

INTERIM FINANCIAL INFORMATION

2Q2023



CONTENTS

STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF INCOME.....	5
STATEMENTS OF COMPREHENSIVE INCOME.....	7
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY.....	8
STATEMENTS OF CASH FLOWS	9
STATEMENTS OF ADDED VALUE	11
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION	12
1. OPERATING CONTEXT	12
2. BASIS OF PREPARATION	13
3. PRINCIPLES OF CONSOLIDATION	15
4. CASH AND CASH EQUIVALENTS	16
5. MARKETABLE SECURITIES	16
6. CUSTOMERS, TRADERS AND POWER TRANSPORT CONCESSION HOLDERS	17
7. RECOVERABLE TAXES	18
8. INCOME AND SOCIAL CONTRIBUTION TAXES	18
9. ESCROW DEPOSITS.....	20
10. CONCESSION FINANCIAL ASSETS	20
11. CONCESSION CONTRACT ASSETS	22
12. INVESTMENTS	24
13. PROPERTY, PLANT AND EQUIPMENT	28
14. INTANGIBLE ASSETS	30
15. LEASING	31
16. SUPPLIERS	32
17. TAXES PAYABLE	33
18. LOANS AND DEBENTURES.....	33
19. REGULATORY CHARGES	35
20. POST-EMPLOYMENT OBLIGATIONS	35
21. PROVISIONS	38
22. EQUITY AND REMUNERATION TO SHAREHOLDERS	43
23. REVENUES	44
24. OPERATING COSTS AND EXPENSES.....	47
25. FINANCE INCOME AND EXPENSES	50
26. RELATED PARTY TRANSACTIONS.....	51
27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT.....	53
28. OPERATING SEGMENTS	60
29. ASSETS CLASSIFIED AS HELD FOR SALE	62
30. PARLIAMENTARY COMMITTEE OF INQUIRY ('CPI').....	65
FINANCIAL RESULTS	66
INDEPENDENT AUDITOR'S REPORT ON INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS	ERROR!
BOOKMARK NOT DEFINED.	

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2023 AND DECEMBER 31, 2022

ASSETS (In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
CURRENT					
Cash and cash equivalents	4	544,277	292,980	347,796	194,482
Marketable securities	5	750,986	1,352,359	289,162	788,368
Receivables from customers and traders	6	561,777	982,643	472,949	812,592
Concession holders - transmission service	6	111,996	112,706	109,171	110,007
Recoverable taxes	7	41,939	51,896	35,754	28,375
Income tax and social contribution tax recoverable	8a	768,437	774,649	766,334	772,564
Dividends receivables	26	68,464	140,250	224,380	259,106
Concession financial assets	10	318,616	309,347	226,111	-
Contract assets	11	778,237	720,032	752,776	691,153
Other		347,941	260,733	336,556	255,951
		4,292,670	4,997,595	3,560,989	3,912,598
Assets classified as held for sale	29	362,423	-	350,425	-
TOTAL CURRENT		4,655,093	4,997,595	3,911,414	3,912,598
NON-CURRENT					
Marketable securities	5	2,521	5,105	970	2,976
Receivables from customers and traders	6	2,690	63	2,675	47
Recoverable taxes	7	45,976	47,280	39,033	28,545
Escrow deposits	9	177,967	174,461	171,661	168,183
Derivative financial instruments	27	339,382	702,734	339,382	702,734
Other		52,759	61,895	53,890	69,556
Concession financial assets	10	3,435,831	3,332,528	2,755,976	691,460
Contract assets	11	3,916,690	3,924,195	3,842,651	3,842,796
Investments	12	3,042,132	3,355,051	5,274,952	7,845,778
Property, plant and equipment	13	2,534,961	2,356,699	1,736,492	1,556,915
Intangible	14	900,379	974,169	744,925	660,093
Right of use	15a	77,553	57,219	74,495	55,493
TOTAL NON-CURRENT		14,528,841	14,991,399	15,037,102	15,624,576
TOTAL ASSETS		19,183,934	19,988,994	18,948,516	19,537,174

The Explanatory Notes are an integral part of the individual and consolidated Interim Financial Information.

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2023 AND DECEMBER 31, 2022

LIABILITIES (In thousands of Brazilian Reais)

	Note	Consolidated		Parent Company	
		Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
CURRENT					
Loans and debentures	18	32,860	33,707	32,860	33,707
Suppliers	16	381,013	503,110	352,881	448,621
Income tax and social contribution tax	8b	14,404	109,881	-	-
Taxes payable	17	167,914	176,252	151,812	131,435
Regulatory charges	19	110,902	116,248	101,650	104,357
Post-employment obligations	20	88,734	84,377	88,734	84,377
Interest on equity, and dividends, payable	26	942,479	1,406,958	942,479	1,406,958
Payroll and related charges		59,165	68,283	58,197	67,301
Derivative financial instruments	27	105,020	90,526	105,020	90,526
Financial instruments - Option SAAG	27	-	672,416	-	672,416
Lease liabilities	15b	15,415	9,893	14,795	9,592
Other		161,140	179,448	159,608	177,552
TOTAL CURRENT		2,079,046	3,451,099	2,008,036	3,226,842
NON-CURRENT					
Loans and debentures	18	4,639,646	4,925,359	4,639,646	4,925,359
Deferred income tax and social contribution tax	8c	748,944	646,368	705,602	557,634
Taxes payable	17	360,402	361,301	349,399	348,573
Regulatory charges	19	3,552	5,299	-	-
Post-employment obligations	20	1,087,912	1,112,069	1,087,912	1,112,069
Provisions	21	406,605	397,040	404,975	396,537
Lease liabilities	15b	68,287	52,474	65,687	50,909
Other		146,458	145,175	44,177	26,441
TOTAL NON-CURRENT		7,461,806	7,645,085	7,297,398	7,417,522
TOTAL LIABILITIES		9,540,852	11,096,184	9,305,434	10,644,364
SHAREHOLDERS' EQUITY	22				
Share capital		5,473,724	5,473,724	5,473,724	5,473,724
Profit reserves		3,630,532	3,628,085	3,630,532	3,628,085
Valuation adjustments		(197,458)	(208,999)	(197,458)	(208,999)
Retained earnings		736,284	-	736,284	-
TOTAL SHAREHOLDERS' EQUITY		9,643,082	8,892,810	9,643,082	8,892,810
TOTAL LIABILITIES AND EQUITY		19,183,934	19,988,994	18,948,516	19,537,174

The Explanatory Notes are an integral part of the individual and consolidated Interim Financial Information.

STATEMENTS OF INCOME

FOR THE SIX-MONTHS PERIODS ENDED JUNE 30, 2023 AND 2022

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

	Note	Consolidated		Parent Company	
		Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
NET REVENUE	23	3,388,308	4,173,877	2,834,768	3,554,981
OPERATING COSTS	24				
Cost of energy		(1,493,468)	(1,958,034)	(1,458,906)	(1,917,428)
Transmission infrastructure construction cost		(74,017)	(125,886)	(73,149)	(125,886)
Operating costs		(427,436)	(410,622)	(336,157)	(326,765)
		(1,994,921)	(2,494,542)	(1,868,212)	(2,370,079)
GROSS PROFIT		1,393,387	1,679,335	966,556	1,184,902
OPERATING EXPENSES	24				
Expected credit losses (reversals)		296	305	(410)	(128)
General and administrative expenses		(61,162)	(73,326)	(61,162)	(73,153)
Other operating expenses, net		(140,821)	(237,172)	(140,052)	(236,542)
		(201,687)	(310,193)	(201,624)	(309,823)
Share of profit (loss), net, of affiliates and jointly controlled entities	12	95,038	274,020	452,221	659,450
Operating income before financial revenue (expenses) and taxes		1,286,738	1,643,162	1,217,153	1,534,529
Finance income	25	483,646	456,381	435,445	422,589
Finance expenses	25	(463,065)	(694,256)	(459,348)	(683,206)
Income before income tax and social contribution tax		1,307,319	1,405,287	1,193,250	1,273,912
Current income tax and social contribution tax	8d	(137,527)	(128,582)	(24,919)	-
Deferred income tax and social contribution tax	8d	(100,803)	126,699	(99,342)	129,492
NET INCOME FOR THE PERIOD		1,068,989	1,403,404	1,068,989	1,403,404
Basic and diluted earnings per share - R\$	22	0.37	0.48	-	-

The Explanatory Notes are an integral part of the individual and consolidated Interim Financial Information.

STATEMENTS OF INCOME

FOR THE THREE-MONTHS PERIODS ENDED JUNE 30, 2023 AND 2022

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

	Note	Consolidated		Parent Company	
		Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
NET REVENUE	23	1,632,268	2,049,713	1,412,393	1,728,489
OPERATING COSTS	24				
Cost of energy		(747,946)	(993,302)	(732,002)	(973,398)
Transmission infrastructure construction cost		(47,184)	(75,190)	(46,316)	(75,190)
Operating costs		(218,694)	(212,166)	(169,632)	(166,699)
		(1,013,824)	(1,280,658)	(947,950)	(1,215,287)
GROSS PROFIT		618,444	769,055	464,443	513,202
OPERATING EXPENSES	24				
Expected credit losses (reversals)		221	(868)	(122)	(1,085)
General and administrative expenses		(31,593)	(40,660)	(31,592)	(40,487)
Other operating expenses, net		(63,618)	(164,973)	(62,857)	(164,374)
		(94,990)	(206,501)	(94,571)	(205,946)
Share of profit (loss), net, of affiliates and jointly controlled entities		25,532	217,940	156,408	416,001
Operating income before financial revenue (expenses) and taxes		548,986	780,494	526,280	723,257
Finance income	25	310,387	113,292	287,952	95,051
Finance expenses	25	(295,618)	(648,048)	(292,510)	(642,946)
Income before income tax and social contribution tax		563,755	245,738	521,722	175,362
Current income tax and social contribution tax	8d	(8,350)	240,686	32,926	309,250
Deferred income tax and social contribution tax	8d	(95,919)	103,466	(95,162)	105,278
NET INCOME FOR THE PERIOD		459,486	589,890	459,486	589,890
Basic and diluted earnings per share - R\$	22	0,16	0,20	-	-

The Explanatory Notes are an integral part of the individual and consolidated Interim Financial Information.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX-MONTHS PERIODS ENDED JUNE 30, 2023 AND 2022

(In thousands of Brazilian Reais)

	Consolidated		Parent Company	
	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
NET INCOME FOR THE PERIOD	1,068,989	1,403,404	1,068,989	1,403,404
Items not to be reclassified to profit or loss in subsequent years				
Re-measurement of defined-benefit plan obligations (Note 20)	13,083	-	13,083	-
Income tax and social contribution tax on remeasurement of defined benefit plans (Note 8c)	(4,448)	-	(4,448)	-
	<u>8,635</u>	<u>-</u>	<u>8,635</u>	<u>-</u>
COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>1,077,624</u>	<u>1,403,404</u>	<u>1,077,624</u>	<u>1,403,404</u>

The Explanatory Notes are an integral part of the individual and consolidated Interim Financial Information.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTHS PERIODS ENDED JUNE 30, 2023 AND 2022

(In thousands of Brazilian Reais)

	Consolidated		Parent Company	
	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
NET INCOME FOR THE PERIOD	459,486	589,890	459,486	589,890
COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>459,486</u>	<u>589,890</u>	<u>459,486</u>	<u>589,890</u>

The Explanatory Notes are an integral part of the individual and consolidated Interim Financial Information.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTHS PERIODS ENDED JUNE 30, 2023 AND 2022

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

	Share capital	Advance for future capital increase	Profit reserves	Equity valuation adjustments	Retained earnings	Total equity
Balances on December 31, 2021	4,123,724	1,350,000	2,464,672	(182,942)	-	7,755,454
Net income for the period	-	-	-	-	1,403,404	1,403,404
Realization of deemed cost	-	-	-	(117,007)	117,007	-
Balances on June 30, 2022	4,123,724	1,350,000	2,464,672	(299,949)	1,520,411	9,158,858
Balances on December 31, 2022	5,473,724	-	3,628,085	(208,999)	-	8,892,810
Net income for the period	-	-	-	-	1,068,989	1,068,989
Other comprehensive income						
Adjustment of actuarial liabilities - restatement of obligations of the defined benefit plans, net of taxes	-	-	-	8,635	-	8,635
Comprehensive income for the period	-	-	-	8,635	1,068,989	1,077,624
Tax incentive reserves	-	-	2,447	-	(2,447)	-
Realization of deemed cost	-	-	-	2,906	(2,906)	-
Interest on equity (note 22c)	-	-	-	-	(327,352)	(327,352)
Balances on June 30, 2023	5,473,724	-	3,630,532	(197,458)	736,284	9,643,082

The Explanatory Notes are an integral part of the individual and consolidated Interim Financial Information.

