total): these are usually works relating to extension and modification of distribution networks that are not 'universalized'.

The amortization rate of the linked obligations is the average rate for the activity into which the asset was incorporated. The annual average is 4.09%, which breaks down by activity as follows:

Distribution	Administration
3,91%	15,72%

## 15. LEASING

### a) Right of use assets

Changes in the right of use asset are as follows:

	Real estate property	Vehicles	Total
<b>Balance on December 31, 2022</b>	<b>149,795</b>	<b>90,383</b>	<b>240,178</b>
Disposals (ended contracts)	(1,775)	-	(1,775)
Addition	2,749	-	2,749
Amortization (1)	(4,180)	(13,122)	(17,302)
Remeasurement (2)	90	48,950	49,040
<b>Balance on June 30, 2023</b>	<b>146,679</b>	<b>126,211</b>	<b>272,890</b>

(1) Amortization of the Right of Use recognized in the Statement of income is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R\$275 in the first half of 2023 (R\$249 in the same period of 2022);

(2) The Company has identified events which lead to re-evaluation and modifications of its principal contracts: in these cases the leasing liability is remeasured with an adjustment, in Assets, to Rights of use.

## b) Leasing liabilities

The changes in the lease liabilities are as follows:

<b>Balance on December 31, 2022</b>	<b>259,873</b>
Addition	2,749
Disposals (ended contracts)	(2,045)
Interest incurred (1)	13,839
Leasing paid	(601)
Interest in leasing contracts paid	(26,456)
Remeasurement	49,040
<b>Balance on June 30, 2023</b>	<b>296,399</b>
<b>Current liabilities</b>	<b>55,715</b>
<b>Non-current liabilities</b>	<b>240,684</b>

(1) Financial expenses recognized in the Income Statement are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R\$736 in the first quarter of 2023 (R\$690 in the same period of 2022).

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

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

Cash flow	Nominal	Adjusted to present value
Consideration for the leasing	619,747	296,399
Potential PIS/Pasep and Cofins	42,662	14,717

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

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

Maturity of lease contracts	
2023	29,168
2024	58,126
2025	57,986
2026	57,844
2027	47,973
2028 to 2048	368,650
<b>Undiscounted values</b>	<b>619,747</b>
Embedded interest	(323,348)
<b>Lease liabilities</b>	<b>296,399</b>

## 16. SUPPLIERS

	Jun. 30, 2023	Dec. 31, 2022
Energy on spot market - CCEE	127,667	95,928
Charges for use of energy network (1)	211,478	204,119
Energy purchased for resale (2)	605,632	682,239
Itaipu Binacional	221,868	273,618
Materials and services	530,772	673,819
	<b>1,697,417</b>	<b>1,929,723</b>

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

## 17. TAXES PAYABLE AND AMOUNTS TO BE REFUNDED TO CUSTOMERS

	Jun. 30, 2023	Dec. 31, 2022
<b>Taxes and contributions</b>		
<b>Current</b>		
ICMS	90,254	53,004
Cofins	56,368	72,901
PIS/Pasep	12,085	15,661
INSS	32,285	27,589
ISSQN	16,933	16,191
Income tax on Interest on Equity	24,806	-
Others	12,504	12,544
	<b>245,235</b>	<b>197,890</b>
<b>Amounts to be refunded to customers</b>		
<b>Current</b>		
PIS/Pasep and Cofins	1,164,003	1,154,798
ICMS (1)	341,173	340,800
<b>Non-current</b>		
PIS/Pasep and Cofins	420,936	1,632,200
	<b>1,926,112</b>	<b>3,127,798</b>
	<b>2,171,347</b>	<b>3,325,688</b>

(1) On June 23, 2022, Complementary Law 194 came into force with immediate effect, making changes to the National Tax Code (CTN) and to Complementary Law 87/96 (the 'Kandir Law'), (i) classifying electricity, among other goods, as essential, (ii) prohibiting the setting of rates of ICMS tax for transactions with these goods at a level higher than those of transactions in general, and (iii) removing this tax from electricity transmission and distribution services, and from sector charges linked to transactions in electricity.

The amounts of PIS, Pasep, and Cofins taxes to be repaid to consumers in relation to the credits due to Cemig D as a result of the legal action which ruled that ICMS tax was not applicable, totaled R\$1,584,939 at June 30, 2023. Up to June 30, 2023, a total of R\$5,200,878 had been restituted to clients (R\$3,943,371 up to December 2022).

As a result of the analysis by the Brazilian tax authority ('Receita Federal'), for the purpose of auditing and confirming the amount of the tax credit to which Cemig D was entitled, the credit was reduced by R\$66,681, of which amount R\$23,223 corresponds to the original credit. This reduction was posted in both Assets and Liabilities, and resulted in the equivalent reduction in the amount to be repaid to consumers.

## 18. LOANS AND DEBENTURES

Financing source	Jun. 30, 2023						Dec. 31, 2022
	Principal maturity	Annual financial cost %	Currency	Current	Non-current	Total	Total
<b>BRAZILIAN CURRENCY</b>							
Eletrobrás	2023	UFIR + 6% to 8.00%	R\$	765	-	765	2,380
<b>Total of loans</b>				765	-	765	2,380
Debentures - 3th Issue - 3rd Series (1)	2025	IPCA + 5.10%	R\$	310,181	299,330	609,511	911,878
Debentures - 7th Issue - 1st Series (1)	2024	CDI + 0.454%	R\$	543,131	-	543,131	814,697
Debentures - 7th Issue - 2nd Series (1)	2026	IPCA + 4.10%	R\$	3,360	1,913,904	1,917,264	1,864,547
Debentures - 8th Issue - 1st Series (1)	2027	CDI + 1.35%	R\$	3,095	500,000	503,095	503,095
Debentures - 8th Issue - 2nd Series (1)	2029	IPCA + 6.10%	R\$	1,462	520,292	521,754	507,408
Debentures - 9th Issue - Single Series (1)	2026	CDI + 2.05%	R\$	20,102	2,000,000	2,020,102	-
(-) Discount on the issuance of debentures (2)				-	(10,386)	(10,386)	(12,048)
(-) Transaction costs				(770)	(24,866)	(25,636)	(15,959)
<b>Total of debentures</b>				<b>880,561</b>	<b>5,198,274</b>	<b>6,078,835</b>	<b>4,573,618</b>
<b>Total loans and debentures</b>				<b>881,326</b>	<b>5,198,274</b>	<b>6,079,600</b>	<b>4,575,998</b>

(1) Nominal, unsecured, book-entry debentures not convertible into shares, with no renegotiation clauses;  
 (2) Discount on the sale price of the 2nd series of the Seventh and Eighth issue;

## Raising of funding

On June 6, 2023, Cemig D concluded the procedures for financial settlement of its 9th issue of unsecured non-convertible debentures, with surety guarantee, in a single series, for public distribution under the automatic distribution regime, in accordance with the CVM regulations.

Two million debentures were issued, for a total value of R\$2,000,000 (two billion Reais), with remuneration at the CDI rate +2.05%, and maturity in 3 years. The nominal unit value of the debentures will be paid in two equal installments: 50% of the balance on May 15, 2025, and 50% on May 15, 2026, the principal maturity date. The proceeds will be used to replenish the cash position of Cemig D, including financing its operations and investment program.

Financing source	Entry Date	Principal Maturity	Financial charges	Total
<b>BRAZILIAN CURRENCY</b>				
Debentures - 9th Issue - Single Series	June 2023	2026	CDI + 2.05%	2.000.000
(-) Transaction costs				(11.689)
<b>Total of raising of funding</b>				<b>1.988.311</b>

Fitch Ratings has allocated a credit risk rating of AA+(bra) to this issue.

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

	2023	2024	2025	2026	2027	2028 onwards	Total
<b>Indexers</b>							
IPCA (1)	15,673	300,414	1,255,197	956,953	-	520,292	3,048,529
UFIR/RGR (2)	765	-	-	-	-	-	765
CDI (3)	296,329	269,999	1,000,000	1,000,000	500,000	-	3,066,328
<b>Total by Indexers</b>	<b>312,767</b>	<b>570,413</b>	<b>2,255,197</b>	<b>1,956,953</b>	<b>500,000</b>	<b>520,292</b>	<b>6,115,622</b>
(-) Transaction costs	(385)	(1,469)	(6,740)	(6,725)	(855)	(9,462)	(25,636)
(-) Discount	-	-	(5,032)	(5,032)	-	(322)	(10,386)
<b>Overall total</b>	<b>312,382</b>	<b>568,944</b>	<b>2,243,425</b>	<b>1,945,196</b>	<b>499,145</b>	<b>510,508</b>	<b>6,079,600</b>

(1) Expanded National Customer Price (IPCA) Index;

(2) Fiscal Reference Unit (Ufir / RGR);

(3) CDI: Interbank Rate for Certificates of Deposit.

The variations in the indexers used for inflation correction of loans in the periods presented were as follows:

Indexer	Accumulated change in first semester of 2023 (%)	Accumulated change in first semester of 2022 (%)
IPCA	2.87	5.49
CDI	6.44	5.36

Indexer	Accumulated change in second quarter of 2023 (%)	Accumulated change in second quarter of 2022 (%)
IPCA	0.76	2.22
CDI	3.09	2.86



Changes in loans and debentures are as follows:

<b>Balance on December 31, 2022</b>	<b>4,575,998</b>
Loans obtained	2,000,000
Transaction costs	(11,689)
<b>Net borrowings</b>	<b>1,988,311</b>
Monetary variation	85,018
Financial charges provisioned	172,884
Amortization of transaction cost	2,008
Financial charges paid	(180,280)
Amortization of financing	(564,339)
<b>Balance on June 30, 2023</b>	<b>6,079,600</b>

### Borrowing costs, capitalized

Costs of loans directly related to acquisition, construction or production of an asset, that necessarily requires a substantial time to be concluded for the purpose of use or sale are capitalized as part of the cost of the corresponding asset. All other costs of loans are recorded in Expenses in the period in which they are incurred. Borrowing costs include interest and other costs incurred by the Company in relation to loans and debentures.

The Company transferred to intangible assets and to concession contract assets the costs of loans linked to construction in progress, as follows:

	Jan to Jun/2023	Jan to Jun/2022
Costs of loans and debentures	172,884	129,262
Financing costs on intangible assets and contract assets (1) (Notes 12 and 13)	(24,967)	(16,250)
<b>Net effect in Profit or loss</b>	<b>147,917</b>	<b>113,012</b>

(1) The average capitalization rate p.a. on June 30, 2023 was 12.17% (13.46% on June 30, 2022).