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

	Note	Consolidated		Parent Company	
		Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
CASH FLOW FROM OPERATIONS					
Net income for the period		1,068,989	1,403,404	1,068,989	1,403,404
ADJUSTMENTS:					
Depreciation and amortization	24	161,227	164,184	124,571	126,910
Write-down of net residual value of PP&E, intangible assets, concession financial and contract assets		2,859	180,390	2,236	171,785
Adjustment to expectation of cash flow from the concession financial and contract assets	10 e 11	(588,794)	(729,389)	(367,788)	(418,955)
Share of profit (loss), net, of affiliates and jointly controlled entities	12b	(95,038)	(274,020)	(452,221)	(659,450)
Impairment on investments	12b	30,086	-	30,086	-
Impairment on PP&E	24	45,791	-	45,791	-
Interest and monetary variation		277,020	263,120	276,964	263,061
Exchange variation on loans and debentures	18	(301,310)	(342,500)	(301,310)	(342,500)
Gains arising from the sale of investment	29	(30,487)	(6,644)	(30,487)	(6,644)
Amortization of transaction cost of loans	18	3,063	1,209	3,063	1,209
Deferred income tax and social contribution tax	8c	100,803	(126,699)	99,342	(129,492)
Provisions for operating losses, net	24c	22,803	(25,441)	21,982	(25,255)
Variation in fair value of derivative financial instruments	27	162,735	402,027	162,735	402,027
Variation in fair value of financial instruments - Put option	27	57,801	32,399	57,801	32,399
Post-employment obligations	20	48,798	70,817	48,798	70,817
Other		7,687	4,573	7,686	5,858
		974,033	1,017,430	798,238	895,174
(Increase) decrease in assets					
Receivables from customers and traders		418,535	(138,063)	377,105	(138,045)
Recoverable taxes		(6,022)	(3,056)	(6,054)	(531)
Income tax and social contribution tax recoverable		28,047	178,439	44,742	185,298
Power transport concession holders		710	9,068	836	9,179
Escrow deposits		1,918	(38,612)	1,917	(41,485)
Dividends received		99,773	8,278	242,061	8,278
Concession financial assets and Contract assets	10 e 11	425,522	287,322	268,024	128,585
Other		(27,105)	60,502	(13,943)	57,569
		941,378	363,878	914,688	208,848
Increase (decrease) in liabilities					
Suppliers		(122,097)	48,824	(104,701)	64,024
Taxes		(58,788)	(14,856)	(40,093)	(17,816)
Income tax and social contribution tax		137,527	128,582	24,919	-
Payroll and related charges		(9,118)	8,684	(10,781)	8,686
Regulatory charges		(7,093)	37,694	(6,483)	35,755
Post-employment obligations	20	(55,515)	(51,209)	(55,515)	(51,209)
Other		(23,763)	26,114	(32,567)	13,170
		(138,847)	183,833	(225,221)	52,610
Cash from operations activities		1,776,564	1,565,141	1,487,705	1,156,632
Income tax and social contribution tax paid		(212,396)	(485,735)	(85,550)	(304,609)
Interest paid on loans and debentures	18	(267,435)	(285,043)	(267,435)	(285,043)
Cash inflows from settlement of derivatives instruments	27	172,668	(35,505)	172,668	(35,505)
Interest paid on lease contracts	15	(291)	(198)	(139)	(186)
NET CASH GENERATED OPERATING ACTIVITIES		1,469,110	758,660	1,307,249	531,289

	Note	Consolidated		Parent Company	
		Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
CASH FLOW IN INVESTMENT ACTIVITIES					
Funding of investments	12b	(541)	(282)	(32,938)	(20,282)
Gains arising from the sale of investment	28	30,487	6,644	30,487	6,644
Property, plant and equipment	13	(317,783)	(39,686)	(258,095)	(14,481)
Intangible assets	14	(4,919)	(1,033)	(4,525)	(1,033)
Marketable securities		603,957	104,373	501,212	204,009
Cash from merger	12	-	-	138,723	-
Settlement of the put option - SAAG	27	(780,348)	-	(780,348)	-
NET CASH GENERATED (USED) IN INVESTMENT ACTIVITIES		(469,147)	70,016	(405,484)	174,857
CASH FLOW IN FINANCING ACTIVITIES					
Interest on equity, and dividends		(742,728)	(114,865)	(742,728)	(114,865)
Payments of loans and debentures	18	-	(409,511)	-	(409,511)
Lease payments	15	(5,938)	(6,050)	(5,723)	(5,674)
NET CASH (USED) IN FINANCIAL ACTIVITIES		(748,666)	(530,426)	(748,451)	(530,050)
NET CHANGE IN CASH AND CASH EQUIVALENTS		251,297	298,250	153,314	176,096
Cash and cash equivalents at start of year	4	292,980	123,071	194,482	86,064
CASH AND CASH EQUIVALENTS AT END OF PERIOD		544,277	421,321	347,796	262,160

The Explanatory Notes are an integral part of the individual and consolidated Interim Financial Information.

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

	Consolidated		Parent Company	
	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
REVENUES				
Sales of energy and services	3,551,232	4,348,526	3,118,853	3,938,647
Construction revenue	107,202	169,268	106,334	169,268
Interest revenue arising from the financing component in the transmission contract asset	280,060	393,144	277,120	375,573
Income related to the construction of own assets	274,573	41,365	274,573	41,365
Expected credit losses (reversals) of accounts receivable	296	305	(410)	(128)
Gains arising from the sale of investment	30,487	6,644	30,487	6,644
	4,243,850	4,959,252	3,806,957	4,531,369
INPUTS ACQUIRED FROM THIRD PARTIES				
Energy purchase for resale	(1,505,399)	(2,026,589)	(1,502,696)	(2,019,130)
Charges for use of national grid	(139,135)	(127,791)	(104,482)	(92,128)
Outsourced services	(372,849)	(130,142)	(332,979)	(102,982)
Materials	(94,556)	(138,589)	(92,167)	(134,614)
Paid concession	(2,142)	(1,997)	(2,137)	(1,992)
Other operating costs	(132,289)	(191,142)	(129,206)	(189,787)
	(2,246,370)	(2,616,250)	(2,163,667)	(2,540,633)
GROSS VALUE ADDED	1,997,480	2,343,002	1,643,290	1,990,736
RETENTIONS				
Depreciation and amortization	(161,227)	(164,184)	(124,571)	(126,910)
NET VALUE ADDED	1,836,253	2,178,818	1,518,719	1,863,826
ADDED VALUE RECEIVED BY TRANSFER				
Share of profit (loss), net, of affiliates and jointly controlled entities	95,038	274,020	452,221	659,450
Finance income	491,001	460,839	441,859	426,464
Generation indemnity revenue	45,946	-	45,946	-
Interest revenue arising from the financing component in the transmission contract asset	229,603	292,863	11,537	-
	861,588	1,027,722	951,563	1,085,914
ADDED VALUE TO BE DISTRIBUTED	2,697,841	3,206,540	2,470,282	2,949,740
DISTRIBUTION OF ADDED VALUE				
Employees	212,563	238,315	204,828	226,280
Direct remuneration	135,302	131,286	127,968	119,707
Post-employment and other Benefits	68,393	87,584	68,075	87,221
FGTS fund	8,868	8,607	8,785	8,514
Programmed voluntary retirement plan	-	10,838	-	10,838
Taxes	950,215	867,275	735,492	635,866
Federal	693,082	521,641	517,123	323,650
State	254,271	342,976	215,916	309,721
Municipal	2,862	2,658	2,453	2,495
Remuneration of external capital	466,074	697,546	460,973	684,190
Interest	463,065	694,256	459,348	683,206
Rentals	3,009	3,290	1,625	984
Remuneration of own capital	1,068,989	1,403,404	1,068,989	1,403,404
Interest on equity	327,352	-	327,352	-
Retained earnings	741,637	1,403,404	741,637	1,403,404
	2,697,841	3,206,540	2,470,282	2,949,740

The Explanatory Notes are an integral part of the individual and consolidated Interim Financial Information.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX-MONTHS PERIODS ENDED JUNE 30, 2023 AND 2022

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

1. OPERATING CONTEXT

a) The Company

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

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

The Company has interests in 67 power plants – of these 59 are hydroelectric, 7 are wind power plants, and one is solar – and 73 transmission lines associated of the Brazilian national generation and transmission grid system, with installed capacity for 5,248 MW.

The Company has shareholding interests in subsidiaries, jointly-controlled entities and affiliated companies, the principal objects of which are construction and operation of systems for production and sale of energy, as described in note 12.

b) Auction 02/2022

The Company won the auction for Lot 1 of Aneel Transmission Auction 2/2022, held on December 16, 2022: the contract for the new 165-kilometer 230kV Governador Valadares 6 - Verona high voltage transmission line. The Company's bid was for RAP of approximately R\$17 million. The deadline for start of operation is March 30, 2028, and the concession is for 30 years.

On April 13, 2023 the Board of Directors approved transfer of funds totaling R\$221,519 by the Company into the investee Centroeste in the period between 2023 and 2026, depending on the needs and cash generation of Centroeste. The objective is construction of the 230 kV Governador Valadares 6 – Verona transmission line, which will be operated by Centroeste. The expected start date for construction is January 2025.

c) Statement of interest in extension of concession

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

The Company reiterates that the sole objective of these statements of interest is to ensure its right to a potential extension of Concession Contract 01/2024, for up to 30 years, at the option of the concession-granting power, in accordance with the legislation – which still contains some matters of condition yet to be decided by the Mining and Energy Ministry.

Additionally, in the correspondence sent to the Mining and Energy Ministry and to Aneel in July 2023, the Company reaffirmed its interest in extension, under the Physical Guarantee Quotas regime, of the concessions of the *Emborcação* and *Nova Ponte* hydroelectric plants (Concession Contract 07/1997).

The Company emphasizes that this statement of interest is of a non-binding nature, its objective being to ensure that it has the right to any extension of Concession Contract 01/2004, and to reaffirm the same interest in Concession Contract 07/1997. Any decision on the subject will only take place after publication by the Brazilian Mining and Energy Ministry and by the Brazilian electricity regulator, Aneel, of all the conditions for extension of the concessions, which will be submitted to decision by Cemig's governance bodies.

The Company further clarifies that this statement of interest will not suspend analysis of any legal alternatives which may be in progress for the extension of the concessions in question.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Except for new rules, or amendments, effective from January 1, 2023, this interim financial information has been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the financial statements, of December 31, 2022.

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

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

The Company's Board of Directors authorized the issuance of this interim financial information on August 3, 2023.

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

Number of the note		Title of the note
Dec. 31, 2022	Jun. 30, 2023	
1	1	Operational context
2	2	Basis of preparation
3	3	Consolidation principles
5	28	Operational segments
6	4	Cash and cash equivalents
7	5	Marketable securities
8	6	Customers and traders
9	7	Recoverable taxes
10	8	Income tax and social contribution tax
11	9	Escrow deposits
12	10	Concession financial assets
13	11	Contract assets
14	12	Investments
15	13	Property, plant and equipment
16	14	Intangible assets
17	15	Leasing
18	16	Suppliers
19	17	Taxes
22	18	Loans, financings and debentures
21	19	Regulatory charges
22	20	Post-employment obligations
23	21	Provisions
24	22	Equity and remuneration to shareholders
25	23	Revenues
26	24	Operating costs and expenses
27	25	Financial revenue and expenses
28	26	Related party transactions
29	27	Financial instruments and risk management
30	29	Assets classified as held for sale
33	30	Parliamentary Committee of Inquiry ('CPI')
34	-	Subsequent events

The explanatory notes of financial statements ended 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 note	Title of the note
4	Concessions and authorizations
31	Insurance
32	Commitments

2.3 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 individual and consolidated interim financial information.

2.4 Regrouping of items in the Income statement

As of the third quarter of 2022, the Company made some adjustments in the classification of expenses in its Profit and loss account (Income statement), so as to group certain items more accurately in accordance with their function. The description of the nature of each type of expense continues to be presented in the Explanatory Notes, without alteration. These adjustments do not affect margins, or indicators, and are merely improvements proposed by the Company’s management.

To maintain comparability, the corresponding information for the period ended June 30, 2022 is being presented using the same criteria. The Company considers these adjustments not to be material.

3. PRINCIPLES OF CONSOLIDATION

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

The direct equity investments of the Company are as follows:

Subsidiaries	Valuation method	Jun. 30, 2023	Dec. 31, 2022
		Direct stake, %	Direct stake, %
Cemig Baguari Energia S.A. (“Cemig Baguari”)	Consolidation	100	100
Cemig Geração Três Marias S.A. (“Cemig Geração Três Marias”) (1)	Consolidation	-	100
Cemig Geração Salto Grande S.A. (“Cemig Geração Salto Grande”) (1)	Consolidation	-	100
Cemig Geração Itutinga S.A. (“Cemig Geração Itutinga”)	Consolidation	100	100
Cemig Geração Camargos S.A. (“Cemig Geração Camargos”)	Consolidation	100	100
Cemig Geração Sul S.A. (“Cemig Geração Sul”)	Consolidation	100	100
Cemig Geração Leste S.A. (“Cemig Geração Leste”)	Consolidation	100	100
Cemig Geração Oeste S.A. (“Cemig Geração Oeste”)	Consolidation	100	100
Sá Carvalho S.A. (“Sá Carvalho”)	Consolidation	100	100
Horizontes Energia S.A. (“Horizontes”)	Consolidation	100	100
Rosal Energia S.A. (“Rosal Energia”)	Consolidation	100	100
Cemig PCH S.A. (“Cemig PCH”)	Consolidation	100	100
Empresa de Serviços de Comercialização de Energia Elétrica S.A. (“ESCEE”)	Consolidation	100	100
Cemig Geração Poço Fundo S.A. (“Poço Fundo”)	Consolidation	100	100
Cemig Trading S.A. (“Cemig Trading”)	Consolidation	100	100
Central Eólica Praias de Parajuru S.A. (“Parajuru”)	Consolidation	100	100
Central Eólica Volta do Rio S.A. (“Volta do Rio”)	Consolidation	100	100
Companhia de Transmissão Centroeste de Minas S.A. (“Centroeste”)	Consolidation	100	100
UFV Três Marias S.A. (“UFV Três Marias”)	Consolidation	100	100

- (1) On May 31, 2023, an Extraordinary General Meeting of Stockholders approved absorption of these wholly-owned subsidiaries, at book value, and as a result the investees ceased to exist, with the Company taking over all their goods, rights and obligations.

4. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Bank accounts	2,704	5,773	946	3,749
Cash equivalents:				
Bank certificates of deposit (CDBs) (1)	227,093	57,079	225,889	55,662
Automatic applications - Overnight (2)	314,480	227,884	120,961	132,827
Others	-	2,244	-	2,244
	541,573	287,207	346,850	190,733
	544,277	292,980	347,796	194,482

- (1) Bank Certificates of Deposit (Certificados de Depósito Bancário or CDBs), accrued interest at between 50% to 108.5% of the CDI Rate on June 30, 2023 (Interbank Rate for Interbank Certificates of Deposit (or Certificados de Depósito Inter-bancário - CDIs) published by the Custody and Settlement Chamber (Câmara de Custódia e Liquidação, or Cetip) (97.5% to 105% on December 31, 2022). For these CDBs, the Company and its subsidiaries have repo transactions which state, on their trading notes, the bank's commitment to repurchase the security, on demand, on the maturity date of the transaction, or earlier.
- (2) Overnight transactions are repos available for redemption on the following day. They are usually backed by Treasury Bills, Notes or Bonds and referenced to a pre-fixed rate that varies between 13.38% a.a. p.a. to 13.64% p.a. on June 30, 2022 (13.62% p.a. to 13.64% p.a. on December 31, 2022). Their purpose is to settle the short-term obligations of the Company, or to be used in the acquisition of other assets with better return to replenish the portfolio.

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

5. MARKETABLE SECURITIES

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Current				
Bank certificates of deposit (CDBs) (1)	41,534	148,466	15,975	86,537
Financial Notes (LFs) - Banks (2)	513,038	884,202	197,333	515,375
Treasury Financial Notes (LFTs) (3)	188,566	311,663	72,529	181,659
Debentures (4)	7,352	7,744	2,828	4,514
Others	496	284	497	283
	750,986	1,352,359	289,162	788,368
Non-current				
Debentures (4)	2,521	5,105	970	2,976
	2,521	5,105	970	2,976
	753,507	1,357,464	290,132	791,344

- (1) Bank Certificates of Deposit (Certificados de Depósito Bancário or CDBs), accrued interest which 103% to 104.3% on June 30, 2023 (range of 103% to 104.4% on December 31, 2022) (Interbank Rate for Interbank Certificates of Deposit (or Certificados de Depósito Inter-bancário - CDIs) published by the Custody and Settlement Chamber (Câmara de Custódia e Liquidação, or Cetip).
- (2) *Bank Financial Notes (Letras Financeiras, or LFs)* are fixed-rate fixed-income securities, issued by banks and that accrued interest a percentage of the CDI rate published by Cetip. The LFs had remuneration at rates between 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 at rates between 13.67% to 13.87% p.a. on June 30, 2023 (13.65% to 13.88% p.a. 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 classification of these bonds and securities are shown in explanatory note Note 27. Cash investments in securities of related parties are shown in Note 26.

The returns on these securities are duly demonstrated in the Statements of cash flows within the investment activity.

6. CUSTOMERS, TRADERS AND POWER TRANSPORT CONCESSION HOLDERS

	Balances not yet due		Past due			Consolidated	
	Billed	Unbilled	Until 90 days	91 to 360 days	More than 360 days	Jun. 30, 2023	Dec. 31, 2022
Industrial	57	217,968	5,558	4,130	22,579	250,292	550,253
Commercial, services and others	3,805	73,592	2,579	306	9,104	89,386	100,358
Wholesale supply to other concession holders	36,434	161,995	35,533	9,665	97	243,724	269,601
Concession holders							
- transmission service	110	99,777	3,146	3,507	5,449	111,989	112,706
CCEE (Power Trading Chamber)	1,164	878	9,148	-	-	11,190	92,908
Expected credit losses	-	-	(941)	(1,600)	(27,577)	(30,118)	(30,414)
	41,570	554,210	55,023	16,008	9,652	676,463	1,095,412
Current assets						673,773	1,095,349
Customers and traders						561,777	982,643
Concession holders - transmission service						111,996	112,706
Non-current assets						2,690	63
Customers and traders						2,690	63

	Balances not yet due		Past due			Parent Company	
	Billed	Unbilled	Until 90 days	91 to 360 days	More than 360 days	Jun. 30, 2023	Dec. 31, 2022
Industrial	57	197,065	941	1,294	21,573	220,930	496,188
Commercial, services and others	3,805	73,592	2,579	306	9,104	89,386	100,358
Wholesale supply to other concession holders	25,493	133,622	27,987	-	96	187,198	153,084
Concession holders							
- transmission service	-	97,256	2,973	3,507	5,435	109,171	110,007
CCEE (Power Trading Chamber)	-	-	7,949	-	-	7,949	90,768
Expected credit losses	-	-	(941)	(1,600)	(27,298)	(29,839)	(27,759)
	29,355	501,535	41,488	3,507	8,910	584,795	922,646
Current assets						582,120	922,599
Customers and traders						472,949	812,592
Concession holders - transmission service						109,171	110,007
Non-current assets						2,675	47
Customers and traders						2,675	47

The exposure of the Company and its subsidiaries to credit risk related to Customers and traders is provided in Note 26.

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

	Consolidated	Parent Company
Balance on December 31, 2022	30,414	27,759
Additions (reversals), net (Note 24c)	(296)	410
Balance arising from merger	-	1,670
Balance on June 30, 2023	30,118	29,839

7. RECOVERABLE TAXES

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Current				
ICMS tax recoverable	18,034	10,037	16,818	9,271
Cofins	4,332	18,936	196	195
PIS/Pasep	851	4,032	23	23
Social security contributions	18,579	18,764	18,579	18,764
Others	143	127	138	122
	41,939	51,896	35,754	28,375
Non-current				
ICMS tax recoverable	28,672	29,754	27,462	28,545
Cofins	14,219	14,402	9,506	-
PIS/Pasep	3,085	3,124	2,065	-
	45,976	47,280	39,033	28,545
	87,915	99,176	74,787	56,920

8. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Income tax and social contribution tax recoverable

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Current				
Income tax	543,769	546,961	541,391	544,657
Social contribution tax	224,668	227,688	224,943	227,907
	768,437	774,649	766,334	772,564

b) Income tax and social contribution tax payable

	Consolidated	
	Jun. 30, 2023	Dec. 31, 2022
Current		
Income tax	9,573	79,909
Social contribution tax	4,831	29,972
	14,404	109,881

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

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Deferred tax assets				
Tax loss carryforwards	193,620	209,041	193,620	209,041
Post-employment obligations	386,635	387,576	386,635	387,576
Expected credit losses	10,145	10,006	10,145	9,438
Provisions for contingencies	113,413	111,081	113,051	111,077
Provision for SAAG put option	-	228,621	-	228,621
Provisions for losses on investments	56,670	56,398	56,670	56,398
Other provisions	64,489	48,620	64,489	48,620
Paid concession	11,857	11,579	11,857	11,579
Other	20,335	24,256	18,958	17,387
	857,164	1,087,178	855,425	1,079,737
Deferred tax liabilities				
Fair value as deemed cost upon initial adoption of international standards	(156,873)	(155,882)	(141,203)	(139,706)
Adjustment of contract assets	(950,741)	(940,026)	(947,703)	(936,629)
Fair value of equity holdings	(116,733)	(121,036)	(116,733)	(121,036)
Adjustment to fair value	(81,144)	(209,600)	(79,683)	(208,151)
Reimbursement of costs - GSF	(251,452)	(274,036)	(242,254)	(213,008)
Other	(49,165)	(32,966)	(33,451)	(18,841)
	(1,606,108)	(1,733,546)	(1,561,027)	(1,637,371)
Net total	(748,944)	(646,368)	(705,602)	(557,634)
Total liabilities	(748,944)	(646,368)	(705,602)	(557,634)

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

	Consolidated	Parent Company
Balance on December 31, 2022	(646,368)	(557,634)
Effects allocated to income statement	(100,803)	(99,342)
Effects allocated to comprehensive income	(4,448)	(4,448)
Deferred taxes arising from the merger	-	(44,178)
Other	2,675	-
Balance on June 30, 2023	(748,944)	(705,602)

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

	Consolidated		Parent Company	
	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
Profit before income tax and social contribution tax	1,307,319	1,405,287	1,193,250	1,273,912
Income tax and social contribution tax - nominal expense (34%)	(444,488)	(477,798)	(405,705)	(433,130)
Tax effects applicable to:				
Interest on equity	111,300	-	111,300	-
Tax incentives	9,205	12	8,606	-
Share of profit (loss) of affiliate and joint controlled entities, net	34,410	89,806	157,678	222,711
Non-deductible penalties	(961)	(1,116)	(895)	(1,116)
Difference between presumed profit and real profit methods	46,207	46,012	-	-
Disposal of goodwill - Renova	-	108,416	-	108,416
Estimated losses on doubtful accounts receivable from related parties - Renova	-	233,931	-	233,931
Others	5,997	(1,146)	4,755	(1,320)
Income tax and social contribution tax - effective revenue (expense)	(238,330)	(1,883)	(124,261)	129,492
Current income tax and social contribution tax	(137,527)	(128,582)	(24,919)	-
Deferred income tax and social contribution tax	(100,803)	126,699	(99,342)	129,492
	(238,330)	(1,883)	(124,261)	129,492
Effective rate	18.23%	0.13%	10.41%	(10.16%)

	Consolidated		Parent Company	
	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
Profit before income tax and social contribution tax	563,755	245,738	521,722	175,362
Income tax and social contribution tax - nominal expense (34%)	(191,677)	(83,551)	(177,385)	(59,623)
Tax effects applicable to:				
Interest on equity	55,793	-	55,793	-
Tax incentives	(22)	(8,113)	(318)	(8,121)
Share of profit (loss) of affiliate and joint controlled entities, net	9,821	73,587	55,288	141,908
Non-deductible penalties	(481)	(691)	(415)	(691)
Difference between presumed profit and real profit methods	16,776	21,791	-	-
Disposal of goodwill - Renova	-	108,416	-	108,416
Estimated losses on doubtful accounts receivable from related parties - Renova	-	233,931	-	233,931
Others	5,521	(1,218)	4,801	(1,292)
Income tax and social contribution tax - effective revenue (expense)	(104,269)	344,152	(62,236)	414,528
Current income tax and social contribution tax	(8,350)	240,686	32,926	309,250
Deferred income tax and social contribution tax	(95,919)	103,466	(95,162)	105,278
	(104,269)	344,152	(62,236)	414,528
Effective rate	18.50%	(140.05%)	11.93%	(236.38%)

9. ESCROW DEPOSITS

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Labor claims	23,391	24,115	22,791	23,453
Tax issues				
Income tax on interest on equity	19,183	18,762	17,867	17,446
Pasep and Cofins taxes (1)	3,565	3,475	-	-
Income tax and social security contribution on indemnity for employees' 'Anuênio' benefit (2)	73,496	71,988	73,496	71,988
Urban property tax (IPTU)	15,727	15,265	15,725	15,263
Social contribution tax (3)	19,706	19,706	19,706	19,706
Others	8,479	7,373	7,801	6,695
	140,156	136,569	134,595	131,098
Others				
Court embargo	1,818	1,790	1,786	1,757
Regulatory	5,216	4,903	5,216	4,903
Others	7,386	7,084	7,273	6,972
	14,420	13,777	14,275	13,632
	177,967	174,461	171,661	168,183

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

(2) More details in Note 21 - Provisions (*Indemnity of employees' future benefit - the 'Anuênio'*).

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

10. CONCESSION FINANCIAL ASSETS

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Generation - Indemnity receivable (10.1)	737,406	691,460	737,406	691,460
Generation - Concession grant fee (10.2)	3,017,041	2,950,415	2,244,681	-
	3,754,447	3,641,875	2,982,087	691,460
Current	318,616	309,347	226,111	-
Non-current	3,435,831	3,332,528	2,755,976	691,460

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

	Consolidated	Parent Company
Balance on December 31, 2022	3,641,875	691,460
Assets arising from the merger	-	2,252,341
Inflation adjustment	275,549	57,483
Amounts received	(162,977)	(19,197)
Balance on June 30, 2023	3,754,447	2,982,087

10.1 Generation - Indemnity receivable

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

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

The Valuation Report was concluded, with the following results:

Generation plant	Concession expiration date	Installed capacity (MW) (1)	Net balance of assets on December 31, 2022	Financial Update	Net balance of assets on June 30, 2023
Lot D					
UHE Três Marias	July 2015	396.00	179,083	11,900	190,983
UHE Salto Grande	July 2015	102.00	91,874	6,104	97,978
UHE Itutinga	July 2015	52.00	10,825	720	11,545
UHE Camargos	July 2015	46.00	21,042	1,398	22,440
PCH Piau	July 2015	18.01	4,695	312	5,007
PCH Gafanhoto	July 2015	14.00	5,630	374	6,004
PCH Peti	July 2015	9.40	6,498	432	6,930
PCH Dona Rita	Sep. 2013	2.41	1,683	112	1,795
PCH Tronqueiras	July 2015	8.50	9,063	540	9,603
PCH Joasal	July 2015	8.40	6,727	447	7,174
PCH Martins	July 2015	7.70	4,776	317	5,093
PCH Cajuru	July 2015	7.20	20,238	1,345	21,583
PCH Paciência	July 2015	4.08	4,449	295	4,744
PCH Marmelos	July 2015	4.00	2,585	172	2,757
Others					
UHE Volta Grande	Feb. 2017	380.00	387	26	413
UHE Miranda	Dec. 2016	408.00	97,493	6,478	103,971
UHE Jaguará	Aug. 2013	424.00	147,788	9,882	157,670
UHE São Simão	Jan. 2015	1,710.00	76,624	5,092	81,716
		3,601.70	691,460	45,946	737,406

(1) Information not reviewed by independent auditors.

The remaining balance of R\$737,406 represents management's best estimate for the plants reimbursement, based on the evaluation criteria set by Aneel and the financial update.

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

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

10.2 Generation - Concession grant fee

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

The changes in concession financial assets are as follows:

	Plants	Dec. 31, 2022	Monetary updating	Amounts received	Jun. 30, 2023
Cemig Geração e Transmissão S.A.	Três Marias (1)	1,671,515	124,372	(87,565)	1,708,322
Cemig Geração e Transmissão S.A.	Salto Grande (1)	524,778	39,201	(27,617)	536,362
Cemig Geração Itutinga S.A.	Itutinga	197,983	16,399	(11,741)	202,641
Cemig Geração Camargos S.A.	Camargos	148,407	12,220	(8,740)	151,887
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência and Piau	194,694	17,012	(12,298)	199,408
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	133,014	12,695	(9,339)	136,370
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto and Martins	80,024	7,704	(5,677)	82,051
		2,950,415	229,603	(162,977)	3,017,041

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

11. CONCESSION CONTRACT ASSETS

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
National Grid ('BNES' - Basic Network of the Existing System) - Law 12,783/13	1,862,666	1,927,040	1,862,666	1,927,040
Transmission - Assets remunerated by tariff	2,832,261	2,717,187	2,732,761	2,606,909
	4,694,927	4,644,227	4,595,427	4,533,949
Current	778,237	720,032	752,776	691,153
Non-current	3,916,690	3,924,195	3,842,651	3,842,796

The changes in contract assets are as follows:

	Consolidated	Parent Company
Balance on December 31, 2022	4,644,227	4,533,949
Additions	107,202	106,334
Inflation adjustment	280,060	277,120
Amounts received	(336,562)	(321,976)
Balance on June 30, 2023	4,694,927	4,595,427

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

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Current				
Concession contract - 006/97				
National Grid ('BNES' - Basic Network of the Existing System)	457,294	408,395	457,294	408,395
National Grid - new facilities (RBNI)	250,066	236,073	250,066	236,073
Concession contract - 079/00	45,416	46,685	45,416	46,685
Concession contract - 004/05	25,461	28,879	-	-
	778,237	720,032	752,776	691,153
Non-current				
Concession contract - 006/97				
National Grid ('BNES' - Basic Network of the Existing System)	1,405,372	1,518,645	1,405,372	1,518,645
National Grid - new facilities (RBNI)	2,309,908	2,181,638	2,309,908	2,181,638
Concession contract - 079/00	127,371	142,513	127,371	142,513
Concession contract - 004/05	74,039	81,399	-	-
	3,916,690	3,924,195	3,842,651	3,842,796
	4,694,927	4,644,227	4,595,427	4,533,949

Concession contract 006/1997

Aneel Dispatch 402 of February 14, 2023 postponed the Periodic Tariff Review (Revisão Tarifária Periódica – RTP) of the Permitted Annual Revenue (Receita Anual Permitida – RAP) of the transmission concessions that had been extended under Law 12,783/2013. The Report on Physical and Accounting Assessment and Reconciliation is to be delivered by the later of the following two dates: (a) December 29, 2023; or (b) up to 30 days after closing of the Public Consultation on the revision of Sub-modules 9.1 and 9.2 of the Tariff Regulation Procedures (Procedimentos de Regulação Tarifária – PRORET). The time limit for ratification of the RAP in its entirety is July 1, 2024. As specified in the Dispatch, the adjustment for the 2023–24 period was processed through Ratifying Resolution (Resolução Homologatória) 3,216 of July 4, 2023.

The financial consequences of the new RAPs are being analyzed. No significant impacts are expected for the Company, since there were no significant changes in the assumptions used.