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

### Guarantees

The guarantees of the debt balance on loans, on June 30, 2023, were as follows:

Surety and receivables	2,446,630
Promissory notes and Sureties	609,327
Receivables	3,022,878
Shares	765
<b>TOTAL</b>	<b>6,079,600</b>

### Restrictive covenants

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

The Company has contract with financial covenants as follows:

Security (2)	Covenant	Ratio required Cemig D-Issuer	Ratio required Cemig (guarantor)	Compliance required
7 <sup>th</sup> , 8 <sup>th</sup> and 9 <sup>th</sup> debenture issue	Net debt / (Ebitda adjusted) (1)	The following or less: 3.5	Ratio to be the following, or less: 3.0	Half-yearly and anual

- (1) Adjusted Ebitda corresponds to earnings before interest, income taxes and social contribution on net income, depreciation and amortization, calculated in accordance with CVM Resolution 156, from which non-operating income, any credits and non-cash gains that increase net income are subtracted, to the extent that they are non-recurring, and any cash payments made on a consolidated basis during such period in respect of non-cash charges that were added back in the determination of Ebitda in any prior period, and increased by non-cash expenses and non-cash charges, to the extent that they are non-recurring.
- (2) Non-compliance with financial covenants leads to early maturity, creating immediate demandability of payment by the Company of the Nominal Unit Value or the Updated Nominal Unit Value (as the case may be) of the debentures, plus any other charges due, without the need for advice, notification or any action through the courts or otherwise.

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

## 19. REGULATORY CHARGES

	Jun. 30, 2023	Dec. 31, 2022
<b>Liabilities</b>		
Energy Efficiency Program (EEP)	199,321	220,801
Research and development (R&D)	130,350	112,458
Energy System Expansion Research	4,282	3,226
National Scientific and Technological Development Fund	8,847	6,735
Energy Development Account (CDE) (2)	66,818	46,557
CDE on R&D (1)	2,654	2,021
CDE on PEE (1)	1,769	4,041
Global Reversion Reserve (RGR)	24,545	24,545
Emergency capacity charge	26,325	26,325
Aneel inspection charge	2,199	2,101
Customer charges - Tariff flags	16	16
	<b>467,126</b>	<b>448,826</b>
<b>Current liabilities</b>	<b>429,179</b>	<b>393,389</b>
<b>Non-current liabilities</b>	<b>37,947</b>	<b>55,437</b>

- (1) Refers to the amount transferred from the R&D account, which will be paid as CDE over R&D, in accordance with Aneel Dispatch 904 of March 30, 2021.
- (2) Charging of the 'CDE Covid Account' began in May 2021, as ratified by Dispatch 939 of April 5, 2021, under Normative Resolution 885 of June 23, 2020.

## 20. POST-EMPLOYMENT OBLIGATIONS

The changes occurred in net liabilities are as follows:

	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total
<b>Net liabilities at December 31, 2022</b>	<b>1,389,416</b>	<b>2,392,168</b>	<b>43,413</b>	<b>3,824,997</b>
Expense recognized in statement of income	81,562	139,614	2,552	223,728
Cost of past service	-	(33,123)	(867)	(33,990)
Contributions paid	(105,433)	(73,020)	(1,384)	(179,837)
Actuarial losses (gains)	-	(43,088)	(649)	(43,737)
<b>Net liabilities at June 30, 2023</b>	<b>1,365,545</b>	<b>2,382,551</b>	<b>43,065</b>	<b>3,791,161</b>
			<b>Jun. 30, 2023</b>	<b>Dec. 31, 2022</b>
<b>Current liabilities</b>			<b>289,196</b>	<b>274,904</b>
<b>Non-current liabilities</b>			<b>3,501,965</b>	<b>3,550,093</b>

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

The amounts recorded in the expense recognized in the result for the first half of 2023 refer to the installments of costs with post-employment obligation, in the amount of R\$179,283 (R\$204,832 in the same period of 2022), plus the charges and monetary variation of the debt agreed with Forluz, in the amount of R\$10,455 in the first half of 2023 (R\$21,933 in the same period of 2022).

### **Health Plan and Dental Plan**

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

In light of CPC 33 (R1) - *Employee Benefits*, this situation constitutes a curtailment event, requiring the Company to remeasure its post-employment liabilities for the base date March 31, 2023. In the first half of 2023, the effects of the curtailment have been recognized in the income statement as a cost of past service, as to R\$33,123 for the health plan and R\$867 for the dental plan.

Since the new discount rate was higher, there was a reduction of the liability, and as a result, an actuarial gain of R\$43,088 for the health plan, and R\$649 for the dental plan. These were recorded in Other comprehensive income in the first quarter of 2023.

### **Debt agreed with the pension fund (Forluz)**

At June 30, 2023 the Company has an obligation recognized for past actuarial deficits relating to the pension fund in the amount of R\$127,611 (R\$182,140 on December 31, 2022). This amount has been recognized as an obligation payable, and is being amortized up to June 2024, through monthly installments calculated by the system of constant installments (known as the 'Price' table), and adjusted by the IPCA (Amplified National Consumer Price) inflation index published by the Brazilian Geography and Statistics Institute (IBGE), plus 6% per year. Because the Company is required to pay this debt even if Forluz has a surplus, the Company decided to record the debt in full, and record the effects of monetary updating and interest in Financial revenue (expenses).

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

Forluz and the sponsors Cemig, Cemig GT and Cemig D have signed a Debt Assumption Instrument to cover the deficit of Plan A for the years of 2015, 2016 e 2017. On June 30, 2023 the total amount payable by Cemig as a result of the Plan A deficit is R\$392,756 (R\$396,483 on December, 31, 2022, referring to the Plan A deficits of 2015, 2016 and 2017). The monthly amortizations, calculated by the constant installments system (Price Table), will be paid until 2031 for the 2015 and 2016 deficits, in the amount of R\$259,890, and up to 2033 for the 2017 deficit, in the amount of R\$132,866. 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.

### Restricted deposits made to Forluz

In accordance with the specific legislation, Forluz submitted a proposal to Cemig for signature of new Debt Assumption Instruments between Forluz and the sponsors Cemig, Cemig GT and Cemig D, in accordance with a plan for coverage of the deficits of Plan A of Forluz found in 2019, 2020 and 2021. For resolution of the deficit, 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.

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

	Resolution of the 2019 deficit	Resolution of the 2020 deficit	Resolution of the 2021 deficit
Start of escrow payments	May 2021	April 2022	In process
Total amount requested by Forluz	R\$116,228	R\$182,316	R\$485,205
Amount based on contribution parity	R\$58,114	R\$91,158	R\$242,603
Number of installments	166	158	159
Remuneratory interest	IPCA + 6%	IPCA + 6%	IPCA + 6%
Balance deposited on June 30, 2023	R\$15,746	R\$13,267	R\$4,173

Regarding the 2019 Deficit Equalization, Forluz, 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, in consolidated.

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

## 21. PROVISIONS

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

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

	Dec. 31, 2022	Additions	Reversals	Settled	Jun. 30, 2023
Labor	297,311	31,111	(2,458)	(31,111)	294,853
Civil					
Customer relations	36,679	33,775	(5,590)	(23,455)	41,409
Other civil actions	32,687	12,829	-	(5,517)	39,999
	69,366	46,604	(5,590)	(28,972)	81,408
Tax	937,320	48,749	-	(36)	986,033
Regulatory	34,293	3,336	-	(2,031)	35,598
Others	4,334	11,523	(262)	(7,761)	7,834
<b>Total</b>	<b>1,342,624</b>	<b>141,323</b>	<b>(8,310)</b>	<b>(69,911)</b>	<b>1,405,726</b>

Also, there are legal actions in which the chances of loss have been assessed as ‘possible’, since the Company’s legal advisers have assessed the actions as having a possibility of being decided in favor of the Company, and provisions have not been constituted for them - as follows:

Possible losses	Jun. 30, 2023	Dec. 31, 2022
Labor	1,135,403	997,927
Civil		
Customer relations	219,838	194,128
Other civil actions	471,328	444,688
	691,166	638,816
Tax	1,271,101	1,191,496
Regulatory	1,138,042	869,338
Others (1)	1,033,573	949,190
<b>Total</b>	<b>5,269,285</b>	<b>4,646,767</b>

(1) The main figures are presented in specific paragraphs in the Provisions chapter.

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

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

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

### Tax

The Company is involved in numerous administrative and judicial claims actions relating to taxes, including, among other matters, subjects relating to the Urban Property Tax (Imposto sobre a Propriedade Territorial Urbana, or IPTU); the Social Integration Program (Programa de Integração Social, or PIS-Pasep) and the Contribution to Finance Social Security (Contribuição para o Financiamento da Seguridade Social, or Cofins). The amount of the contingency is approximately R\$173,994 (R\$152,686 on December 31, 2022), of which R\$11,532 (R\$10,091 on December 31, 2022) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

### *Social Security contributions on income sharing payments*

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

The amount of the contingencies is approximately R\$1,035,709 (R\$982,070 on December 31, 2022), of which R\$874,949 has been provisioned (R\$829,721 on December 31, 2022), this being the estimate of the probable amount of funds to settle these disputes.

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

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

In the action relating to applicability of the social security contribution, a court judgment was given that impedes consideration of an appeal to the Federal Supreme Court - thus consideration by the Higher Appeal Court remains. Additionally, in October 2022, a judgment was published refusing to recognize the Special Appeal filed by the Company, reducing the chances of success in the action. As a result the assessment of the chances of loss in this action were altered from 'possible' to 'probable', and a provision made for the amount deposited in escrow. The chances of loss in the action relating to applicability of income tax on the amounts of the anuênios, due to its current phase of procedure, have been maintained as 'possible'. The amount of the contingency is approximately R\$223,353 (R\$218,772 on December 31, 2022), of which R\$99,552 (R\$97,508 on December 31, 2022) has been provisioned.

### *Social Security contributions*

The Brazilian federal tax authority (Secretaria da Receita Federal) has filed administrative proceedings related to several matters: employee profit sharing; the Workers' Food Program

(Programa de Alimentação do Trabalhador, or PAT); education benefit; food benefit; Special Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers' support programs), and fines for non-compliance with accessory obligations. The Company has presented defenses and await judgment. The amount of the contingency is approximately R\$118,463 (R\$112,362 on December 31, 2022). Management has classified the chance of loss as 'possible', also taking into account assessment of the chance of loss in the judicial sphere, (the claims mentioned are in the administrative sphere), based on the evaluation of the claims and the related case law.