12. INVESTMENTS

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Affiliated companies				
Madeira Energia S.A. ("MESA") (2)	-	9,500	-	9,500
Fundo de Investimento em Participações Melbourne				
Multiestratégia ("FIP Melbourne") (2)	-	7,760	-	7,760
Jointly controlled entities				
Hidrelétrica Cachoeirão S.A. ("Hidrelétrica Cachoeirão")	53,661	47,096	53,661	47,096
Guanhães Energia S.A. ("Guanhães Energia")	201,457	182,579	201,457	182,579
Hidrelétrica Pipoca S.A. ("Hidrelétrica Pipoca")	57,045	46,744	57,045	46,744
Paracambi Energética S.A. ("Paracambi") (formerly Lightger)	51,421	60,438	51,421	60,438
Baguari Energia S.A. ("Baguari Energia") (4)	-	160,324	-	160,324
Aliança Norte Participações S.A. ("Aliança Norte")	561,508	575,745	561,508	575,745
Amazônia Energia Participações S.A. ("Amazônia Energia")	858,843	885,529	858,843	885,529
Aliança Geração de Energia S.A. ("Aliança Geração")	1,258,197	1,193,841	1,258,197	1,193,841
Retiro Baixo Energética S.A. ("Retiro Baixo") (4)	-	185,495	-	185,495
Subsidiaries				
Cemig Baguari Energia S.A.	-	-	52	67
Cemig Geração Três Marias S.A. (1)	-	-	-	1,727,594
Cemig Geração Salto Grande S.A. (1)	-	-	-	562,308
Cemig Geração Itutinga S.A.	-	-	208,880	231,057
Cemig Geração Camargos S.A.	-	-	184,198	182,960
Cemig Geração Sul S.A.	-	-	237,841	251,765
Cemig Geração Leste S.A.	-	-	152,507	167,959
Cemig Geração Oeste S.A.	-	-	135,469	125,521
Rosal Energia S.A.	-	-	123,727	123,305
Sá Carvalho S.A.	-	-	140,700	138,259
Horizontes Energia S.A.	-	-	62,636	60,535
Cemig PCH S.A.	-	-	97,344	98,917
Cemig Geração Poço Fundo S.A.	-	-	187,574	171,954
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	-	-	18,523	11,004
Cemig Trading S.A.	-	-	6,333	5,639
Central Eólica Praias de Parajuru S.A.	-	-	202,781	203,107
Central Eólica Volta do Rio S.A.	-	-	311,497	308,603
Companhia de Transmissão Centroeste de Minas	-	-	123,186	120,173
UFV Três Marias (3)	-	-	39,572	-
Total	3,042,132	3,355,051	5,274,952	7,845,778

- On May 31, 2023, an Extraordinary General Meeting of Stockholders approved absorption of these wholly-owned subsidiaries, at book value, and as a result the investees ceased to exist, with the Company taking over all their goods, rights and obligations.
- On March 20, 2023 Cemig completed sale of its direct and indirect stockholding interests in the share capital of Mesa to Furnas Centrais Elétricas S.A. (Furnas). There are more details in this note.
- In the first half of 2023 the Company injected R\$39,216 into this investee as an Advance Against Future Capital Increase ('AFAC'), R\$32,397 in cash for construction of the 78 MW Três Marias Floating Photovoltaic Distributed Generation complex; and R\$ 6,819 in fixed assets for construction and operation of the Três Marias Photovoltaic Plant, with installed capacity of 1.5 MW.
- On April 14, 2023, share purchase contracts were signed for sale to Furnas Centrais Elétricas of the Company's entire stockholding in the jointly-controlled subsidiaries Retiro Baixo and Baguari Energia. More details in Note 29.

For the period ended June 30, 2023, the Company concluded that there were no indications of possible impairment of its investments, as required by CPC 01/IAS 36 - Impairment of Assets.

Changes in the right to exploitation of the regulated activity

Consolidated	Balance on Dec. 31, 2022	Amortization	Other (1)	Balance on Jun. 30, 2023
Retiro Baixo	26,407	(463)	(25,944)	-
Aliança Geração	276,296	(12,655)	-	263,641
Aliança Norte	44,688	(985)	-	43,703
	347,391	(14,103)	(25,944)	307,344

- In April 2023, the interest held by the Company in this investee was classified as assets held for sale. More details in explanatory note 29.

Parent Company	Balance on Dec. 31, 2022	Amortization	Other (1)	Balance on Jun. 30, 2023
Retiro Baixo	26,407	(463)	(25,944)	-
Parajuru	44,625	(2,308)	-	42,317
Volta do Rio	60,430	(3,390)	-	57,040
Aliança Geração	276,296	(12,655)	-	263,641
Aliança Norte	44,688	(985)	-	43,703
	452,446	(19,801)	(25,944)	406,701

(1) In April 2023, the interest held by the Company in this investee was classified as assets held for sale. More details in explanatory note 29.

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

Consolidated	Balance on Dec. 31, 2022	Gain (loss) by equity method	Addition	Dividends	Other	Balance on Jun. 30, 2023
Hidrelétrica Cachoeirão	47,096	6,565	-	-	-	53,661
Guanhães Energia	182,579	18,878	-	-	-	201,457
Hidrelétrica Pipoca	46,744	10,301	-	-	-	57,045
MESA (Santo Antônio Plant) (1)	9,500	(9,500)	-	-	-	-
FIP Melbourne (Santo Antônio Plant) (1)	7,760	22,326	-	-	(30,086)	-
Baguari Energia (2)	160,324	11,133	-	(11,579)	(159,878)	-
Paracambi (formerly Lightger)	60,438	7,391	-	(16,408)	-	51,421
Amazônia Energia (Belo Monte Plant)	885,529	(26,894)	208	-	-	858,843
Aliança Norte (Belo Monte Plant)	575,745	(14,570)	333	-	-	561,508
Aliança Geração	1,193,841	64,356	-	-	-	1,258,197
Retiro Baixo (2)	185,495	5,052	-	-	(190,547)	-
Total	3,355,051	95,038	541	(27,987)	(380,511)	3,042,132

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

(2) In April 2023, the interest held by the Company in these investees was classified as held for sale. More details in explanatory note 29.

Parent Company	Balance on Dec. 31, 2022	Gain (loss) by equity method	Addition	Dividends	Other	Balance on Jun. 30, 2023
Hidrelétrica Cachoeirão	47,096	6,565	-	-	-	53,661
Guanhães Energia	182,579	18,878	-	-	-	201,457
Hidrelétrica Pipoca	46,744	10,301	-	-	-	57,045
MESA (Santo Antônio Plant) (1)	9,500	(9,500)	-	-	-	-
FIP Melbourne (Santo Antônio Plant) (1)	7,760	22,326	-	-	(30,086)	-
Baguari Energia (2)	160,324	11,133	-	(11,579)	(159,878)	-
Central Eólica Praias Parajuru S.A.	203,107	7,979	-	(8,305)	-	202,781
Central Eólica Volta do Rio S.A.	308,603	2,894	-	-	-	311,497
Paracambi (formerly Lightger)	60,438	7,391	-	(16,408)	-	51,421
Amazônia Energia (Belo Monte Plant)	885,529	(26,894)	208	-	-	858,843
Aliança Norte (Belo Monte Plant)	575,745	(14,570)	333	-	-	561,508
Aliança Geração	1,193,841	64,356	-	-	-	1,258,197
Retiro Baixo Energia S.A. (2)	185,495	5,052	-	-	(190,547)	-
Cemig Baguari Energia S.A.	67	(15)	-	-	-	52
Cemig Geração Três Marias S.A. (3)	1,727,594	113,348	-	(54,593)	(1,786,349)	-
Cemig Geração Salto Grande S.A. (3)	562,308	35,192	-	(34,897)	(562,603)	-
Cemig Geração Itutinga S.A.	231,057	23,123	-	(45,300)	-	208,880
Cemig Geração Camargos S.A.	182,960	22,418	-	(21,180)	-	184,198
Cemig Geração Sul S.A.	251,765	23,424	-	(37,348)	-	237,841
Cemig Geração Leste S.A.	167,959	22,683	-	(38,135)	-	152,507
Cemig Geração Oeste S.A.	125,521	9,948	-	-	-	135,469
Rosal Energia S.A.	123,305	13,202	-	(12,780)	-	123,727
Sá Carvalho S.A.	138,259	33,364	-	(30,923)	-	140,700
Horizontes Energia S.A.	60,535	8,814	-	(6,713)	-	62,636
Cemig PCH S.A.	98,917	10,000	-	(11,573)	-	97,344
Cemig Geração Poço Fundo S.A.	171,954	15,620	-	-	-	187,574
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	11,004	9,146	-	(1,627)	-	18,523
Cemig Trading S.A.	5,639	2,674	-	(1,980)	-	6,333
Companhia de Transmissão Centroeste de Minas	120,173	3,013	-	-	-	123,186
UFV Três Marias (4)	-	356	39,216	-	-	39,572
Total	7,845,778	452,221	39,757	(333,341)	(2,729,463)	5,274,952

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

(2) In April 2023, the interest held by the Company in these investees was classified as held for sale. More details in note 29.

(3) On May 31, 2023, an Extraordinary General Meeting of Stockholders approved absorption of these wholly-owned subsidiaries, at book value, and as a result the investees ceased to exist, with the Company taking over all their goods, rights and obligations.

(4) In the first half of 2023 the Company injected R\$39,216 into this investee as an Advance Against Future Capital Increase ('AFAC'), R\$32,397 in cash for construction of the 78 MW Três Marias Floating Photovoltaic Distributed Generation complex; and R\$ 6,819 in fixed assets for construction and operation of the Três Marias Photovoltaic Plant, with installed capacity of 1.5 MW.

Disposal of stockholding interest - Mesa

On March 20, 2023 the Company completed sale to Furnas Centrais Elétricas S.A of the whole of its direct and indirect stockholding interests in Mesa, equivalent to 7.53% of the share capital of that investee, which is the controlling stockholder of Santo Antônio Energia S.A. (SAE), for R\$55,390.

With the conclusion of the sale, Furnas undertook to assume the guarantees given by Cemig and Cemig GT to the Brazilian Development Bank (BNDES) and other creditors, under agreements for financing of SAE, and to hold Cemig and Cemig GT harmless from any obligation relating to these guarantees, up to the time when these obligations are effectively assumed by Furnas.

As a result of the sale a capital gain was recognized in March 2023, as follows:

Parent Company and Consolidated	
Direct stake, %	4.1422%
Indirect stake, %	3.3837%
Sale price:	736,000
Direct stake, %	30,487
Indirect stake, %	24,904
	55,391
Cost of the investment (1):	-

(1) In the calculation the balance of the investment on February 28, 2023 was used, from the last interim balance sheet raised for the investee before the sale (the same as is used for accounting via the equity method). The balance of the investment is zero, so that writing it down did not generate any effects in net profit, for the purposes of calculation of capital gain on the sale.

The capital gain relating to the direct stockholding was recognized in the income statement for the period, with counterpart in Cash and cash equivalents. The taxes on this amount were R\$10,365, representing 34% (25% corporate income tax and 9% Social Contribution tax on Net Profit).

The capital gain on the indirect stockholding was recognized by the equity method, because of its origin in realization of the equity interest held by Fundo Melbourne in SAAG. Due to the sale of the equity interest by the investment fund, which subsists only for operational reasons necessary for its liquidation, the balance receivable from the funds was recognized in the Statement of financial position as a financial instrument in the 'Other assets' group, considering the imminence of receipt of the proceeds.

This disposal is part of the execution of Cemig's disinvestment program, with the aim of redirecting management efforts and allocation of capital to the State of Minas Gerais.

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

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

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

Considering Cemig GT's participation in FIP Melbourne, the Company has a receivable recorded in the amount of R\$240,860, in the statement of financial position under "Other Assets".

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

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

On June 30, 2023 NESA presents negative net working capital of R\$322,178 (R\$494,493 on December 31, 2022). According to the estimates and projections, the negative net working capital, and the future demands for investments in the hydroelectric plant, will be supported by revenues from future operations and/or raising of bank loans.

On September 21, 2015, NESA was awarded a preliminary injunction ordering the grantor to abstain, until hearing of the application for an injunction made in the original case, from applying to Appellant any penalties or sanctions in relation to the Belo Monte Hydroelectric Plant not starting operations on the date established in the original timetable for the project, including those specified in an the grantor (Aneel) Normative Resolution 595/2013 and in the Concession Contract 01/2010-MME for the Belo Monte Hydroelectric Plant'. The legal advisors of NESA have classified the probability of loss as 'possible' and estimated the potential loss on June 30, 2023 to R\$2,977 million (R\$2,972 million on December 31, 2022). The potential impact to the Company is limited to its NESA investment.

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

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

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

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

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

13. PROPERTY, PLANT AND EQUIPMENT

Consolidated	June 30, 2023			December 31, 2022		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
In service	7,273,556	(5,377,667)	1,895,889	7,393,963	(5,398,094)	1,995,869
Land	247,353	(30,409)	216,944	246,946	(29,140)	217,806
Reservoirs, dams and watercourses	3,239,409	(2,430,520)	808,889	3,302,646	(2,432,974)	869,672
Buildings, works and improvements	1,094,323	(859,053)	235,270	1,092,172	(858,980)	233,192
Machinery and equipment	2,660,496	(2,033,350)	627,146	2,724,327	(2,053,238)	671,089
Vehicles	19,054	(13,478)	5,576	14,970	(13,050)	1,920
Furniture and utensils	12,921	(10,857)	2,064	12,902	(10,712)	2,190
Under construction	639,072	-	639,072	360,830	-	360,830
Assets in progress	639,072	-	639,072	360,830	-	360,830
Net PP&E	7,912,628	(5,377,667)	2,534,961	7,754,793	(5,398,094)	2,356,699

Parent Company	June 30, 2023			December 31, 2022		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
In service	6,105,940	(4,712,453)	1,393,487	6,194,255	(4,743,558)	1,450,697
Land	242,848	(30,008)	212,840	242,323	(28,696)	213,627
Reservoirs, dams, watercourses	2,962,659	(2,274,388)	688,271	3,019,053	(2,277,133)	741,920
Buildings, works and improvements	1,004,434	(813,246)	191,188	1,002,659	(814,033)	188,626
Machinery and equipment	1,864,485	(1,570,894)	293,591	1,902,809	(1,600,347)	302,462
Vehicles	18,836	(13,260)	5,576	14,752	(12,832)	1,920
Furniture and utensils	12,678	(10,657)	2,021	12,659	(10,517)	2,142
Under construction	343,005	-	343,005	106,218	-	106,218
Assets in progress	343,005	-	343,005	106,218	-	106,218
Net PP&E	6,448,945	(4,712,453)	1,736,492	6,300,473	(4,743,558)	1,556,915

Changes in Property, plant and equipment were as follows:

Consolidated	Balance on Dec. 31, 2022	Addition	Transfer (2)	Settled	Depreciation	Balance on Jun. 30, 2023
In service	1,995,869	-	38,786	(55,860)	(82,906)	1,895,889
Land (1)	217,806	-	1,514	(726)	(1,650)	216,944
Reservoirs, dams, watercourses	869,672	-	-	(21,572)	(39,211)	808,889
Buildings, works and improvements	233,192	-	14,852	(4,120)	(8,654)	235,270
Machinery and equipment	671,089	-	18,317	(29,442)	(32,818)	627,146
Vehicles	1,920	-	4,084	-	(428)	5,576
Furniture and utensils	2,190	-	19	-	(145)	2,064
Under construction	360,830	317,783	(38,786)	(755)	-	639,072
Net PP&E	2,356,699	317,783	-	(56,615)	(82,906)	2,534,961

- (1) Certain land sites linked to concession contracts and not having provision for reimbursement are amortized in accordance with the period of the concession.
- (2) This includes investments in the Boa Esperança and Jusante fotovoltaic solar plants – respectively of R\$112,367 and R\$118,693.
- (3) Balance relating to transfers from Assets in progress to Assets in service.

Parent Company	Balance on Dec. 31, 2022	Addition	Assets arising from the merger	Transfer (2)	Settled	Depreciation	Balance on Jun. 30, 2023
In service	1,450,697	-	29,852	22,243	(50,403)	(58,902)	1,393,487
Land (1)	213,627	-	-	1,514	(670)	(1,631)	212,840
Reservoirs, dams, watercourses	741,920	-	867	-	(19,298)	(35,218)	688,271
Buildings, works and improvements	188,626	-	412	13,405	(4,054)	(7,201)	191,188
Machinery and equipment	302,462	-	28,573	3,221	(26,381)	(14,284)	293,591
Vehicles	1,920	-	-	4,084	-	(428)	5,576
Furniture and utensils	2,142	-	-	19	-	(140)	2,021
Under construction	106,218	258,095	1,340	(22,243)	(405)	-	343,005
Net PP&E	1,556,915	258,095	31,192	-	(50,808)	(58,902)	1,736,492

- (1) Certain land sites linked to concession contracts and not having provision for reimbursement are amortized in accordance with the period of the concession.
- (2) This includes investments in the Boa Esperança and Jusante fotovoltaic solar plants – respectively of R\$112,367 and R\$118,693.
- (3) Balance relating to transfers from Assets in progress to Assets in service.

Consortium

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

Consolidated and Parent Company	Stake in power output, %	Average annual depreciation rate %	June 30, 2023	December 31, 2022
In service				
Queimado Power Plant	82.50	3.94	220,099	220,096
Depreciation			(138,471)	(134,524)
Total in service			81,628	85,572
In progress				
Queimado Power Plant	82.50	-	2,015	1,962
Total in progress			2,015	1,962
Total			83,643	87,534

14. INTANGIBLE ASSETS

Consolidated	June 30, 2023			December 31, 2022		
	Historic cost	Accumulated amortization	Residual value	Historic cost	Accumulated amortization	Residual value
In service	1,336,560	(449,549)	887,011	1,327,508	(375,092)	952,416
Temporary easements	14,689	(5,744)	8,945	14,692	(5,405)	9,287
Paid concession	13,599	(9,428)	4,171	13,599	(9,116)	4,483
Assets of the concession (1)	202,337	(102,980)	99,357	202,337	(97,283)	105,054
Assets of the concession - GSF	1,031,161	(266,630)	764,531	1,031,810	(199,809)	832,001
Others	74,774	(64,767)	10,007	65,070	(63,479)	1,591
Under construction	13,368	-	13,368	21,753	-	21,753
Assets in progress	13,368	-	13,368	21,753	-	21,753
Net intangible assets	1,349,928	(449,549)	900,379	1,349,261	(375,092)	974,169

- (1) The rights of authorization to generate wind energy granted to the Parajuru and Volta do Rio, in the amount of R\$99,357, are recognized as investments in the interim financial information of the parent company and are classified under intangible assets in the statement of financial position, as per Technical Interpretation ICPC 09. These concession assets are amortized by the straight-line method, during the period of the concession.

Parent Company	June 30, 2023			December 31, 2022		
	Historic cost	Accumulated amortization	Residual value	Historic cost	Accumulated amortization	Residual value
In service	1,058,393	(326,425)	731,968	893,415	(254,972)	638,443
Temporary easements	11,448	(5,316)	6,132	11,451	(5,038)	6,413
Paid concession	11,720	(7,878)	3,842	11,720	(7,642)	4,078
Assets of the concession - GSF	960,874	(248,797)	712,077	805,613	(179,120)	626,493
Others	74,351	(64,434)	9,917	64,631	(63,172)	1,459
Under construction	12,957	-	12,957	21,650	-	21,650
Assets in progress	12,957	-	12,957	21,650	-	21,650
Net intangible assets	1,071,350	(326,425)	744,925	915,065	(254,972)	660,093

Changes in intangible assets are as follow:

Consolidated	Balance on Dec. 31, 2022	Addition	Capitalization / Transfer (1)	Settled	Amortization	Balance on Jun. 30, 2023
In service	952,416	-	9,709	(438)	(74,676)	887,011
Temporary easements	9,287	-	-	(3)	(339)	8,945
Paid concessions	4,483	-	-	-	(312)	4,171
Assets of the concession	105,054	-	-	-	(5,697)	99,357
Assets of the concession - GSF	832,001	-	-	(435)	(67,035)	764,531
Others	1,591	-	9,709	-	(1,293)	10,007
Under construction	21,753	4,919	(9,709)	(3,595)	-	13,368
Assets in progress	21,753	4,919	(9,709)	(3,595)	-	13,368
Total	974,169	4,919	-	(4,033)	(74,676)	900,379

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

Parent Company	Balance on Dec. 31, 2022	Addition	Assets arising from the merger	Capitalization / Transfer (1)	Settled	Amortization	Balance on Jun. 30, 2023
In service	638,443	-	146,572	9,709	(473)	(62,283)	731,968
Temporary easements	6,413	-	-	-	(3)	(278)	6,132
Paid concessions	4,078	-	-	-	-	(236)	3,842
Assets of the concession - GSF	626,493	-	146,563	-	(470)	(60,509)	712,077
Others	1,459	-	9	9,709	-	(1,260)	9,917
Under construction	21,650	4,525	56	(9,709)	(3,565)	-	12,957
Assets in progress	21,650	4,525	56	(9,709)	(3,565)	-	12,957
Total	660,093	4,525	146,628	-	(4,038)	(62,283)	744,925

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

15. LEASING

a) Changes in right of use

Consolidated	Real estate property	Vehicles	Total
Balances at December 31, 2022	38,941	18,278	57,219
Addition	-	18,220	18,220
Amortization (1)	(861)	(2,848)	(3,709)
Remeasurement (2)	-	5,823	5,823
Balances at June 30, 2023	38,080	39,473	77,553

Parent Company	Real estate property	Vehicles	Total
Balances at December 31, 2022	37,438	18,055	55,493
Assets arising from the merger	162	662	824
Addition	-	15,904	15,904
Amortization (1)	(828)	(2,620)	(3,448)
Remeasurement (2)	-	5,722	5,722
Balances at June 30, 2023	36,772	37,723	74,495

- Amortization of the Right of Use recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R\$64, for the consolidated and R\$62 for the individual interim financial information, for the first half of 2023 (R\$57 for the consolidated and R\$56 for the individual interim financial information, for the first half of 2022).
- The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The lease liabilities are restated with adjustment to the asset of Right of Use.

b) Changes in lease liabilities

	Consolidated	Parent Company
Balances on December 31, 2022	62,367	60,501
Liabilities arising from the merger	-	847
Addition	18,220	15,904
Accrued interest (1)	3,521	3,370
Payment of principal portion of lease liability	(5,938)	(5,723)
Payment of interest	(291)	(139)
Remeasurement (2)	5,823	5,722
Balances on June 30, 2023	83,702	80,482
Current liabilities	15,415	14,795
Non-current liabilities	68,287	65,687

- (1) Financial revenues recognized in the financial statements are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R\$199 and R\$197, for the first half of 2023, for the consolidated and individual interim financial information, respectively (R\$184 and R\$182 for the first half of 2022, for the consolidated and individual interim financial information respectively).
- (2) The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The lease liabilities are restated with adjustment to the asset of Right of Use.

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

Cash flow	Consolidated		Parent Company	
	Nominal	Adjustments to present value	Nominal	Adjustments to present value
Consideration for the leasing	176,257	83,702	170,102	80,482
Potential PIS/Pasep and Cofins (9.25%)	11,686	3,908	11,662	3,900

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

	Consolidated (Nominal)	Parent Company (Nominal)
2024	8,084	7,742
2025	16,151	15,470
2026	16,144	15,462
2027	16,144	15,462
2028	14,080	13,572
2029 a 2045	105,826	102,394
Undiscounted values	176,429	170,102
Embedded interest	(92,727)	(89,620)
Lease liabilities	83,702	80,482

16. SUPPLIERS

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Wholesale supply, and transport of supply	314,182	387,125	310,657	378,857
Materials and services	66,831	115,985	42,224	69,764
	381,013	503,110	352,881	448,621

17. TAXES PAYABLE

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Current				
ICMS (value added) tax	22,133	18,939	18,624	13,890
Pasep tax (1)	17,463	20,122	16,437	17,992
Cofins tax (1)	81,046	91,834	75,861	82,938
Social security contributions	12,245	13,417	8,568	8,212
ISS tax on services	4,219	4,254	2,210	2,596
Others (2)	30,808	27,686	30,112	5,807
	167,914	176,252	151,812	131,435
Non-current				
Pasep tax (1)	64,283	64,476	62,323	62,176
Cofins tax (1)	296,119	296,825	287,076	286,397
	360,402	361,301	349,399	348,573
	528,316	537,553	501,211	480,008

- (1) Includes PIS/Pasep and Cofins recognized in current liability includes the deferred taxes related to the interest revenue arising from the financing component in contract asset and to the revenue of construction and upgrade associated with the transmission concession contract. More information in Note 11.
- (2) This includes the retention, at source, of income tax on the Interest on Equity declared. This tax was paid in the subsequent month, in accordance with the tax legislation. More details in note 22.

18. LOANS AND DEBENTURES

Financing source	Principal maturity	Annual financing cost	Currency	Consolidated and Parent Company - June 30, 2023			Consolidated and Parent Company - December 31, 2022
				Current	Non-current	Total	
FOREIGN CURRENCY							
Eurobonds	2024	9.25%	USD	27,537	3,643,845	3,671,382	3,974,971
(-) Transaction costs				-	(3,242)	(3,242)	(5,743)
(+/-) Funds advanced (1)				-	(5,377)	(5,377)	(9,423)
Total of loans				27,537	3,635,226	3,662,763	3,959,805
Debentures - 9rd Issue, 1rd Series	2027	CDI + 1.33%	R\$	4,327	700,000	704,327	703,185
Debentures - 9rd Issue, 2rd Series	2029	IPCA + 7.6245%	R\$	996	310,034	311,030	302,216
(-) Transaction costs				-	(5,614)	(5,614)	(6,140)
Total, debentures				5,323	1,004,420	1,009,743	999,261
Overall total				32,860	4,639,646	4,672,506	4,959,066

- (1) Advance of funds to achieve the yield to maturity agreed in the Eurobonds contract.

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

Guarantees

The Company's debtor balances on loans and debentures guaranteed by the parent company, Cemig on June 30, 2023 were as follows:

Consolidated	June 30, 2023
Surety guarantees	3,662,763
Fiança	1,009,743
Total	4,672,506

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

Consolidated and Parent Company	2023	2024	2025	2026	2027	2028 onwards	Total
Currency							
US dollar (1)	27,537	3,643,845	-	-	-	-	3,671,382
Total, currency-denominated	27,537	3,643,845	-	-	-	-	3,671,382
IPCA (2)	996	-	-	-	-	310,034	311,030
CDI (3)	4,327	-	233,334	233,333	233,333	-	704,327
Total by indexers	5,323	-	233,334	233,333	233,333	310,034	1,015,357
(-) Transaction costs	-	(3,242)	(1,297)	(1,297)	(1,297)	(1,723)	(8,856)
(+/-) Funds advanced	-	(5,377)	-	-	-	-	(5,377)
Overall total	32,860	3,635,226	232,037	232,036	232,036	308,311	4,672,506

(1) The company uses derivative financial instruments for protection against risks arising from exchange rate variation. More details in note 27.

(2) IPCA ("Expanded Consumer Price") Inflation Index.

(3) CDI: Interbank Rate for Certificates of Deposit

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

Currency	Accumulated change on 1H23 (%)	Accumulated change on 1H22 (%)	Indexer	Accumulated change on 1H23 (%)	Accumulated change on 1H22 (%)
US dollar	(7.64)	(6.14)	IPCA	2.87	5.49
			CDI	6.44	5.36

Currency	Accumulated change on 2Q23 (%)	Accumulated change on 2Q22 (%)	Indexer	Accumulated change on 2Q23 (%)	Accumulated change on 2Q22 (%)
US dollar	(5.14)	10.56	IPCA	0.76	2.22
			CDI	3.09	2.86

The changes in loans and debentures are as follows:

	Consolidated and Parent Company
Balances on December 31, 2022	4,959,066
Monetary variation	8,525
Exchange rate variations	(301,310)
Financial charges provisioned	270,597
Amortization of transaction cost	3,063
Financial charges paid	(267,435)
Balances on June 30, 2023	4,672,506

Restrictive covenants

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

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

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

- (1) In the event of overrun of the financial maintenance covenants, interest will automatically be increased by 2% p.a. during the period in which they remain exceeded. There is also an obligation to comply with a 'debt maintenance covenant', involving asset collateral of 2.0x Cemig's consolidated Ebitda (1.75x at Dec. 2017); and an 'incurrence' covenant comprising an asset guarantee in the Company of 1.5x Ebitda
- (2) Ebitda is defined as: (i) Profit before interest, income tax and Social Contribution tax on profit; depreciation; and amortization, calculated in accordance with CVM Resolution 156, of June 23, 2022; - less: (ii) non-operational profit; any non-recurring non-monetary credits or gains that increase net income; any payments in cash made on consolidated basis during the period relating to non-monetary charges that were newly added in the calculation of Ebitda in any prior period; and any non-recurring non-monetary expenses or charges.
- (3) Noncompliance with financial covenants leads to early maturity, creating immediate demandability of payment by the Company of the Nominal Unit Value or the Updated Nominal Unit Value (as the case may be) of the debentures, plus any other charges due, without the need for notification or any action through the courts or otherwise.

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

The information on the derivative financial instruments (swaps, currency option and NDF) contracted to hedge the debt servicing of the Eurobonds (principal, in foreign currency, plus interest), and the Company's exposure to interest rate risks, are disclosed in Note 27.