#### *Non-homologation of offsetting of tax credit*

The federal tax authority did not ratify the Company's declared offsetting, in Corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes - IRPJ, CSLL, PIS/Pasep and Cofins - identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The Company is contesting the non-homologation of the amounts offset. The amount of the contingency is R\$62,735 (R\$60,454 on December 31, 2022), and the chance of loss was classified as 'possible', since the relevant requirements of the National Tax Code (CTN) have been complied with.

#### *The Social Contribution tax on net income (CSLL)*

The federal tax authority issued a tax assessment 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 several alleged infringements. The amount of this contingency is R\$382,506 (R\$355,930 on December 31, 2022). The Company evaluated the tax treatments adopted, which are susceptible to questioning by the tax authorities, and concluded that it is more likely than not that they will be accepted by the tax authorities.

#### *Interest on Equity*

The Company filed an application for mandamus, with interim relief, requesting the right to deduct, from the basis of calculation of corporate income tax and Social Contribution tax, the expense relating to payment of Interest on Equity in 4Q20 calculated on the basis of prior periods (the first and second quarters of 2020), and for cancellation of the demand for new supposed credits of corporate income tax and the Social Contribution relating to the amount that was not paid as a result of the deduction of the said financial expense, with application of fines. The amount of the contingencies in this case is approximately R\$70,400 (R\$66,693 on December 31, 2022).

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

On August of 2021 the Brazilian tax authority (Receita Federal do Brasil) issued two infringement notices relating to calculation of the PIS, Pasep and Cofins taxes, for tax triggering events from August 2016 and December 2017, alleging insufficiency of payment of

these contributions on the basis of supposed undue posting as credits of the expenses on the Proinfra charge, and absence of reversal of the credits related to non-technical losses. The Company is contesting these infringement notices. The amount of the contingency is R\$189,974 (R\$179,848 on December 31, 2022); the Company has classified the chances of loss as 'possible', due to the scarcity of case law on the subject.

#### Labor claims

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

The amount of the contingency is approximately R\$1,430,256 (R\$1,295,238 at December 31, 2022), of which R\$294,853 (R\$297,311 at December 31, 2022) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

#### Customers claims

The Company is involved in various civil actions relating to indemnity for personal injury and for material damages, arising, principally, from allegations of irregularity in measurement of consumption, and claims of undue charging, in the normal course of business, totaling R\$261,247 (R\$230,807 at December 31, 2022), of which R\$41,409 (R\$36,679 at December 31, 2022) has been recorded - this being the probable estimate for funds needed to settle these disputes.

#### Other civil proceedings

The Company is involved in various civil actions claiming indemnity for personal and material damages, among others, arising from incidents occurred in the normal course of business, in the amount of R\$511,327 (R\$477,375 on December 31, 2022), of which R\$39,999 (R\$32,687 at December 31, 2022) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

#### Regulatory

The Company is involved in numerous administrative and judicial proceedings, challenging, principally: (i) tariff charges in invoices for use of the distribution system by a self-producer; (ii) alleged violation of targets for continuity indicators in retail supply of energy; and (iii) the tariff increase made during the federal government's economic stabilization plan referred to as the 'Cruzado Plan', in 1986. The amount of the contingency is approximately R\$598,993 (R\$374,696 on December 31, 2022), of which R\$35,598 (R\$34,293 at December 31, 2022) has been recorded as provision - the amount estimated as probably necessary for settlement of these disputes.



### Public Lighting Contribution (CIP)

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

The Company believes it has meritorious arguments for judicial defense in such lawsuits, having even obtained a favorable partial decision and, therefore, did not set up a provision for this lawsuit, estimated at R\$48,900 (R\$45,642 at December 31, 2022), having classified the probability of loss as probable due to the inapplicability of the Consumer Protection Code on the case, as it is a regulation specific to the electricity sector, provided for in Aneel Resolutions 414 and 456.

### *Exclusion of customers classified as low-income*

The Federal Public Attorneys' Office filed a class action against the Company and the grantor (Aneel), to avoid exclusion of customers from classification in the Low-income residential tariff sub-category, requesting an order for the Company to pay twice the amount paid in excess by customers. A decision was given in favor of the plaintiffs, but the Company and the grantor (Aneel) have filed an interlocutory appeal and await judgment. The amount of the contingency is approximately R\$525,747 (R\$483,294 on December 31, 2022). The Company has classified the chances of loss as 'possible' due to other favorable decisions on this matter.

### Other legal actions in the normal course of business

The Company is involved, on the plaintiff or defendant side, in other litigation, on a lesser scale, including: environmental matters; removal of residents from risk areas; and indemnities for rescission of contracts, related to the normal course of its operations - in the estimated amount of R\$303,083 (R\$259,881 at December 31, 2022), of which R\$7,684 has been provisioned (R\$4,193 on December, 31, 2022), this being the probable estimate of funds required to settle these matters.

### *'Luz Para Todos' Program*

The Company is a party in disputes alleging losses suffered by third parties as a result of supposed breach of contract at the time of implementation of part of the rural electrification program known as the 'Luz Para Todos'. The estimated amount of the contingency is approximately R\$500,169 (R\$470,248 on December 31, 2022). Of this total, R\$150 (R\$141 on December 31, 2022) has been provisioned the amount estimated as probably necessary for settlement of these disputes.

### *Contractual imbalance*

Cemig D is party in other disputes arising from alleged non-compliance with contracts in the normal course of business, for an estimated total of R\$238,154 (R\$223,395 on December 31, 2022). Cemig D has classified the chance of loss as 'possible' due to the analysis of case law on this topic.

## **22. EQUITY AND REMUNERATION TO SHAREHOLDERS**

### **a) Share Capital**

On June 30, 2023 the Company's issued and outstanding share capital is R\$5,834,312 (R\$5,371,998 on December 31, 2022), represented by 2,359,113,452 nominal common shares, fully subscribed, without nominal value, wholly owned by Cemig (Companhia Energética de Minas Gerais).

### **Advances against Future Capital Increase**

On February 27, March 10, March 17 and April 25, 2023, the Company's parent company, Cemig (Companhia Energética de Minas Gerais - Cemig) made Advances against Future Capital Increase to the Company, in the amounts of R\$100,000, R\$94,000, R\$350,000 and R\$100,000, to strengthen its cash position, and for operational expenses and execution of Cemig D's investments. The Annual and Extraordinary General Meeting of the Company on April 27, 2023 approved an increase in the Company's share capital by R\$462,314, comprising R\$268,314, proposed on December 31, 2022, and R\$194,000 of the proposals mentioned above. As a result the Company's share capital increased from R\$5,371,998 to R\$5,834,312.

An Extraordinary General Meeting held on July 14, 2023, among other matters, approved an increase in the Company's share capital in the amount of R\$450,000 from the AFACs, increasing the share capital from R\$5,834,312 to R\$6,284,312, with no change in the common shares (which are nominal, and without par value).

### **b) Equity valuation adjustments**

These refer to the adjustments to post-employment benefit obligations, in accordance with an actuarial opinion, which comprise gains or losses resulting from remeasurements of the net defined-benefit liability - of which the balance on June 30, 2023 was R\$1,508,854 (R\$1,537,720 on December 31, 2022).

The curtailment event that was recognized for the first quarter of 2023 affected the actuarial assumptions, in that it altered the discount rates applicable to the plans. Since the new discount rate was higher, there was a reduction of the liability, and as a result an actuarial gain of R\$43,088 for the health plan, and R\$649 for the dental plan.

### c) Earnings per share

O resultado por ação foi calculado com base no número médio ponderado de ações ordinárias em circulação da Companhia em cada um dos períodos mencionados, conforme segue:

	Jan to Jun/2023	Jan to Jun/2022
Total number of shares	2,359,113,452	2,359,113,452
Net income (loss) for the period	734,969	(524,351)
<b>Basic and diluted earnings per common share (R\$)</b>	<b>0.31</b>	<b>(0.22)</b>

	Apr to Jun/2023	Apr to Jun/2022
Total number of shares	2,359,113,452	2,359,113,452
Net income (loss) for the period	365,439	(900,278)
<b>Basic and diluted earnings (losses) per common share (R\$)</b>	<b>0.15</b>	<b>(0.38)</b>

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

### d) Remuneration to stockholders

On March 22, 2023 the Executive Board, upon authorization by the Board of Directors, approved declaration of Interest on Equity in the amounts of R\$155,026 and R\$165,375, respectively. The Executive Board is responsible for determining the locations and processes of payment, and posting the amounts of Interest on Equity against the mandatory dividend for the 2023 business year, in a proposal to be submitted to the General Meeting of Stockholders. Under the tax legislation, the amount of income tax withheld at source is not taken into account when imputing the declared amounts of Interest on Equity against the minimum mandatory dividend; and is calculated at 15%.

## 23. REVENUE

The revenue of the Company is as follows:

	Jan to Jun/2023	Jan to Jun/2022
Revenue from supply of energy - captive customers, in Cemig's concession area (a)	9,819,628	11,468,771
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization (*)	1,257,507	935,491
Revenue from use of the energy distribution systems (TUSD) - free customers (b)	2,113,176	1,788,661
Sector financial assets and liabilities, net	(143,809)	(972,040)
Distribution construction revenue	1,517,409	1,112,782
Adjustment to expectation of cash flow from financial assets of distribution concession	77,575	38,762
Fine for violation of service continuity indicator	(71,379)	(51,199)
Mechanism for the sale of surplus	(3,766)	205,849
Other operating revenues (c)	995,632	1,174,464
Taxes and charges reported as deductions from revenue (d)	(4,635,579)	(6,022,105)
	<b>10,926,394</b>	<b>9,679,436</b>

	Apr to Jun/2023	Apr to Jun/2022
Revenue from supply of energy - captive customers, in Cemig's concession area (a)	5,097,880	5,475,415
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization (*)	561,518	498,773
Revenue from use of the energy distribution systems (TUSD) - free customers (b)	1,125,668	920,530
Sector financial assets and liabilities, net	(164,650)	(271,933)
Distribution construction revenue	859,801	683,279
Adjustment to expectation of cash flow from financial assets of distribution concession	46,731	19,030
Fine for violation of service continuity indicator	(32,910)	(19,305)
Mechanism for the sale of surplus	-	66,855
Other operating revenues (c)	558,157	762,406
Taxes and charges reported as deductions from revenue (d)	(2,502,738)	(3,203,931)
	<b>5,549,457</b>	<b>4,931,119</b>

(\*) For more information, see Note 17 of this interim financial information.

## a) Revenue from supply of energy

This table shows supply of energy by type of customer:

	MWh (1)		R\$	
	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
Residential	5,929,031	5,609,896	4,926,451	5,839,839
Industrial	675,111	768,063	558,692	679,159
Commercial, services and others	2,214,819	2,321,478	2,442,510	2,821,664
Rural	1,313,432	1,382,247	926,308	1,027,348
Public authorities	463,203	427,628	351,417	355,340
Public lighting	537,353	570,596	243,342	303,579
Public services	524,511	691,906	332,227	467,109
<b>Subtotal</b>	<b>11,657,460</b>	<b>11,771,814</b>	<b>9,780,947</b>	<b>11,494,038</b>
Own consumption	14,915	16,711	-	-
Wholesale supply to other concession holders	-	-	76,716	28,054
Unbilled revenue	-	-	(38,035)	(53,321)
<b>Total</b>	<b>11,672,375</b>	<b>11,788,525</b>	<b>9,819,628</b>	<b>11,468,771</b>

	MWh (1)		R\$	
	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
Residential	2,944,206	2,768,128	2,531,658	2,724,031
Industrial	340,970	399,303	291,568	334,891
Commercial, services and others	1,101,140	1,173,445	1,255,870	1,359,370
Rural	796,071	841,411	536,103	539,604
Public authorities	239,549	223,437	186,873	176,026
Public lighting	267,837	285,585	126,351	136,207
Public services	252,158	351,948	167,976	220,132
<b>Subtotal</b>	<b>5,941,931</b>	<b>6,043,257</b>	<b>5,096,399</b>	<b>5,490,261</b>
Own consumption	7,370	6,857	-	-
Wholesale supply to other concession holders	-	-	36,249	15,260
Unbilled revenue	-	-	(34,768)	(30,106)
<b>Total</b>	<b>5,949,301</b>	<b>6,050,114</b>	<b>5,097,880</b>	<b>5,475,415</b>

(1) Data not reviewed by independent auditors.

## b) Revenue from use of network - Free Customers

A significant part of the large industrial customers in the concession area of Cemig D have the status of 'Free Clients'. Most of them are buying their supply from Cemig's generation and transmission company, Cemig GT. Thus, the charges for the use of the distribution network ('TUSD') of these Free Clients are made, separately, by Cemig D. They are recorded in the item 'Revenue from use of the network'.

## c) Other operating revenues

	Jan to Jun/2023	Jan to Jun/2022
Charged service	10,120	9,098
Other services	11,544	13,591
Low income Subsidies	187,323	150,544
Other Subsidies (1)	591,506	731,149
Rental and leasing	190,341	321,077
Transactions on the CCEE	-	(51,684)
Others	4,798	689
	<b>995,632</b>	<b>1,174,464</b>

	Apr to Jun/2023	Apr to Jun/2022
Charged service	5,003	4,804
Other services	6,728	6,769
Low income Subsidies	100,102	78,184
Other Subsidies (1)	348,424	414,603
Rental and leasing	93,411	257,696
Transactions on the CCEE	-	(51,684)
Others	4,489	350
	<b>558,157</b>	<b>710,722</b>

- (1) This comprises: (i) revenue recognized as a result of the subsidies applying to the tariffs applicable to users of electricity distribution service, in the amounts of: R\$503,672 in first half 2023 (compared to R\$485,093 in 1H22), and R\$278,105 in second quarter 2023 (compared to R\$239,152 in 2Q22) - these amounts include subsidies for incentive-bearing sources, rural supply, nocturnal irrigation, generation from incentive-bearing sources, and public service; and revenue under the Electricity Offsetting System (Sistema de Compensação de Energia Elétrica - SCEE), governing offsetting for distributed generation, released by Aneel in the 2023 Tariff Review. (ii) revenue from the Tariff Flag system, in the amounts of R\$36,873 in 1H23 (R\$251,489 in 1H22), and R\$19,351 in 2Q23 (R\$175,399 in 2Q22), - recognized due to the Company's creditor position in the Flag Tariff Account (CCRBT); (iii) revenue recognized as a result of the subsidies related to the Program to Encourage Voluntary Reduction in Electricity Consumption, in the amount of R\$13 in 1H23 (vs. reversal of R\$5,433 in 1H22), and R\$21 in 2Q23 (R\$52 in 2Q22); and (iv) revenue of R\$50,947 in 2Q23, comprising amounts provided by Eletrobras or by its subsidiaries under CNPE Resolution 15/2021, and passed to electricity distribution concession and permission holders.

## d) Deductions on revenue

	Jan to Jun/2023	Jan to Jun/2022
<b>Taxes on revenue</b>		
ICMS	1,623,688	2,999,469
PIS/Pasep	196,230	229,561
Cofins	903,845	1,057,372
ISSQN	582	632
	<b>2,724,345</b>	<b>4,287,034</b>
<b>Charges to the customer</b>		
Energy Efficiency Program (PEE)	17,514	32,423
Energy Development Account (CDE)	1,806,256	1,890,421
Research and Development (R&D)	19,357	11,945
National Scientific and Technological Development Fund (FNDCT)	27,653	17,065
Energy System Expansion Research (EPE of MME)	13,826	8,532
Customer charges - the 'Flag Tariff' system	-	(251,821)
CDE on R&D	8,296	5,119
CDE on PEE	5,531	10,239
Energy Services Inspection Charge	12,801	11,148
	<b>1,911,234</b>	<b>1,735,071</b>
	<b>4,635,579</b>	<b>6,022,105</b>

	Apr to Jun/2023	Apr to Jun/2022
<b>Taxes on revenue</b>		
ICMS (1)	981,062	1,427,294
PIS/Pasep	97,673	141,327
Cofins	449,886	650,937
ISSQN	342	334
	<b>1,528,963</b>	<b>2,219,892</b>
<b>Charges to the customer</b>		
Energy Efficiency Program (PEE)	8,706	16,204
Energy Development Account (CDE)	921,456	935,677
Research and Development (R&D)	9,622	5,970
National Scientific and Technological Development Fund (FNDCT)	13,746	8,529
Energy System Expansion Research (EPE of MME)	6,872	4,264
CDE on R&D	4,124	2,558
CDE on PEE	2,750	5,117
Energy Services Inspection Charge	6,499	5,720
	<b>973,775</b>	<b>984,039</b>
	<b>2,502,738</b>	<b>3,203,931</b>

- (1) On June 23, 2022, Complementary Law 194 came into force with immediate effect, making changes to the National Tax Code (CTN) and to Complementary Law 87/96 (the 'Kandir Law') including: (i) classifying electricity, among other goods, as essential, (ii) prohibiting the setting of rates of ICMS tax for transactions with these goods at a level higher than those of transactions in general, and (iii) removing this tax from electricity transmission and distribution services, and from sector charges linked to electricity operations. In February 2023 judgment was given in Action for Unconstitutionality (Ação Direta de Inconstitucionalidade - ADI) No. 7195, which suspended the effects of Article 3, Sub-item X, of Complementary Law 87/96, as amended by Complementary Law 194/2022, which had excluded transmission and distribution services, and sector charges related to electricity operations, from the calculation base for ICMS tax. Cemig has adjusted its procedures due to this decision.



## b) Construction infrastructure costs

	Jan to Jun/2023	Jan to Jun/2022
Personnel	61,936	50,554
Materials	834,143	646,021
Outsourced services	569,851	388,743
Financial charges	24,967	16,250
Leasing and Rentals	2,647	2,331
Taxes and charges	646	723
Other	23,219	8,160
	<b>1,517,409</b>	<b>1,112,782</b>

	Apr to Jun/2023	Apr to Jun/2022
Personnel	36,852	22,474
Materials	470,939	403,350
Outsourced services	322,105	240,873
Financial charges	14,406	8,720
Leasing and Rentals	1,649	1,548
Taxes and charges	514	493
Other	13,336	5,821
	<b>859,801</b>	<b>683,279</b>

### c) Other operating costs and expenses

	Operating costs		PCE		General and administrative expenses		Other operating expenses, net		Total	
	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
Personnel	322,784	332,322	-	-	118,953	124,642	-	-	441,737	456,964
Employees' and managers' income sharing	147	79	-	-	-	2,326	49,981	48,930	50,128	51,335
Post-employment obligations	-	-	-	-	-	-	179,283	203,585	179,283	203,585
Materials	38,520	26,037	-	-	11,841	15,284	-	-	50,361	41,321
Outsourced services	699,817	566,379	-	-	78,631	85,690	-	-	778,448	652,069
Depreciation and amortization (Note 13b)	367,265	299,644	-	-	6,822	32,086	-	-	374,087	331,730
Amortization of Right of use - lease (note 15)	17,027	22,526	-	-	-	-	-	-	17,027	22,526
Provisions (reversals) for contingencies	133,013	95,540	-	-	-	-	-	-	133,013	95,540
Expected credit losses of accounts receivable	-	-	29,415	133,709	-	-	9,974	14,912	39,389	148,621
PIS/Pasep and Cofins taxes to be refunded to customers (2)	-	1,405,106	-	-	-	-	-	-	-	1,405,106
Other operation costs and expenses, net (1)	9,565	16,144	-	-	27,915	5,351	143,810	45,418	181,290	66,913
	<b>1,588,138</b>	<b>2,763,777</b>	<b>29,415</b>	<b>133,709</b>	<b>244,162</b>	<b>265,379</b>	<b>383,048</b>	<b>312,845</b>	<b>2,244,763</b>	<b>3,475,710</b>

	Operating costs		PCE		General and administrative expenses		Other operating expenses, net		Total	
	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
Personnel	153,127	183,595	-	-	63,945	73,353	-	-	217,072	256,948
Employees' and managers' income sharing	147	79	-	-	-	2,326	25,367	24,931	25,514	27,336
Post-employment obligations	-	-	-	-	-	-	106,017	100,998	106,017	100,998
Materials	17,621	14,308	-	-	7,405	10,752	-	-	25,026	25,060
Outsourced services	339,067	280,027	-	-	38,145	48,412	-	-	377,212	328,439
Depreciation and amortization	183,762	151,650	-	-	3,680	15,982	-	-	187,442	167,632
Amortization of Right of use - lease	9,432	11,249	-	-	-	-	-	-	9,432	11,249
Provisions (reversals) for contingencies	77,111	36,073	-	-	-	-	-	-	77,111	36,073
Expected credit losses of accounts receivable	-	-	21,334	89,450	-	-	7,304	13,201	28,638	102,651
PIS/Pasep and Cofins taxes to be refunded to customers (2)	-	1,405,106	-	-	-	-	-	-	-	1,405,106
Other operation costs and expenses, net (1)	2,274	7,816	-	-	13,999	2,310	89,821	31,869	106,094	41,995
	<b>782,541</b>	<b>2,089,903</b>	<b>21,334</b>	<b>89,450</b>	<b>127,174</b>	<b>153,135</b>	<b>228,509</b>	<b>170,999</b>	<b>1,159,558</b>	<b>2,503,487</b>

- (1) The following expenses were recognized in 2023, posted in Other operational expenses: a regulatory fine of R\$10,660 resulting from an Anel inspection in 2019 to check the procedures and criteria adopted by the Company in application of the conditions required by regulations established for Micro- and Mini-Distributed Generation; and financial compensation totaling R\$62,103 for delay in the commercial services arising from alterations in Anel Normative Resolution 1000 of December 7, 2021.