19. REGULATORY CHARGES

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Liabilities				
Global reversion reserve (RGR)	2,911	3,320	-	-
Royalties for use of water resources (CFURH)	8,707	10,424	6,758	6,698
Energy development account (CDE)	69,590	80,814	69,590	80,814
Electricity services inspection charge (TFSEE)	817	789	729	713
Alternative power source program (Proinfra)	11,165	10,291	11,165	10,291
National scientific and technological development fund (FNDCT)	1,697	1,367	1,416	751
Research and development (P&D)	17,914	13,179	10,563	4,193
Energy system expansion research	988	823	847	515
Energy development account (CDE) on Research and development (P&D)	665	540	582	382
	114,454	121,547	101,650	104,357
Current liabilities	110,902	116,248	101,650	104,357
Non-current liabilities	3,552	5,299	-	-

20. POST-EMPLOYMENT OBLIGATIONS

Changes in net liabilities were as follows:

Consolidated and Parent Company	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities at December 31, 2022	469,060	714,248	13,138	1,196,446
Expense recognized in Statement of income	27,547	41,307	767	69,621
Past service cost	-	(20,291)	(532)	(20,823)
Contributions paid	(32,934)	(22,161)	(420)	(55,515)
Actuarial gains (losses)	-	(12,890)	(193)	(13,083)
Net liabilities at June 30, 2023	463,673	700,213	12,760	1,176,646
			Jun. 30, 2023	Dec. 31, 2022
Current liabilities			88,734	84,377
Non-current liabilities			1,087,912	1,112,069

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

The amounts reported as 'Expense recognized in the Statement of income' refer to the costs of post-employment obligations, totaling R\$45,532 for the first half of 2023 (R\$64,373 for the first half of 2022), plus the finance expenses and monetary updating on the debt with Forluz, in the amounts of R\$3,266 for the first half of 2023 (R\$6,851 for the first half 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 receive the contribution from Cemig for payment for the health plan in their retirement. This was available to employees up to January 31, 2023, and migration of some of the employees to the Premium Plan reduced the number of employees covered by the PSI.

In light of CPC 33 (R1) this situation constitutes a curtailment event, requiring the Company to remeasure its post-employment liabilities for the base date March 31, 2023. The effects of the curtailment have been recognized, the first quarter of 2023, in the income statement as a cost of past service, in the amounts of R\$20,291 for the health plan and R\$532 for the dental plan.

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

Debt with the pension fund (Forluz)

On June 30, 2023 the Company has recognized an obligation for past actuarial deficits relating to the pension fund in the amount of R\$39,860 (R\$56,892 on December 31, 2022). This amount has been recognized as an obligation payable, and will be amortized until June of 2024, through monthly installments calculated by the system of constant installments (known as the 'Price' table) and adjusted by the IPCA (Expanded National Customer Price) inflation index (published by the Brazilian Geography and Statistics Institute - IBGE) plus 6% per year. The Company is required to pay this debt even if Forluz has a surplus, thus, the Company maintain recorded the debt in full and record the effects of monetary updating and interest in finance income in the statement of income.

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

Forluz and the sponsors Cemig, Cemig GT and Cemig D have signed a Debt Assumption Instrument to cover the deficit of Plan A for the years of 2015, 2016 and 2017. On June 30, 2023 the total amount payable by the Company was R\$122,679 (R\$123,843 on December 31, 2022 referring to the Plan A deficits of 2015, 2016 and 2017).

The monthly amortizations, calculated by the constant installments system (Price Table), will be paid up to 2031 for the 2015 and 2016 deficits, in the amount of R\$81,178, and up to 2033 for the 2017 deficit, in the amount of R\$41,501. Remuneratory interest applicable to the outstanding balance is 6% p.a., plus the effect of the IPCA. If the plan reaches actuarial surplus before the full period of amortization of the debt, also Company will not be required to pay the remaining installments and the contract will be extinguished.

Deposits on consignment to Forluz

In accordance with the specific legislation, Forluz submitted a proposal to Cemig for signature of new Debt Assumption Agreements 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	Maio de 2021	Abril de 2022	Em processo
Total amount requested by Forluz	R\$36,304	R\$56,947	R\$151,556
Amount based on contribution parity	R\$18,152	R\$28,474	R\$75,778
Number of installments	166	158	159
Remuneratory interest	IPCA + 6%	IPCA + 6%	IPCA + 6%
Balance deposited on June 30, 2023	R\$4,918	R\$4,144	R\$1,303

In relation to the Resolution of Deficit of 2019, due to the Debt Assumption Agreement not being signed for coverage of the minimum amount proposed in the plan for solution of the actuarial deficit of Plan A for 2019, and due to the refusal of the consignment payments made by the Company, Forluz filed a legal action, on April 27, 2021, against the 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 2022 the first instance of the Employment Law Appeal Court of Minas Gerais gave a decision in favor of Forluz, and against the Company's requests - but in this dispute appeal lies to hire instances. As a result the Company, based on the assessments of its specialists, has opted to maintain its assessment of the chances of loss in the action as 'possible'.

21. PROVISIONS

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

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

Consolidated	Dec. 31, 2022	Additions	Reversals	Settled	Jun. 30, 2023
Labor	70,412	8,802	-	(5,727)	73,487
Tax	312,001	14,316	-	(33)	326,284
Regulatory	4,737	1,416	(20)	(1,257)	4,876
Others	9,890	7,647	(9,062)	(6,517)	1,958
Total	397,040	32,181	(9,082)	(13,534)	406,605

Parent Company	Dec. 31, 2022	Additions	Reversals	Settled	Liabilities arising from the merger	Jun. 30, 2023
Labor	70,412	7,749	-	(5,726)	-	72,435
Tax	312,001	14,316	-	(33)	-	326,284
Regulatory	4,737	1,408	(20)	(1,249)	-	4,876
Others	9,387	7,181	(9,062)	(6,513)	387	1,380
Total	396,537	30,654	(9,082)	(13,521)	387	404,975

Additionally, there are lawsuits whose expected loss is considered possible, since the Company's and its subsidiaries' legal advisors assessed them as having a possible chance of success, and no provision was recorded, as follows:

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Labor	79,274	82,580	79,236	80,727
Civil				
Customers relations	31,303	27,950	31,199	27,855
Other civil cases	61,454	56,520	60,493	55,636
	92,757	84,470	91,692	83,491
Tax	509,742	486,999	481,053	459,683
Regulatory	806,632	674,430	806,631	674,430
Other (1)	584,359	401,424	502,060	381,803
Total	2,072,764	1,729,903	1,960,672	1,680,134

(1) The main amounts are presented in specific paragraphs in the Provisions text.

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

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

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

Tax

The Company are involved in numerous administrative and judicial claims relating to taxes, including, among other matters, subjects relating to the Social Integration Program (*Programa de Integração Social*, or PIS), the Contribution to Finance Social Security (*Contribuição para o Financiamento da Seguridade Social*, or Cofins), Corporate Income tax (*Imposto de Renda Pessoa Jurídica*, or IRPJ), the Social contribution tax on Net income (*Contribuição Social sobre o Lucro Líquido*, or CSLL), and motions to stay tax enforcement. The amount of the obligation is approximately R\$133,046 (R\$128,731 at December 31, 2022), of which R\$2,367 has been provisioned (R\$2,288 at December 31, 2022).

Social Security contributions on profit sharing payments

The Brazilian tax authority (*Receita Federal*) has filed administrative and court proceedings against the Company, relating to social security contributions on the payment of profit sharing to its employees over the period 1999 to 2016, alleging that the Company did not comply with the requirements of Law 10,101/2000 on the argument that it did not previously establish clear and objective rules for the distribution of these amounts. In August 2019, the Regional Federal Court of the First Region published a decision against the Company on this issue. As a result the Company, based on the opinion of its legal advisers, reassessed the chances of loss from 'possible' to 'probable' for some portions paid as profit-sharing amounts, maintaining the classification of the probability of loss as 'possible' for the other portions, since it believes that it has arguments on the merit for defense and/or because it believes that the amounts questioned are already within the period of limitation. The amount of the obligation is approximately R\$437,162 (R\$416,212 at December 31, 2022), of which R\$289,899 has been provisioned (R\$276,406 at December 31, 2022).

Non-homologation of offsetting of tax credit

The federal tax authority did not ratify the Company declared offsetting, in Corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes - IRPJ, CSLL, PIS/Pasep and Cofins - identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The Company is contesting the non-homologation of the amounts offset. The amount of the obligation is R\$67,347 (R\$63,255 at December 31, 2022), of which R\$1,260 (R\$1,221 at December 31, 2022) has been provisioned, due to the related legal requirements contained in the National Tax Code (CTN) having been met.

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

In 2006 the Company paid an indemnity to its employees, totaling R\$41,860, in exchange for rights to future payments (referred to as the *Anuênio*) for time of service, which would otherwise be incorporated into salaries. The company did not pay income tax nor Social Security contributions in relation to these amounts because it considered that those obligations are not applicable to amounts paid as an indemnity. However, given the disagreement, and to avoid risk of a future penalty payment, the Company filed legal actions for recognition of the right not to be taxed on these *Anuênio* payments, making separate submissions and argument in relation to (a) income tax and (b) the social security contribution, and making escrow payments into court of the amount involved in each action, in the aggregate historic amount of R\$28,716. In the action relating to applicability of the Social Security contribution, a court judgment was given that impeded consideration of an appeal to the Federal Supreme Court - thus consideration by the Higher Appeal Court remains. In October 2022, a judgment was published refusing to recognize the Special Appeal filed by the Company, reducing the chances of success in the action.

As a result the assessment of the chances of loss in this action were altered from 'possible' to 'probable', and a provision made for the amount deposited in escrow. The chances of loss in the action relating to applicability of income tax on the amounts of the *anuênios*, due to its current phase of procedure, have been maintained as 'possible'. The amount of the obligation is approximately R\$73,496 (R\$71,988 at December 31, 2022), of which R\$32,758 has been provisioned (R\$32,086 at December 31, 2022).

Social Security contributions

The Brazilian tax authority (*Receita Federal do Brasil*) has filed administrative proceedings related to various matters: the Workers' Food Program (*Programa de Alimentação do Trabalhador*, or PAT); education benefit; food benefit; Special Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers' support programs); and fines for non-compliance with accessory obligations. The Company have presented defenses and await judgment. The amount of the contingency is approximately R\$21,079 (R\$20,208 on December 31, 2022). Management has classified the chance of loss as 'possible', also taking into account assessment of the chance of loss in the judicial sphere, (the claims mentioned are in the administrative sphere), based on the evaluation of the claims and the related case law.

The social contribution tax on net income (CSLL)

The federal tax authority issued tax assessments against the Company for the years of 2012 and 2013, alleging undue non-addition, or deduction, of amounts relating to the following items in calculating the Social Contribution tax on net income: (i) taxes with liability suspended; (ii) donations and sponsorship (Law 8,313/91); and (iii) fines for various alleged infringements. The amount of this contingency is R\$103,896 (R\$98,606 on December 31, 2022).

Labor claims

The Company and its subsidiaries are involved in various legal claims filed by its employees and employees of third parties. Most of these claims relate to overtime and additional pay, severance payments, various benefits, salary adjustments, complementary additions to or re-calculation of retirement pension payments by Forluz, and salary adjustments. The amount of the obligation is approximately R\$152,761 (R\$152,992 at December 31, 2022), of which R\$73,487 has been provisioned (R\$70,412 at December 31, 2022).

Regulatory

The Company and its subsidiaries are defendant in court and administrative proceedings challenging, especially: reduction of an energy supply contract, limitation on a procedure for operation of the sluice dam of a hydroelectric plant, a claim of infringement arising from an inspection by the grantor, and other matters. The amount of the obligation is approximately R\$59,515 (R\$55,330 at December 31, 2022), of which R\$4,876 has been provisioned (R\$4,737 at December 31, 2022).

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

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

This should take effect in the CCEE as from November 2008, resulting in an additional disbursement for the Company, related to the expense on purchase of energy in the spot market on the CCEE, in the approximate amount of R\$549,333 (R\$506,742 on December 31, 2022). On November 9, 2008 the Company obtained an interim decision in the Regional Federal Appeal Court (*Tribunal Regional Federal*, or TRF), suspending the obligatory nature of the requirement to pay into court the amount that would have been owed under the Special Financial Settlement made by the CCEE and has classified the chance of loss as 'possible', since this action deals with the General Agreement for the Energy Sector, in which the Company has the full documentation to support its arguments.

Dispute on billing of electricity

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

The arbitration proceeding continues, in which this client challenges the points set out above. If the arbitration decision accepts this client's request, the Company will have to restate the difference between the amounts contracted and the adjustments demanded, which at June 30, 2023 totaled R\$202,660 (R\$117,095 at December 31, 2022). Based on the opinion of its legal advisors, management has classified the chances of loss as 'possible'.

Other legal actions

The Company is involved, as plaintiff or defendant, in other lesser claims, related to the normal course of its operations. The amount of the obligation is approximately R\$233,401 (R\$159,994 at December 31, 2022), of which R\$1,958 has been provisioned (R\$9,890 at December 31, 2022). Management believes that it has appropriate defense for these actions and does not expect these issues to give rise to significant losses that could have an adverse effect on the Company's financial position or profit. The main subjects related to these contingencies concern: (i) disputes on alleged losses suffered as a result of supposed breach of contract at the time of provision of services of cleaning of power line pathways and firebreaks; and (ii) customer relations.

Environmental claims

Impact arising from construction of power plants

The Public Attorneys' Office of Minas Gerais State has filed class actions requiring the formation of a Permanent Preservation Area (APP) around the reservoir of the *Capim Branco* hydroelectric plant, suspension of the effects of the environmental licenses, and recovery of alleged environmental damage. Based on the opinion of its legal advisors in relation to the changes that have been made in the new Forest Code and in the case law on this subject, the Company has classified the chance of loss in this dispute as 'possible'. The estimated value of the contingency is R\$144,865 (R\$136,795 on December 31, 2022).

Additionally, the Company is involved in environmental matters, relating to protected areas, environmental licenses, recovery of environmental damage, and other matters, in the amount of R\$87,770 (R\$96,235 on December 31, 2022). No provision has been made, since based on the opinion of its legal advisors management has classified the chance of loss as 'possible'.

Renova: Application to override corporate identity

A receivables investment fund filed an application for Override of Legal Identity (Incidente de Desconsideração da Personalidade Jurídica - IDPJ) in relation to certain companies of the Renova group, aiming to include some shareholders of Renova, including the Company and its parent company (Cemig), as defendants jointly and severally liable. The amount of the contingent liability is estimated in the amount of R\$114,690 (R\$102,760 on December 31, 2022).

Clearance of residential occupation under high-voltage lines

The class action brought by the Public Attorneys of Minas Gerais State requests that the Company remove and resettle the inhabitants currently living within the limits of the safety zone of the high-voltage lines in the region. The amount of the contingent liability in dispute has been estimated at R\$98,348 on June 30, 2023.