## 25. FINANCE INCOME AND EXPENSES

	Jan to Jun/2023	Jan to Jun/2022
<b>FINANCE INCOME</b>		
Income from financial investments	31,463	25,829
PIS/Pasep and Cofins charged on finance income (1)	(16,301)	(11,999)
Accruals on energy bills	137,246	193,376
Foreign exchange variations - Itaipu Binacional	13,111	32,213
Interest	7,362	15,085
Interests of escrow deposits	20,843	19,959
Interest - CVA (Note 11b)	92,078	111,216
Others	27,963	19,478
	<b>313,765</b>	<b>405,157</b>
<b>FINANCE EXPENSES</b>		
Charges on loans and debentures (Note 18)	(147,917)	(113,012)
Amortization of transaction cost (Note 18)	(2,008)	(874)
Forluz - Interest charges	(10,455)	(21,933)
Interest - loans and debentures (Note 18)	(85,018)	(139,778)
Interest on PIS/Pasep and Cofins taxes credits over ICMS refundable (2)	(68,181)	(375,383)
R&D and PEE - monetary adjustments	(19,300)	(16,208)
Interest on leases (Note 15)	(13,103)	(9,511)
Interest - Others	(9,402)	(11,815)
Others	(39,164)	(24,227)
	<b>(394,548)</b>	<b>(712,741)</b>
<b>NET FINANCE INCOME (EXPENSES)</b>	<b>(80,783)</b>	<b>(307,584)</b>

	Apr to Jun/2023	Apr to Jun/2022
<b>FINANCE INCOME</b>		
Income from financial investments	20,776	16,828
PIS/Pasep and Cofins charged on finance income (1)	(10,255)	(4,089)
Accruals on energy bills	75,597	100,252
Foreign exchange variations - Itaipu Binacional	11,222	8,248
Interest	2,923	14,226
Interests of escrow deposits	12,355	11,258
Interest - CVA (Note 11b)	65,468	59,217
Others	11,441	12,890
	<b>189,527</b>	<b>218,830</b>
<b>FINANCE EXPENSES</b>		
Charges on loans and debentures (Note 18)	(78,011)	(56,774)
Amortization of transaction cost (Note 18)	(1,136)	(442)
Forluz - Interest charges	(4,475)	(11,761)
Interest - loans and debentures (Note 18)	(19,590)	(77,589)
Interest on PIS/Pasep and Cofins taxes credits over ICMS refundable (2)	(32,445)	(366,020)
R&D and PEE - monetary adjustments	(9,412)	(9,130)
Interest on leases (Note 15)	(6,711)	(4,664)
Interest - Others	(6,567)	(6,428)
Others	(19,615)	(18,409)
	<b>(177,962)</b>	<b>(551,217)</b>
<b>NET FINANCE INCOME (EXPENSES)</b>	<b>11,565</b>	<b>(332,387)</b>

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

(3) The interest of the tax credits related to PIS/Pasep and Cofins, arising from the exclusion of ICMS from its calculation basis, and the liability to be refunded to consumers is presented by net value. With the offsetting of the credits, the liability to be refunded to consumers exceeded the value of the credits to be received, generating a net financial expense.

## 26. RELATED PARTY TRANSACTIONS

Cemig D's main balances and transactions with related parties are as follows:

ENTITY	ASSETS		LIABILITIES		REVENUES		EXPENSES	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
<b>Transactions with energy (3)</b>								
Companhia Energética de Minas Gerais	72	70	-	-	-	-	-	-
Cemig Geração e Transmissão	1,324	4,634	25,361	28,488	15,713	18,135	(163,877)	(138,723)
Aliança Geração	4,245	4,070	11,196	11,366	24,102	29,229	(63,043)	(58,776)
Norte Energia	-	-	29,750	30,263	-	-	(134,538)	(119,684)
Taesá	-	-	9,193	10,891	-	-	(63,762)	(59,624)
Hidrelétrica Cachoeirão	-	-	-	-	837	-	-	-
Hidrelétrica Pipoca	-	108	-	-	891	-	-	-
<b>Connection charges</b>								
Cemig Geração e Transmissão (5)	-	-	13,964	10,874	-	-	(48,933)	(38,926)
<b>Customers and traders</b>								
Governo do Estado de Minas Gerais (1)	42,697	36,558	-	-	87,050	85,851	-	-
<b>Cooperation Working Agreement (2)</b>								
Companhia Energética de Minas Gerais	-	-	14,429	26,483	-	-	(20,121)	(22,485)
Cemig Geração e Transmissão	-	-	352	2,565	-	-	(134)	(431)
<b>Loan with related parties</b>								
Companhia Energética de Minas Gerais (4)	-	-	-	-	-	-	(15,194)	(3,024)
<b>Interest on Equity, and dividends</b>								
Companhia Energética de Minas Gerais	-	-	1,187,872	1,183,846	-	-	-	-
<b>FIC Pampulha</b>								
<b>Current</b>								
Cash and cash equivalents	132,987	46,948	-	-	-	-	-	-
Marketable securities	317,367	278,552	-	-	3,420	5,618	-	-
<b>Non-current</b>								
Marketable securities	1,066	1,052	-	-	-	-	-	-
<b>Forluz</b>								
<b>Current</b>								
Post-employment obligations (6)	-	-	154,070	143,863	-	-	(81,562)	(86,514)
Supplementary pension contributions - Defined contribution plan (7)	-	-	-	-	-	-	(26,482)	(26,066)
Administrative running costs (8)	-	-	-	-	-	-	(14,220)	(12,965)
Operating leasing (9)	-	-	18,686	18,686	-	-	(12,304)	(11,352)
<b>Non-current</b>								
Post-employment obligations (6)	-	-	1,211,475	1,245,553	-	-	-	-
Operating leasing (9)	130,817	133,724	131,561	132,151	-	-	-	-
<b>Cemig Saúde</b>								
<b>Current</b>								
Health Plan and Dental Plan (10)	-	-	155,919	151,833	-	-	(142,166)	(139,004)
<b>Non-current</b>								
Health Plan and Dental Plan (10)	-	-	2,269,697	2,283,748	-	-	-	-

As principais condições relacionadas aos negócios entre partes relacionadas estão demonstradas abaixo:

- Refers to the sale of energy to the State Government of Minas Gerais considering that the price of energy is that defined by Aneel through a resolution on the Company's annual tariff adjustment;
- Technical Cooperation Working Agreement between Cemig, Cemig D and Cemig GT, instituted by Aneel Dispatch 3,208/2016. Principally includes reimbursement of expenses related to sharing of infrastructure, personnel, transport, telecoms and IT;
- The transactions in purchase and sale of energy between generators and distributors take place through auctions in the Regulated Market, organized by the federal government. In the Free Market, the transactions are carried out either through auctions, or by direct contracting, under the applicable legislation. Operations in transport of energy, on the other hand, are carried out by the transmission companies, and arise from the centralized operation of the National Grid, executed by the National System Operator (ONS);
- These refer to loan contracts signed between the Company and its parent company, on February 10 in the amount of R\$150,000, and on February 15, 2023 in the amount of R\$200,000. The loans in question, which were guaranteed by a Promissory Note issued by Cemig D to the benefit of its parent company, were settled on June 7, 2023, plus interest in the amounts of R\$6,657 and R\$8,538, respectively, corresponding to interest at 110% of the CDI rate. The loans had the consent of Aneel;
- This refers to the contract (CCT) for connection of the distribution facilities to the transmission system;
- The contracts of Forluz are updated by the Expanded Customer Price Index (Índice Nacional de Preços ao Consumidor Amplo, or IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) and will be amortized up to business year 2024 (more details in Note 20 of this interim financial information);
- 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.

- (8) 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;
- (9) Rental of the Company's administrative head office, in effect up to August 2024 (Júlio Soares building, able to be extended every five years, up to 2034), with annual inflation adjustment by the IPCA index and price reviewed every 60 months. On September 20, 2022 the lease contract was adjusted upward by 8.72%, corresponding to accumulated IPCA inflation over the prior 12 months;
- (10) Post-employment obligations relating to the employees' health and dental plan (more details in Note 20 of this interim financial information).

## Cash investments in FIC Pampulha

Cemig and its subsidiaries and jointly controlled entities invest part of their financial resources in an investment fund which has the characteristics of fixed income and obeys the Company's cash investment policy. The amounts invested by the fund are reported as cash and cash equivalent or marketable securities line in current and non-current assets.

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

## Remuneration of key management personnel

The total remuneration of key personnel, comprising the Executive Board, the Fiscal Council, the Audit Committee and the Board of Directors, are within the limits approved at a General Shareholders' Meeting, and the effects on the Statement of income of the in year ended June 30, 2023 and 2022, are as follows:

	Jan to Jun/2023	Jan to Jun/2022
Remuneration	5,883	5,007
Income sharing (reversal)	(55)	578
Pension plans	749	647
Health and dental plans	39	54
Life insurance	8	15
<b>Total (1)</b>	<b>6,624</b>	<b>6,301</b>

- (1) The company does not directly remunerate the members of the key personnel. They are paid by the controlling stockholder. These expenses are refunded through the sharing agreement for human resources and infrastructure between Cemig, Cemig Distribuição, Cemig Geração e Transmissão and other subsidiaries of the Group, consented to by Aneel in its Dispatch 3,208/2016.