22. EQUITY AND REMUNERATION TO SHAREHOLDERS

a) Share capital

On June 30, 2023 the Company's issued and outstanding share capital is R\$5,473,724 (R\$5,473,724 on December 31, 2022), represented by 2,896,785,358 nominal common shares, fully subscribed, without nominal value, wholly owned by Cemig (Companhia Energética de Minas Gerais).

b) Earnings basic and diluted per share

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

	Jan to Jun, 2023	Jan to Jun, 2022	Apr to Jun, 2023	Apr to Jun, 2022
Number of shares (A)	2,896,785,358	2,896,785,358	2,896,785,358	2,896,785,358
Earnings for the period (B)	1,068,989	1,403,404	459,486	589,890
Earnings per share - Basic and diluted - in R\$ (B/A)	0.37	0.48	0.16	0.20

c) Remuneration to shareholders

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

On March 22 and June 20, 2023 the Executive Board decided to declare Interest on Equity in the amounts of R\$163,256 and R\$164,096, on account of the minimum mandatory dividend for the 2023 business year – income tax at 15% being deducted at source, as per the legislation.

d) Equity valuation adjustments

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\$12,890 for the health plan, and R\$193 for the dental plan.

23. REVENUES

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

	Consolidated		Parent Company	
	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
Total revenue from supply of energy - with taxes (a)	3,109,952	3,902,451	2,674,488	3,484,671
Transmission revenue (b)				
Transmission operation and maintenance revenue	356,573	349,240	358,328	350,893
Transmission construction revenue (Note 11)	107,202	169,268	106,334	169,268
Interest revenue arising from the financing component in the transmission contract asset (Note 11)	280,060	393,144	277,120	375,573
Revenue from updating of the concession grant fee (c)	229,603	292,863	11,537	-
Transactions on CCEE (d)	31,643	40,855	19,892	23,716
Generation indemnity revenue (Note 10.1)	45,946	-	45,946	-
Other operating revenues	53,064	55,980	66,145	79,367
Sector / regulatory charges - Deductions from revenue (e)	(825,735)	(1,029,924)	(725,022)	(928,507)
	3,388,308	4,173,877	2,834,768	3,554,981

	Consolidated		Parent Company	
	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
Total revenue from supply of energy - with taxes (a)	1,529,092	1,884,936	1,350,107	1,673,738
Transmission revenue (b)				
Transmission operation and maintenance revenue	182,320	197,395	182,858	198,279
Transmission construction revenue	67,798	100,873	66,930	100,873
Interest revenue arising from the financing component in the transmission contract asset	105,185	204,602	106,056	197,219
Revenue from updating of the concession grant fee (c)	94,839	161,268	11,537	-
Transactions on CCEE (d)	9,078	18,279	2,929	12,739
Generation indemnity revenue	23,469	-	23,469	-
Other operating revenues	26,842	19,525	32,971	31,961
Sector / regulatory charges - Deductions from revenue (e)	(406,355)	(537,165)	(364,464)	(486,320)
	1,632,268	2,049,713	1,412,393	1,728,489

(a) Revenue from energy supply

	Consolidated				Parent Company			
	Jan to Jun/2023		Jan to Jun/2022		Jan to Jun/2023		Jan to Jun/2022	
	MWh ²	R\$	MWh ²	R\$	MWh ²	R\$	MWh ²	R\$
Industrial	5,606,741	1,682,841	7,434,741	2,114,577	5,233,869	1,498,995	6,952,254	1,943,846
Commercial	1,965,997	508,664	2,122,937	538,940	1,829,993	473,491	2,120,002	537,658
Rural	7,631	2,262	8,423	2,427	7,631	2,262	8,422	2,427
Subtotal	7,580,369	2,193,767	9,566,101	2,655,944	7,071,493	1,974,748	9,080,678	2,483,931
Net unbilled retail supply	-	(80,927)	-	79,818	-	(100,644)	-	62,447
	7,580,369	2,112,840	9,566,101	2,735,762	7,071,493	1,874,104	9,080,678	2,546,378
Wholesale supply to other concession holders (1)	5,149,478	1,039,496	5,551,683	1,188,628	3,613,658	809,867	3,916,364	950,777
Wholesale supply unbilled, net	-	(42,384)	-	(21,939)	-	(9,483)	-	(12,484)
	12,729,847	3,109,952	15,117,784	3,902,451	10,685,151	2,674,488	12,997,042	3,484,671

	Consolidated				Parent Company			
	Apr to Jun/2023		Apr to Jun/2022		Apr to Jun/2023		Apr to Jun/2022	
	MWh ²	R\$	MWh ²	R\$	MWh ²	R\$	MWh ²	R\$
Industrial	2,723,027	793,671	3,873,013	1,112,163	2,588,528	715,631	3,632,659	1,016,205
Commercial	1,009,531	261,999	1,067,459	276,917	938,246	243,408	1,065,979	276,261
Rural	4,221	1,240	3,322	1,317	4,221	1,240	3,322	1,317
Subtotal	3,736,779	1,056,910	4,943,794	1,390,397	3,530,995	960,279	4,701,960	1,293,783
Net unbilled retail supply	-	(49,233)	-	(20,177)	-	(33,119)	-	(23,642)
	3,736,779	1,007,677	4,943,794	1,370,220	3,530,995	927,160	4,701,960	1,270,141
Wholesale supply to other concession holders (1)	2,661,214	534,174	2,683,740	540,722	1,976,711	434,474	1,868,033	434,404
Wholesale supply unbilled, net	-	(12,759)	-	(26,006)	-	(11,527)	-	(30,807)
	6,397,993	1,529,092	7,627,534	1,884,936	5,507,706	1,350,107	6,569,993	1,673,738

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

(2) Information not revised by independent auditors.

(b) Transmission concession revenue

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

	Consolidated			
	Jan to Jun/2023	Jan to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
Construction and upgrades revenue	107,202	169,268	67,798	100,873
Construction and upgrades costs	(74,017)	(125,886)	(47,184)	(75,190)
Margin	33,185	43,382	20,614	25,683
Mark-up (%)	44.83%	34.46%	43.69%	34.16%
Operation and maintenance revenue	356,573	349,240	182,320	197,395
Operation and maintenance cost	(140,641)	(222,598)	(71,357)	(154,456)
Margin	215,932	126,642	110,963	42,939
Mark-up (%)	153.53%	56.89%	155.50%	27.80%

(c) Gain on financial updating of Concession Grant Fee

Represents the inflation adjustment using the IPCA inflation index, plus interest, on the Concession Grant Fee for the concession awarded as Lot D of Auction 12/2015. More details in Note 10.

(d) Revenue from power supply transactions on the CCEE (Power Trading Chamber)

Corresponds to the monthly calculation of the positive net balance of settlements of transactions for purchase and sale of energy in the Spot Market, through the CCEE, for which the consideration corresponds to the product of (i) the volume of energy sold, and (ii) the Spot Price.

(e) Deductions on revenue

	Consolidated		Parent Company	
	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
Taxes on revenue				
ICMS tax	252,868	342,226	215,389	309,110
Cofins tax	289,107	360,033	251,352	317,761
PIS and Pasep taxes	62,763	78,161	54,570	68,987
ISS tax on services	2,151	1,875	1,858	1,791
	606,889	782,295	523,169	697,649
Charges to the customer				
Global Reversion Reserve (RGR)	6,283	7,126	5,018	6,079
Energy Development Account (CDE)	132,804	157,337	132,804	157,337
CDE on P&D	2,083	2,083	1,607	1,650
Proinfa	32,871	40,305	32,871	40,305
Research and Development (P&D)	4,985	5,078	3,750	3,849
National Scientific and Technological Development Fund (FNDCT)	7,068	7,161	5,357	5,498
Energy System Expansion Research (EPE)	3,534	3,581	2,678	2,749
Electricity Services Inspection Charge (TFSEE)	4,901	4,335	4,373	3,865
Royalties for use of water resources (CFURH)	24,317	20,623	13,395	9,526
	218,846	247,629	201,853	230,858
	825,735	1,029,924	725,022	928,507

	Consolidated		Parent Company	
	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
Taxes on revenue				
ICMS tax	125,842	171,506	108,915	155,339
Cofins tax	140,024	179,152	125,455	157,001
PIS and Pasep taxes	30,398	38,893	27,237	34,085
ISS tax on services	1,226	777	1,056	734
	297,490	390,328	262,663	347,159
Charges to the customer				
Global Reversion Reserve (RGR)	3,029	3,459	2,441	2,969
Energy Development Account (CDE)	67,186	102,785	67,186	102,785
CDE on P&D	905	1,015	686	797
Proinfa	16,963	20,815	16,963	20,815
Research and Development (P&D)	2,113	2,479	1,600	1,859
National Scientific and Technological Development Fund (FNDCT)	3,018	3,494	2,286	2,656
Energy System Expansion Research (EPE)	1,509	1,748	1,143	1,328
Electricity Services Inspection Charge (TFSEE)	2,451	2,168	2,187	1,932
Royalties for use of water resources (CFURH)	11,691	8,874	7,309	4,020
	108,865	146,837	101,801	139,161
	406,355	537,165	364,464	486,320

24. OPERATING COSTS AND EXPENSES

a) Cost of energy

	Consolidated		Parent Company	
	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
Energy purchase for resale				
Spot market - CCEE	64,708	46,701	56,890	43,633
Acquired in free market	1,440,691	1,979,888	1,445,806	1,975,497
PIS/Pasep and Cofins credits	(139,326)	(185,901)	(138,633)	(185,368)
	1,366,073	1,840,688	1,364,063	1,833,762
Charges for use of the national grid				
Transmission charges - Basic network	119,402	106,122	100,593	86,344
Distribution charges	19,733	22,250	3,890	5,784
PIS/Pasep and Cofins credits	(11,740)	(11,026)	(9,640)	(8,462)
	127,395	117,346	94,843	83,666
Total	1,493,468	1,958,034	1,458,906	1,917,428

	Consolidated		Parent Company	
	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
Energy purchase for resale				
Spot market - CCEE	34,028	16,525	30,203	14,416
Acquired in free market	719,760	1,011,604	722,299	1,010,562
PIS/Pasep and Cofins credits	(69,911)	(94,238)	(69,571)	(94,005)
	683,877	933,891	682,931	930,973
Charges for use of the national grid				
Transmission charges - Basic network	60,486	53,056	52,477	43,060
Distribution charges	9,464	12,213	1,592	3,654
PIS/Pasep and Cofins credits	(5,881)	(5,858)	(4,998)	(4,289)
	64,069	59,411	49,071	42,425
Total	747,946	993,302	732,002	973,398

b) Transmission infrastructure construction cost

	Consolidated		Parent Company	
	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
Personnel	5,577	5,442	5,577	5,442
Materials	50,373	91,790	50,373	91,790
Outsourced services	18,240	29,716	17,909	29,716
Other (recovery of expenses)	(173)	(1,062)	(710)	(1,062)
	74,017	125,886	73,149	125,886

	Consolidated		Parent Company	
	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
Personnel	4,838	3,171	4,838	3,171
Materials	27,081	53,005	27,081	53,005
Outsourced services	15,484	20,078	15,153	20,078
Other (recovery of expenses)	(219)	(1,064)	(756)	(1,064)
	47,184	75,190	46,316	75,190

c) Other operating costs and expenses

	Consolidated								Jan to Jun/2023	Jan to Jun/2022
	Operating costs		Expected credit losses of accounts receivable		General and administrative expenses		Other operating expenses (revenue)			
	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	136,704	134,887	-	-	29,288	37,834	-	-	165,992	172,721
Employee profit shares	-	-	-	-	-	778	18,739	19,224	18,739	20,002
Post-employment obligation(1)	-	-	-	-	-	-	45,532	63,966	45,532	63,966
Materials	7,367	8,961	-	-	816	1,768	-	-	8,183	10,729
Outsourced services	92,146	69,202	-	-	24,807	26,311	-	-	116,953	95,513
Depreciation and amortization (2)	161,019	159,794	-	-	208	4,390	-	-	161,227	164,184
Contingency provisions (reversals)	23,099	28,220	-	-	-	-	-	-	23,099	28,220
Expected credit losses	-	-	(296)	(305)	-	-	-	-	(296)	(305)
Reversal of provision for doubtful with related party – Renova (note 29)	-	-	-	-	-	-	-	(53,356)	-	(53,356)
Put option - SAAG	-	-	-	-	-	-	57,801	32,399	57,801	32,399
Impairment (3)	-	-	-	-	-	-	45,791	-	45,791	-
Adjustment to fair value of financial asset	-	-	-	-	-	-	-	171,770	-	171,770
Other operating costs and expenses	7,101	9,558	-	-	6,043	2,245	3,445	9,813	16,589	21,616
Gain on disposal of investment (note 12)	-	-	-	-	-	-	(30,487)	(6,644)	(30,487)	(6,644)
	427,436	410,622	(296)	(305)	61,162	73,326	140,821	237,172	629,123	720,815

	Parent Company								Jan to Jun/2023	Jan to Jun/2022
	Operating costs		Expected credit losses of accounts receivable		General and administrative expenses		Other operating expenses (revenue)			
	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	129,040	122,951	-	-	29,288	37,833	-	-	158,328	160,784
Employee profit shares	-	-	-	-	-	604	18,385	18,976	18,385	19,580
Post-employment obligation (1)	-	-	-	-	-	-	45,532	63,966	45,532	63,966
Materials	4,978	4,986	-	-	816	1,768	-	-	5,794	6,754
Outsourced services	52,616	42,052	-	-	24,807	26,311	-	-	77,423	68,363
Depreciation and amortization (2)	124,362	122,520	-	-	209	4,390	-	-	124,571	126,910
Contingency provisions (reversals)	21,572	27,973	-	-	-	-	-	-	21,572	27,973
Expected credit losses	-	-	410	128	-	-	-	-	410	128
Reversal of provision for doubtful with related party – Renova (note 29)	-	-	-	-	-	-	-	(53,356)	-	(53,356)
Put option - SAAG	-	-	-	-	-	-	57,801	32,399	57,801	32,399
Impairment (3)	-	-	-	-	-	-	45,791	-	45,791	-
Adjustment to fair value of financial asset	-	-	-	-	-	-	-	171,770	-	171,770
Other operating costs and expenses	3,589	6,283	-	-	6,042	2,247	3,030	9,431	12,661	17,961
Gain on disposal of investment (note 12)	-	-	-	-	-	-	(30,487)	(6,644)	(30,487)	(6,644)
	336,157	326,765	410	128	61,162	73,153	140,052	236,542	537,781	636,588

- (1) In 1Q23 an accounting gain of R\$20,823 was recognized for the remeasurement of post-employment liabilities, as a result of acceptance of the new Health Plan by part of the active employees. More details in Note 22.
- (2) Net of PIS/Pasep and Cofins taxes on the amortization of the right of use, in the amounts of R\$64 in the consolidated interim financial information, and R\$62 in the interim financial information of the parent company, in 1H23 (these compare, respectively, to R\$57, and R\$56, in 1H22).
- (3) This includes the amount of R\$46,126 for impairment of the plants of Cemig GT that are in the process of sale. More details in note 29.