## 27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### a) Financial instruments classification and fair value

The main financial instruments are as follows:

	Level	Jun. 30, 2023		Dec. 31, 2022	
		Balance	Fair value	Balance	Fair value
<b>Financial assets</b>					
<b>Amortized cost</b>					
Marketable securities - Cash investments		3,365	3,365	39,581	39,581
Receivables from customers, traders and concession holders (Note 6)		3,437,337	3,437,337	3,138,398	3,138,398
Restricted cash		570	570	1,444	1,444
Concession financial assets - CVA (Parcel 'A' Costs Variation Compensation) Account, and Other financial components		890,809	890,809	944,090	944,090
Reimbursement of tariff subsidies		117,184	117,184	90,923	90,923
Low-income subsidy		64,727	64,727	62,479	62,479
Escrow deposits		653,081	653,081	651,279	651,279
		<b>5,167,073</b>	<b>5,167,073</b>	<b>4,928,194</b>	<b>4,928,194</b>
<b>Fair value through profit or loss</b>					
Cash equivalents - cash investments	2	858,238	858,238	356,842	356,842
Marketable securities					
Bank certificates of deposit	2	370,665	370,665	30,587	30,587
Treasury Financial Notes (LFTs)	1	79,741	79,741	64,208	64,208
Financial Notes - Banks	2	216,008	216,008	144,798	144,798
Debentures	2	3,109	3,109	1,595	1,595
		669,523	669,523	241,188	241,188
Concession financial assets - Distribution infrastructure	3	1,538,165	1,538,165	1,369,652	1,369,652
		<b>3,065,926</b>	<b>3,065,926</b>	<b>1,967,682</b>	<b>1,967,682</b>
		<b>8,232,999</b>	<b>8,232,999</b>	<b>6,895,876</b>	<b>6,895,876</b>
<b>Financial liabilities</b>					
<b>Amortized cost</b>					
Loans and debentures		(6,079,600)	(6,079,600)	(4,575,998)	(4,575,998)
Debt with pension fund (Forluz)		(127,611)	(127,611)	(182,140)	(182,140)
Equalization of pension fund deficit (Forluz)		(392,756)	(392,756)	(396,483)	(396,483)
Suppliers		(1,697,417)	(1,697,417)	(1,929,723)	(1,929,723)
Leasing transactions		(296,399)	(296,399)	(259,873)	(259,873)
		<b>(8,593,783)</b>	<b>(8,593,783)</b>	<b>(7,344,217)</b>	<b>(7,344,217)</b>

Information about (i) financial instrument classifications and fair value; and (ii) methodology for calculating the fair value of positions is disclosed in note 27 of the financial statements for the year ended December 31, 2022.

### b) Financial risk management

#### Exchange rate risk

The Company is exposed to the risk of appreciation in exchange rates due to the payment of energy purchased from Itaipu. The risk exposure of Cemig D is mitigated by the account for compensation of variation of parcel A items (CVA).

The net exposure to exchange rates is as follows:

Exposure to exchange rates	Jun. 30, 2023		Dec. 31, 2022	
	Foreign currency	R\$	Foreign currency	R\$
US dólar				
Suppliers (Itaipu Binacional) (Note 16)	(46,038)	(221,868)	(52,440)	(273,618)
Net liabilities exposed		<b>(221,868)</b>		<b>(273,618)</b>

## Sensitivity analysis

Based on finance information from its financial consultants, the Company estimates that in a probable scenario the variation of the exchange rates of foreign currencies in relation to the Real on June 30, 2024 will be an appreciation of the dollar by 3.34%, to R\$4.98. The Company has prepared a sensitivity analysis of the effects on the Company's net income arising from depreciation of the Real exchange rate in relation to this 'adverse' scenario:

Risk: foreign exchange rate exposure	Jun. 30, 2023	Jun. 30, 2024	
	Balance	'Probable' scenario US\$ R\$4.98	'Adverse' scenario US\$ R\$5.99
<b>US dólar</b>			
Suppliers (Itaipu Binacional) (Note 16)	(221,868)	(229,271)	(275,673)
<b>Net liabilities exposed</b>	<b>(221,868)</b>	<b>(229,271)</b>	<b>(275,673)</b>
Net effect of exchange variation		(7,403)	(53,805)

## Interest rate risk

The Company is exposed to the risk of decrease in Brazilian domestic interest rates on June 30, 2023. This risk arises from the effect of variations in Brazilian interest rates on net financial income comprised by financial revenues from cash investments made by the Company, and also to the financial assets related to the CVA and other financial components, and to the financial expenses associated to loans and debentures in Brazilian currency, and also sectorial financial liabilities.

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

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

Risk: Exposure to domestic interest rate changes	Jun. 30, 2023	Dec. 31, 2022
<b>Assets</b>		
Cash equivalents - cash investments (Note 4)	858,238	356,842
Marketable securities (Note 5)	672,888	280,769
CVA and Other financial components in tariffs (Note 11b)	890,809	944,090
	<b>2,421,935</b>	<b>1,581,701</b>
<b>Liabilities</b>		
Loans and debentures - CDI rate (Note 18)	(3,066,328)	(1,317,792)
<b>Net liabilities exposed</b>	<b>(644,393)</b>	<b>263,909</b>

## Sensitivity analysis

In relation to the most significant interest rate risk, Company estimates that, in a probable scenario, at June 30, 2024 Selic rates will be 10.75%. The Company made a sensitivity analysis of the effects on its net income arising from a decrease in the rate. Fluctuation in the CDI rate accompanies the fluctuation of Selic rate.

Risk: Increase in Brazilian interest rates	Jun. 30, 2023	Jun. 30, 2024	
	Balance	'Probable' scenario Selic 10.75%	'Adverse' scenario Selic 15.50%
<b>Assets</b>			
Cash equivalents - cash investments (Note 4)	858,238	950,499	991,265
Marketable securities (Note 5)	672,888	745,223	672,888
CVA and Other financial components in tariffs - Selic rate (Note 11b)	890,809	986,571	890,809
	<b>2,421,935</b>	<b>2,682,293</b>	<b>2,554,962</b>
<b>Liabilities</b>			
Loans and debentures - CDI rate (Note 18)	(3,066,328)	(3,395,958)	(3,541,609)
<b>Net liabilities exposed</b>	<b>(644,393)</b>	<b>(713,665)</b>	<b>(986,647)</b>
<b>Net effect of variation in interest rates</b>		<b>(69,272)</b>	<b>(342,254)</b>

## Inflation risk

The Company is exposed to the risk of increase in inflation index on June 30, 2023. A portion of the loans and debentures as well as the pension fund liabilities are adjusted using the IPCA (Expanded National Customer Price). The revenues are also adjusted using the IPCA or IGP-M index, mitigating part of the Company risk exposure. This table presents the Company's net exposure to inflation index:

Exposure to increase in inflation	Jun. 30, 2023	Dec. 31, 2022
<b>Assets</b>		
Concession financial assets related to infrastructure - IPCA index (*) (Note 11a)	1,538,165	1,369,652
	<b>1,538,165</b>	<b>1,369,652</b>
<b>Liabilities</b>		
Loans and debentures - IPCA index (Note 18)	(3,048,529)	(3,283,833)
Debt agreed with pension fund (Forluz) - IPCA index (Note 20)	(127,611)	(182,140)
Forluz deficit solution plan - IPCA index (Note 20)	(392,756)	(396,483)
	<b>(3,568,896)</b>	<b>(3,862,456)</b>
<b>Net liabilities exposed</b>	<b>(2,030,731)</b>	<b>(2,492,804)</b>

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

## Sensitivity analysis

In relation to the most significant risk of reduction in inflation index, reflecting the consideration that the Company has more assets than liabilities indexed to inflation indexes, the Company estimates that, in a probable scenario, at June 30, 2024 the IPCA inflation index will be 4.52% and the IGPM inflation index will be 1.94%. The Company made a sensitivity analysis of the effect on the result in an 'Adverse' scenario, as follows:

Risk: increase in inflation index	Jun. 30, 2023	Jun. 30, 2024	
	Balance	'Probable' scenario IPCA 4.52% IGPM 1.94%	'Adverse' scenario IPCA 6.35% IGPM 5.49%
<b>Assets</b>			
Concession financial assets related to infrastructure - IPCA index (*) (Note 11a)	1,538,165	1,607,690	1,635,838
	<b>1,538,165</b>	<b>1,607,690</b>	<b>1,635,838</b>
<b>Liabilities</b>			
Loans and debentures - IPCA index (Note 18)	(3,048,529)	(3,186,323)	(3,242,111)
Debt agreed with pension fund (Forluz) - IPCA index (Note 20)	(127,611)	(133,379)	(135,714)
Equation of the deficit on Pension Plan (Forluz) - IPCA Index (Note 20)	(392,756)	(410,509)	(417,696)
	<b>(3,568,896)</b>	<b>(3,730,211)</b>	<b>(3,795,521)</b>
<b>Net liabilities exposed</b>	<b>(2,030,731)</b>	<b>(2,122,521)</b>	<b>(2,159,683)</b>
<b>Net effect of variation in IPCA and IGP-M indexes</b>		<b>(91,790)</b>	<b>(128,952)</b>

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

## Liquidity risk

The information on how the Company manages liquidity risk is given in Note 27 to the financial statements for the year ended December 31, 2022.

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

	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
<b>Financial instruments at (interest rates):</b>						
<b>- Floating rates (*)</b>						
Loans and debentures	51,541	100,988	1,235,521	5,934,237	-	7,322,287
Debt with pension plan (Forluz)	10,905	21,909	100,928	-	-	133,742
Equation of the deficit on Pension Plan (Forluz) - IPCA Index	4,840	9,711	44,677	259,826	264,756	583,810
	<b>67,286</b>	<b>132,608</b>	<b>1,381,126</b>	<b>6,194,063</b>	<b>264,756</b>	<b>8,039,839</b>
<b>- Fixed rate</b>						
Suppliers	1,521,019	176,179	219	-	-	1,697,417
	<b>1,588,305</b>	<b>308,787</b>	<b>1,381,345</b>	<b>6,194,063</b>	<b>264,756</b>	<b>9,737,256</b>

(\*) The lease payment flow is presented in note 15.

## Risk of debt early maturity

The Company has loan and debentures contracts with restrictive covenants related to compliance with a financial index. More details in Note 18 of this interim financial information.

## Credit risk and other operational risks

The information on how the Company manages: (i) credit risk; (ii) risk of overcontracting or undercontracting supply of electricity; (iii) risk to continuity of the concession; and (iv) hydrological risk, is given in Note 28 to the financial statements for 2022.

### c) Capital management

The Company's net liabilities in relation to its equity at the end of the period are presented as follows:

	Jun. 30, 2023	Dec. 31, 2022
Total liabilities	18,563,652	18,307,385
Cash and cash equivalents	(899,048)	(440,700)
Marketable securities	(671,821)	(279,717)
<b>Net liabilities</b>	<b>16,992,783</b>	<b>17,586,968</b>
<b>Total equity</b>	<b>8,461,008</b>	<b>7,105,260</b>
<b>Net liabilities / equity</b>	<b>2.01</b>	<b>2.48</b>

## 28. PERIODIC TARIFF REVIEW

On May 23, 2023, by Ratifying Resolution 3202 of that date, Aneel ratified the result of Cemig D's Periodic Tariff Review. This established an average tariff increase of 13.27% for consumers: For Group A (high and medium voltage) the average increase was 8.94%; and for Group B (low voltage) the average increase was 15.55%. The percentage increase corresponding to the Company's Manageable Costs ('Portion B') was 0.66%; the remaining, 12.61%, portion of the total percentage has a null effect on the Company's profit, since it consists of direct pass-throughs to the tariff of the following items of increased costs: (i) increase of 5.09% in Non-manageable ('Portion A') costs - mainly purchase of power supply, transmission costs, sector charges and non-recoverable revenues; and (ii) 7.52% increase in the Other financial components element of the tariff. These increases are in effect from May 28, 2018 to May 27, 2024.

## 29. RISKS RELATED TO COMPLIANCE WITH LAWS AND REGULATIONS

### *Parliamentary Committee of Inquiry ('CPI')*

On June 17, 2021, the Legislative Assembly of Minas Gerais has established a Parliamentary Committee of Inquiry ('CPI') to investigate management acts of Cemig since 2019. The CPI was empowered to investigate the facts that were the basis for the request for its establishment, and by means of requirements, the CPI requested various information and documents related mainly to people management and procurement processes, which were fully met by the Company in compliance with the stipulated deadlines.

On February 18, 2022 the CPI approved its final report, to be submitted to the Public Attorneys' Office of Minas Gerais State, and other public control bodies, for assessment of what further submissions of it should be made. So far, there has been no definition of measures that may be adopted by MPMG due to the results of the CPI.



The Company carries out regular internal audits; and no material impacts on the interim financial information for the first half of 2023, nor for prior fiscal year, have been identified.

## FINANCIAL RESULTS

(The operational information was not reviewed by the independent auditors)

### Net income for the quarter

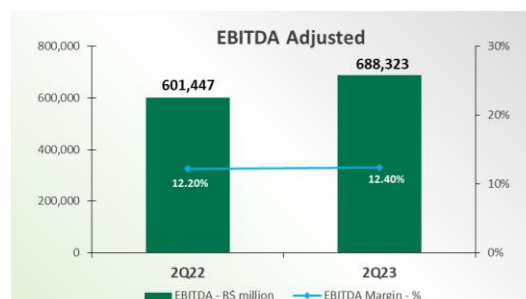
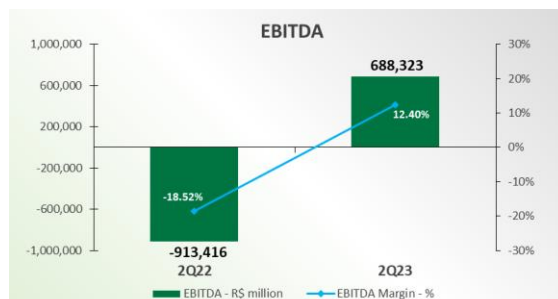
Cemig Distribuição presented, in the second quarter of 2023, net income of R\$365,439 compared to net loss of R\$900,278 in the same period of 2022. The main variations in the comparison of the results of the three months of 2023 and 2022 are presented below:

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

Lajida - R\$ mil	2Q23	2Q22
Net income (loss) for the period	365,439	(900,278)
+ Income tax and Social Contribution tax	137,575	(524,406)
+ Net financial revenue (expenses)	(11,565)	332,387
+ Depreciation and amortization	196,874	178,881
<b>= Ebitda (1)</b>	<b>688,323</b>	<b>(913,416)</b>
Refunded of PIS/Pasep and Cofins credits on ICMS	-	1,660,356
TDRA* related to infrastructure	-	(145,493)
<b>= Adjusted EBITDA (2)</b>	<b>688,323</b>	<b>601,447</b>

\* Term of Debt Recognition Agreement

- (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 n. 1/2007 and CVM Resolution n. 156/2022. It comprises Net income adjusted by the effects of net financial revenue (expenses), Depreciation and amortization, and Income and Social Contribution taxes. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it does not have a standard meaning; and it may be non-comparable with measures with similar titles provided by other companies. The Company publishes Ebitda because it uses it to measure its own performance. Ebitda should not be considered in isolation or as a substitution for net income or operational profit, nor as an indicator of operational performance or cash flow, nor to measure liquidity nor the capacity for payment of debt.
- (2) The Company adjusts the Ebitda calculated in accordance with CVM Resolution 156/2022 by excluding the items that, by their nature, do not contribute to the information on the potential gross cash generation since they are extraordinary.



Cemig D reports Ebitda in 2Q23 of R\$688,323 positive compared to R\$913,416 negative in 2Q22; Ebitda margin in 2Q23 was 12.40% (positive), compared to 18.52% negative in 2Q22. The difference reflects recognition, in 2022, of the effects of coming into force of Law 14,385/22, which determined the full allocation of PIS/Pasep and Cofins credits on ICMS to users of electricity distributors

Ebitda adjusted to exclude non-recurring items was 14.44% higher year-on-year in 2Q23, at R\$688,323, compared to R\$601,447 in 2Q22. Ebitda margin in 2Q23 was 12.40%, compared to 12.19% in 2Q22.

### Operational revenue

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

	Segundo Trim/2023	Segundo Trim/2022
Revenue from supply of energy - captive customers, in Cemig's concession area	5,097,880	5,475,415
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization	561,518	498,773
Revenue from use of the energy distribution systems (TUSD) - free customers	1,125,668	920,530
<b>CVA and Other financial components</b>	<b>(164,650)</b>	<b>(271,933)</b>
Distribution construction revenue	859,801	683,279
Adjustment to expectation from reimbursement of distribution concession financial assets	46,731	19,030
Fine for violation of service continuity indicator	(32,910)	(19,305)
Mechanism for the sale of surplus	-	66,855
Other operating revenues	558,157	762,406
<b>Taxes and charges levied on revenues</b>	<b>(2,502,738)</b>	<b>(3,203,931)</b>
	<b>5,549,457</b>	<b>4,931,119</b>

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

Total revenue from energy sold to final customers in was R\$5,097,880 in 2Q23, compared to R\$5,475,415 in 2Q22, representing a reduction of 6.90%. The main factors in this revenue, in 2Q23, were:

Composition of supply by consumption class	2Q23			2Q22			Change (%)	
	MWh <sup>3</sup>	R\$	Average price/MWh billed (R\$/MWh) (1)	MWh <sup>3</sup>	R\$	Average price/MWh billed (R\$/MWh) (1)	MWh <sup>3</sup>	R\$
Residential	2,944,206	2,531,658	859.88	2,768,128	2,724,031	984.07	6.36	(7.06)
Industrial	340,970	291,568	855.11	399,303	334,891	838.69	(14.61)	(12.94)
Commercial, Services and Others	1,101,140	1,255,870	1,140.52	1,173,445	1,359,370	1,158.44	(6.16)	(7.61)
Rural	796,071	536,103	673.44	841,411	539,604	641.31	(5.39)	(0.65)
Public authorities	239,549	186,873	780.10	223,437	176,026	787.81	7.21	6.16
Public lighting	267,837	126,351	471.75	285,585	136,207	476.94	(6.21)	(7.24)
Public services	252,158	167,976	666.15	351,948	220,132	625.47	(28.35)	(23.69)
<b>Subtotal</b>	<b>5,941,931</b>	<b>5,096,399</b>	<b>857.70</b>	<b>6,043,257</b>	<b>5,490,261</b>	<b>908.49</b>	<b>(1.68)</b>	<b>(7.17)</b>
Own consumption	7,370	-	-	6,857	-	-	7.48	-
Wholesale supply to other concession holders (2)	-	36,249	-	-	15,260	-	-	137.54
Wholesale supply not yet invoiced, net	-	(34,768)	-	-	(30,106)	-	-	15.49
<b>Total</b>	<b>5,949,301</b>	<b>5,097,880</b>	<b>-</b>	<b>6,050,114</b>	<b>5,475,415</b>	<b>-</b>	<b>(1.67)</b>	<b>(6.90)</b>

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

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

(3) Data not reviewed by independent auditors.

- The volume of energy billed to consumers in the Services category was 28.35% lower, mainly due to migration of some of the facilities of a large client in the water and sewerage sector to the Free Market;
- The volume of energy billed to consumers in the Industrial category was 14.61% lower, due to migration of clients from the captive market to the Free Market;
- The volume of energy billed to Commercial and services consumers was 6.16% lower, mainly due to migration of clients to Mini-and Micro-Distributed Generation;
- Volume of energy billed to clients in the Public lighting category was 6.21% lower, due to installation of LED lamps in some prefectures;

- The volume of energy billed to Residential consumers was 6.36% higher, reflecting: (i) a year-on-year increase of 3.3% in the number of consumers; and (ii) average monthly consumption per consumer 3.0% higher.

In addition to the above comments, it should also be noted the significant reduction of the ICMS rate in the electricity tariffs in the second quarter of 2023 due to the setting of the ICMS rate, as of the second half of 2022, for all consumption classes, at the maximum limit of 18%.

### Revenue from Use of Distribution Systems (the TUSD charge)

This is revenue from charging Free Customers the Tariff for Use of the Distribution System (TUSD), on the volume of energy distributed. From 2Q23 this was R\$1,125,668, compared to R\$920,530 in the same period in 2022, an increase of 22.28%.

This mainly reflects the average tariff for Free Clients being 22.82% higher in 2Q23 than in 2022. Also, the volume of energy transported in 2Q23 was 3.29% higher than in 2022.

	MWh (1)		
	Apr to Jun/2023	Apr to Jun/2022	Var %
Industrial	5,272,256	5,236,044	0.69
Commercial	464,652	422,505	9.98
Rural	9,251	9,128	1.35
Public services	105,977	-	-
Public authorities	656	666	-
Concessionaires	78,183	73,729	6.04
<b>Total energy transported</b>	<b>5,930,975</b>	<b>5,742,072</b>	<b>3.29</b>

(1) Data not reviewed by independent auditors.

### CVA and Other financial components in tariff adjustments

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

Deductions from revenue of R\$164,450 were recognized in 2Q23, compared to R\$271,933 in 2Q22. The difference mainly reflects higher charges for the use of the National Grid and electricity purchased for resale, in relation to the coverage granted in the recent tariff process.

See more information in note 11b of this interim financial information.

### Construction revenue

The construction revenues associated with infrastructure of the electricity distribution concession in 2Q23 totaled R\$859,801 - an increase of 25.83% compared with R\$683,279 in 2Q22. This is basically due to the higher volume of execution of the Company's investment plan than in 2Q22, with greater mobilization of teams at the construction

phase, plus increase in the average cost of works, as prices of various materials and services are higher in 2Q23.

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

### **Taxes and regulatory charges reported as Deductions from revenue**

The sector charges and taxes that are treated as deductions from revenue totaled R\$2,502,738 in 2Q23, or 21.89% less than in 2Q22 (R\$3,203,931). This is mainly a reflection of (i) reduction of the ICMS tax rate for all categories of consumer, and (ii) removal of applicability of this tax to (a) distribution services and (b) the sector charges linked to electricity operations, as mentioned above.

### ***Operating costs and expenses (excluding financial income/expenses)***

Operating costs and expenses totaled R\$5,058,008 in 2Q23, or 16.03% lower than in 2Q22 (R\$6,023,416).

The following paragraphs comment on the main variations. See more on the breakdown of Operating costs and expenses in Note 24 of this interim financial information.

#### Outsourced services

The expense on outsourced services in 2Q23 was R\$377,212, 14.85% higher than in 2Q22 (R\$328,439). The main factors were:

- Expenses on maintenance and conservation of facilities and equipment 22.39% higher, at R\$144,956 in 2Q23, compared to R\$118,436 in 2Q22. This mainly reflects the total billed for contracted services being 20% higher, plus the increase in corrective maintenance services in 2023 due to a longer rainy period;
- Charges for disconnection and reconnection 25.43% lower, at R\$19,737 in 2Q23, compared to R\$26,467 in 2Q22. This reflects digitalization of collection, with a lower number of physical disconnections, which are more costly, and implementation of remote disconnections, which can cost as little as one-tenth as much. A new contract was also negotiated in 2Q23 for lower prices of physical disconnection;
- Expenses on consultancy were 68.63% lower, at R\$1,993 in 2Q23, compared to R\$6,354 in 2Q22. This reduction is due to the Company implementing a new methodology for financial controls, in 2Q22;
- Expenses on inspection of consumer units were 29.85% higher, at R\$12,255 in 2Q23, compared to R\$9,438 in 2Q22. This reflects intensification of Cemig's combat of non-technical losses in 2Q23, principally in the project for inspection of consumer

units. The principal aim of the project is to keep the Company's losses within the limits specified by the regulator.

### Energy bought for resale

The expense on electricity purchased for resale in 2Q23 was R\$2,306,032, or 2.16% higher than in 2Q22 (R\$2,257,209). The main factors are:

- Expenses on electricity acquired at auctions in the Regulated Market were 19.08% higher, at R\$995,113 in 2Q23, compared to R\$835,650 in 2Q22. This increase reflects the annual contractual adjustments, linked to the IPCA, and the entry of a new auction;
- Expenses on Distributed Generation were 4.03% higher in 2Q23, at R\$491,670, compared to R\$472,642 in 2Q22. This higher figure reflects the higher number of generation units installed and the higher volume of energy injected into the grid (1,101,458 MWh in 2Q23, compared to 714,820 MWh in 2Q22);
- Expenses in the cost with binational energy from Itaipu were 24.19% lower, being R\$310,711 in 2Q23, compared to R\$409,856 in the same period of 2022. This reduction is mainly due to the reduction in the price of Itaipu's demand, in dollar, from US\$24.73/KW to US\$16.19KW, defined by resolution.

This is a non-manageable cost: the difference between the amounts used as a reference for calculation of tariffs and the costs actually incurred is compensated for in the subsequent tariff adjustment. For more details please see Note 24a of this interim financial information.

### Charges for use of the transmission network and other system charges

Charges for use of the transmission network in 2Q23 totaled R\$732.617, compared with R\$579,441 in 2Q22, an increase of 26.44%.

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

The difference primarily reflects entry into operation of reserve energy contracts under the Simplified Competitive Procedure (PCS) of 2021, with a consequent increase in the reserve energy charges in the period.

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

## Operational provisions

Operating provisions were R\$105,749 in 2Q23 compared to R\$1,543,830 in 2Q22, representing a decrease of 93.15%. The main variations that explain this decrease are:

- constitution, in 2022, of an operating provision, in the updated amount of R\$1,405,106, arising from the accounting effects of the enactment of Law No. 14,385/22, which determines the full allocation, for the benefit of consumers, of the amounts subject to repetition of debt by the distributors, related to the exclusion of ICMS from the calculation basis of PIS/Pasep and Cofins;
- increase in provisions for employment-law contingencies, which presented a net constitution of R\$15,480 in the second quarter of 2023, compared to R\$2,533 in the same period of 2022. This variation is mainly due to recent unfavorable decisions against the Company related mainly to its own employees;
- Provisions for third-party liability legal contingencies were 59.38% higher year-on-year: net new provisions of R\$26,586 were made in 2Q23, compared to net new provisions of R\$16,681 made in 2Q22. This increase mainly arises from disputes related to consumer relations, in the normal course of business;
- Provisions for client default 76.15% lower in 2Q23, at R\$21,334, compared to R\$89,450 in 2Q22, due to (i) lower default in the period, and (ii) changes in the criteria for measuring default, to be more in line with the real default behavior of the Company's clients in practice.

## **Net financial revenue (expenses)**

The net financial result in the second quarter of 2023 was a financial income of R\$11,565, compared to a net financial expense of R\$332,387 in the same period of 2022. The items that make up the financial result and that presented the most significant variations are listed below:

- Reduction of 91.14% in net financial expense with the restatement of tax credits related to PIS/Pasep and Cofins resulting from the exclusion of ICMS from their calculation basis, amounting to R\$32,445 in the second quarter of 2023, compared to R\$366,020 in the same period of 2022. This variation is due to the complement, in the second quarter of 2022, of the monetary restatement of the liability related to the portion of tax credits corresponding to the period of the last 10 years, in compliance with the legal determination of full allocation by the distributors, for the benefit of consumers, of the amounts subject to the repetition of the debt;
- Expenses on monetary updating of loans and debentures were 74.75% lower, at R\$19,590 in 2Q23, compared to R\$77,589 in 2Q22. This is mainly due to the difference in the IPCA inflation index (the main indexor used for updating the Company's debts) between the two periods - it was 0.76% in 2Q23, but 2.22% in 2Q22;

- Income from cash investments was 23.46% higher in 2Q23, at R\$20,776, compared to R\$16,828 in 2Q22. This reflects the higher volume of cash invested in the period, reflecting the proceeds of the Company's 9th debenture issue;
- Net revenue from monetary updating on the balances of the CVA account, and of Other financial components, in the tariff calculation, was 10.56% higher in 2Q23: a gain of R\$65,468, compared to R\$59,217 in 2Q22. This basically reflects alteration in the criterion used by Aneel for monetary updating of the financial component approved in the 2023 tariff process;
- Revenue from late charges on electricity bills was 24.59% lower in 2Q23, at R\$75,597, compared to R\$100,252 in 2Q22. This reflects: (i) the lower level of default in the period, due to increase in use of collection tools; (ii) change in the charging of ICMS tax; and (iii) alteration of the inflation updating indexor from the IGPM inflation index (in effect up to May 2022) to the IPCA inflation index (in effect as from June 2022), in accordance with Aneel Normative Resolution 932/2021.

For a breakdown of financial revenues and expenses see Note 25 of this interim financial information.



## Income tax and social contribution tax

In 2Q23 Cemig D's expense on income tax and the Social Contribution tax totaled R\$137,575, on pretax profit of R\$503,014. In 2Q22 the Company's expense on income tax and the Social Contribution tax was R\$524,406, on pretax profit of R\$1,424,684.

These effective rates are reconciled with the nominal tax rates in Note 8d of this interim financial information.

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**Reynaldo Passanezi Filho**  
Chief Executive Officer

**Dimas Costa**  
Chief Trading Officer

**Leonardo George de Magalhães**  
Chief Finance and Investor Relations  
Officer

**Marney Tadeu Antunes**  
Chief Distribution and Sales Officer

**Marco da Camino Ancona Lopez  
Soligo**  
Chief Officer Cemigpar

**Thadeu Carneiro da Silva**  
Chief without portfolio

**Henrique Motta Pinto**  
Chief Regulation and Legal

**Mário Lúcio Braga**  
Controller  
Accountant - CRC-MG 47.822

**José Guilherme Grigolli Martins**  
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Interests Manager  
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**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**

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

To the Board Directors and Shareholders of  
**Cemig Distribuição S.A.**  
Campinas - SP

### Introduction

We have reviewed the interim financial information of Cemig Distribuição S.A. ("the Company"), included in the Quarterly Information Form (ITR), for the quarter ended June 30, 2023, which comprises the statement of financial position as of June 30, 2023 and the respective statements of income, and other comprehensive income for the three and six-months periods then ended, and changes in shareholders' equity and cash flows for the six-month period then ended, comprising explanatory footnotes.

Management is responsible for the preparation of the 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 this 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 interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the 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 note 29 to the interim financial information, there are investigations being conducted by public authorities regarding the Company and in its parent company Companhia Energética de Minas Gerais – Cemig. We are currently unable to foresee future developments or potential impacts of these investigations conducted by public authorities in the financial statements. Our conclusion is not modified in respect of this matter.

### **Other matters**

#### Statements of Value Added

The quarterly information referred to above include the statements of value added (DVA) for the six-month period ended June 30, 2023, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34. These statements were submitted to the same review procedures followed together with the review of the Company's interim financial information, in order to form our conclusion whether they are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the statements of value added were not prepared, in all material respects, in accordance with the criteria set on that Standard and consistently with the interim financial information taken as a whole.

Belo Horizonte, August 03, 2023

### **KPMG Auditores Independentes Ltda.**

CRC SP-014428/O-6 F-MG

*Free-translation – Original version issued in Portuguese<sup>1</sup>*

Thiago Rodrigues de Oliveira

Contador CRC 1SP259468/O-7

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<sup>1</sup> 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