	Consolidated								Apr to Jun/2023	Apr to Jun/2022
	Operating costs		Expected credit losses of accounts receivable		General and administrative expenses		Other operating expenses (revenue)			
	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	65,100	70,824	-	-	15,113	20,830	-	-	80,213	91,654
Employee profit shares	-	-	-	-	-	778	9,227	9,828	9,227	10,606
Post-employment obligation	-	-	-	-	-	-	32,766	31,735	32,766	31,735
Materials	4,262	5,656	-	-	463	1,536	-	-	4,725	7,192
Outsourced services	51,332	39,261	-	-	13,074	11,172	-	-	64,406	50,433
Depreciation and amortization (1)	79,970	80,133	-	-	111	2,174	-	-	80,081	82,307
Contingency provisions (reversals)	13,724	11,835	-	-	-	-	-	-	13,724	11,835
Expected credit losses	-	-	(221)	868	-	-	-	-	(221)	868
Reversal of provision for doubtful with related party - Renova	-	-	-	-	-	-	-	(53,356)	-	(53,356)
Put option - SAAG	-	-	-	-	-	-	25,046	4,972	25,046	4,972
Impairment	-	-	-	-	-	-	(335)	-	(335)	-
Write-off of financial asset	-	-	-	-	-	-	-	171,770	-	171,770
Other operating costs and expenses	4,306	4,457	-	-	2,832	4,170	(3,086)	6,668	4,052	15,295
Gain on disposal of investment	-	-	-	-	-	-	-	(6,644)	-	(6,644)
	218,694	212,166	(221)	868	31,593	40,660	63,618	164,973	313,684	418,667

	Parent Company								Apr to Jun/2023	Apr to Jun/2022
	Operating costs		Expected credit losses of accounts receivable		General and administrative expenses		Other operating expenses (revenue)			
	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	61,715	62,984	-	-	15,113	20,830	-	-	76,828	83,814
Employee profit shares	-	-	-	-	-	604	8,932	9,642	8,932	10,246
Post-employment obligation	-	-	-	-	-	-	32,766	31,735	32,766	31,735
Materials	2,877	2,746	-	-	463	1,536	-	-	3,340	4,282
Outsourced services	28,108	24,009	-	-	13,074	11,173	-	-	41,182	35,182
Depreciation and amortization (1)	61,893	61,381	-	-	112	2,171	-	-	62,005	63,552
Contingency provisions (reversals)	12,645	12,686	-	-	-	-	-	-	12,645	12,686
Expected credit losses	-	-	122	1,085	-	-	-	-	122	1,085
Reversal of provision for doubtful with related party - Renova	-	-	-	-	-	-	-	(53,356)	-	(53,356)
Put option - SAAG	-	-	-	-	-	-	25,046	4,972	25,046	4,972
Impairment	-	-	-	-	-	-	(335)	-	(335)	-
Write-off of financial asset	-	-	-	-	-	-	-	171,770	-	171,770
Other operating costs and expenses	2,394	2,893	-	-	2,830	4,173	(3,552)	6,255	1,672	13,321
Gain on disposal of investment	-	-	-	-	-	-	-	(6,644)	-	(6,644)
	169,632	166,699	122	1,085	31,592	40,487	62,857	164,374	264,203	372,645

(1) Net of PIS/Pasep and Cofins taxes on the amortization of the right of use, in the amounts of R\$34 in the consolidated interim financial information, and R\$31 in the interim financial information of the parent company, in 2Q23 (these compare, respectively, to R\$29, and R\$28, in 2Q22).

25. FINANCE INCOME AND EXPENSES

	Consolidated		Parent Company	
	Jan to Jun/2023	Jan to Jun/2022	Jan to Jun/2023	Jan to Jun/2022
FINANCE INCOME				
Income from cash investments	100,155	77,360	55,544	46,118
Arrears fees on sale of energy	9,380	4,631	7,764	3,471
Monetary updating	51,391	21,643	50,902	21,580
Monetary updating on escrow deposits	5,424	4,854	5,331	4,796
FX variation from loans (Note 18)	301,310	342,500	301,310	342,500
Other finance income (1)	23,341	9,851	21,008	7,999
Pasep and Cofins taxes on financial revenues	(7,355)	(4,458)	(6,414)	(3,875)
	483,646	456,381	435,445	422,589
DESPESAS FINANCEIRAS				
Costs of loans and debentures (Note 18)	(270,597)	(262,451)	(270,597)	(262,451)
Amortization of transaction cost (Note 18)	(3,063)	(1,209)	(3,063)	(1,209)
Monetary updating – Forluz	(3,266)	(6,851)	(3,266)	(6,851)
Inflation adjustment - Loans and debentures (Note 19)	(8,525)	(3,060)	(8,525)	(3,060)
Monetary updating	(1,468)	(12,409)	(529)	(4,412)
Losses on financial instruments (Note 27)	(162,735)	(402,027)	(162,735)	(402,027)
Leasing - Monetary variation (Note 15)	(3,322)	(2,463)	(3,173)	(2,346)
Other finance expenses	(10,089)	(3,786)	(7,460)	(850)
	(463,065)	(694,256)	(459,348)	(683,206)
NET FINANCE EXPENSES	20,581	(237,875)	(23,903)	(260,617)

- (1) This includes inflation correction, in the amount of R\$14,203, on the court escrow deposits received by the Company as ordered in the arbitration proceedings. More details in note 21 – Provision: Dispute on billing of electricity.

	Consolidated		Parent Company	
	Apr to Jun/2023	Apr to Jun/2022	Apr to Jun/2023	Apr to Jun/2022
FINANCE INCOME				
Income from cash investments	46,614	41,475	24,916	24,740
Arrears fees on sale of energy	2,969	2,534	2,610	1,793
Monetary updating	47,692	10,906	47,589	10,879
Monetary updating on escrow deposits	3,504	2,605	3,432	2,586
FX variation from loans	197,496	-	197,496	-
Gains on financial instruments – swap	-	54,620	-	54,620
Other finance income	16,774	3,407	16,193	2,409
Pasep and Cofins taxes on financial revenues	(4,662)	(2,255)	(4,284)	(1,976)
	310,387	113,292	287,952	95,051
DESPESAS FINANCEIRAS				
Costs of loans and debentures	(132,978)	(135,491)	(132,978)	(135,491)
Amortization of transaction cost	(956)	(604)	(956)	(604)
Monetary updating - Forluz	(1,398)	(3,674)	(1,398)	(3,674)
Inflation adjustment - Loans and debentures	(2,003)	-	(2,003)	-
Monetary updating	(2,600)	(6,424)	(286)	(1,479)
FX variation from loans and financings	-	(500,200)	-	(500,200)
Losses on financial instruments	(150,010)	-	(150,010)	-
Leasing - Monetary variation	(1,734)	(1,218)	(1,650)	(1,161)
Other finance expenses	(3,939)	(437)	(3,229)	(337)
	(295,618)	(648,048)	(292,510)	(642,946)
NET FINANCE EXPENSES	14,769	(534,756)	(4,558)	(547,895)

26. RELATED PARTY TRANSACTIONS

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

ENTITIES (1)	ASSETS		LIABILITIES		REVENUE		COSTS/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
Transactions in energy (2)								
Aliança Geração	-	-	5,985	7,201	417	319	(43,091)	(49,465)
Norte Energia	2,389	2,352	-	-	13,952	12,606	-	-
Paracambi	-	-	2,758	2,476	-	-	(14,436)	(18,304)
Hidrelétrica Pipoca	-	-	4,562	3,491	-	-	(27,524)	(24,863)
Taesa	-	24	1,368	1,335	146	133	(8,125)	(7,852)
Cemig Distribuição	25,361	27,733	1,062	2,790	163,877	138,723	(15,713)	(18,135)
Connection charges								
Cemig Distribuição (6)	13,964	11,049	-	-	48,933	38,926	-	-
Cooperation Working Agreement (5)								
Cemig Distribuição	352	2,565	-	-	134	431	-	-
Cemig	-	-	-	-	-	-	(2,101)	-
Provision of service (4)								
Aliança Geração	711	673	-	-	2,757	1,911	-	-
Taesa	210	125	-	-	748	567	-	-
Other assets								
FIP Melbourne (7)	240,860	160,644	-	-	-	-	-	-
Contingencies								
Aliança Geração (3)	-	-	56,822	54,905	-	-	(1,917)	(2,546)
Interest on Equity, and dividends								
Companhia Energética de Minas Gerais	-	-	942,479	1,406,958	-	-	-	-
Retiro Baixo	-	5,867	-	-	-	-	-	-
Baguari Energia	11,579	-	-	-	-	-	-	-
Hidrelétrica Pipoca	-	3,882	-	-	-	-	-	-
Hidrelétrica Cachoeirão	-	3,867	-	-	-	-	-	-
FIC Pampulha								
Current								
Cash and cash equivalents	314,479	227,884	-	-	-	-	-	-
Marketable securities	750,490	1,352,076	-	-	53,320	56,743	-	-
Non-current								
Marketable securities	2,521	5,105	-	-	-	-	-	-
Forluz								
Current								
Post-employment obligations (8)	-	-	48,124	44,936	-	-	(27,547)	(29,272)
Supplementary pension contributions - Defined contribution plan (9)	-	-	-	-	-	-	(10,540)	(10,369)
Administrative running costs (10)	-	-	-	-	-	-	(4,253)	(3,808)
Leasing (11)	-	-	5,418	5,418	-	-	(3,569)	(3,293)
Non-current								
Post-employment obligations (8)	-	-	415,549	424,124	-	-	-	-
Leasing (11)	37,994	38,838	38,152	38,323	-	-	-	-
Cemig Saúde								
Current								
Health Plan and Dental Plan (12)	-	-	47,412	46,243	-	-	(42,074)	(41,545)
Non-current								
Health Plan and Dental Plan (12)	-	-	665,561	681,143	-	-	-	-

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

- (1) The relationship between the Company and its investees are described in Note 12.
- (2) Transactions in energy between generators and distributors are made in auctions in the Regulated Market (ACR) organized by the federal government. The transactions in sale and purchase of energy between generators and distributors are made through auctions in the Regulated Market, organized by the federal government. In the Free Market they are carried out through auctions or by direct contracting, in accordance with applicable legislation. The transactions for transport of energy, are by transmission companies, arise from the centralized operation of the National Grid carried out by the National System Operator (ONS).
- (3) This refers to the aggregate amounts of legal actions realized and legal actions provisioned arising from the agreement made between Aliança Geração, Vale S.A. and Cemig. The action is provisioned in the amount of R\$143 million (R\$156 million at December 31, 2022), of which Cemig's portion is R\$55 million (R\$55 million on December 31, 2022).
- (4) Refers to a contract to provide plant operation and maintenance services.

- (5) An Administrative and Human Resources Sharing Agreement between Cemig, Cemig Distribuição, Cemig Geração e Transmissão and other subsidiaries of the Group, consented to by Aneel Dispatch 3,208/2016. This principally includes reimbursement of expenses related to sharing of infrastructure, personnel, transport, telecoms and IT;
- (6) This refers to the Contract for Connection of Distribution Facilities to the Transmission System (CCT);
- (7) In January 2021, a final arbitration award was issued in favor of FIP Melbourne, and in August 2022 an agreement was reached between the parties to close the dispute, with the establishment of an updated compensation amount of R\$200 million, settled on September 12, 2022 (see note 12);
- (8) The contracts of Forluz are updated by the Expanded Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*, or IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) plus interest of 6.00% p.a. and will be amortized until the business year of 2031 (more details in Note 20).
- (9) 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.
- (10) 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.
- (11) Rental of the Company's administrative head office, in effect until august 2024 (able to be extended every five years, until 2034, currently in final phase of renewal), with annual inflation adjustment by the IPCA index and price reviewed every 60 months in line with market prices. On September 20, 2022 the rental contract was adjusted upward by 8.72%, corresponding to accumulated IPCA inflation over the prior 12 months;
- (12) Post-employment obligations relating to the employees' health and dental plan (more details in Note 20).

Dividends receivables

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Sá Carvalho S.A.	-	-	31,614	691
Cemig Geração Três Marias S.A.	-	-	-	88,841
Cemig Geração Salto Grande S.A.	-	-	-	28,845
Cemig Geração Itutinga S.A.	-	-	21,423	-
Cemig Geração Camargos S.A.	-	-	21,180	-
Cemig Geração Sul S.A.	-	-	19,437	-
Cemig Geração Leste S.A.	-	-	18,804	-
Horizontes Energia S.A.	-	-	6,713	-
Cemig PCH S.A.	-	-	11,573	-
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	-	-	1,627	-
Cemig Trading S.A.	-	-	2,459	479
Aliança Geração de Energia S.A.	56,884	126,634	56,884	126,634
Rosal Energia S.A.	-	-	12,779	-
Central Eólica Praís de Parajuru S.A	-	-	8,307	-
Others (1)	11,580	13,616	11,580	13,616
	68,464	140,250	224,380	259,106

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

Cash investments in the *FIC Pampulha* investment fund

The invests part of its cash balance in a reserved (group) investment fund, which has the characteristics of fixed income and obeys the Company's cash investment policy. The amounts invested by the fund are reported as cash and cash equivalent or marketable securities line in current and non-current assets.

The funds were allocated 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 interim financial information of the first half of 2023 and 2022, are as follows:

	Jan to Jun/2023	Jan to Jun/2022
Remuneration	2,203	1,889
Profit shares	(18)	209
Private pension	269	217
Health and dental plans	13	17
Life insurance	3	4
Total (1)	2,470	2,336

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

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments classification and fair value

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

	Level	June 30, 2023		December 31, 2022	
		Book value	Fair value	Book value	Fair value
Financial assets					
Amortized cost					
Marketable securities		5,253	5,253	186,753	186,753
Customers and traders concession holders (transmission service)		676,463	676,463	1,095,412	1,095,412
Restricted cash		12,686	12,686	14,488	14,488
Escrow deposits		177,967	177,967	174,461	174,461
Concession grant fee - Generation concessions		3,017,041	3,017,041	2,950,415	2,950,415
Accounts receivable - FIP Melbourne		240,860	240,860	160,643	160,643
		4,130,270	4,130,270	4,582,172	4,582,172
Fair value through income or loss					
Cash equivalents - Investments		541,573	541,573	287,207	287,207
Marketable securities					
Bank certificates of deposit (CDBs)	1	41,534	41,534	148,466	148,466
Financial notes (LF's) - Banks	2	510,802	510,802	702,838	702,838
Treasury financial notes (LFT's)	1	188,566	188,566	311,663	311,663
Debentures	2	7,352	7,352	7,744	7,744
		1,289,827	1,289,827	1,457,918	1,457,918
Derivative financial instruments	3	339,382	339,382	702,734	702,734
Indemnifiable receivable - Generation	3	737,406	737,406	691,460	691,460
		1,076,788	1,076,788	1,394,194	1,394,194
		6,496,885	6,496,885	7,434,284	7,434,284
Financial Liabilities					
Amortized cost					
Loans and debentures		(4,672,506)	(4,672,506)	(4,959,066)	(4,959,066)
Debt with pension fund (Forluz)		(39,860)	(39,860)	(56,892)	(56,892)
Deficit of pension fund (Forluz)		(122,679)	(122,679)	(123,843)	(123,843)
Concessions payable		(27,887)	(27,887)	(27,291)	(27,291)
Suppliers		(381,013)	(381,013)	(503,110)	(503,110)
Leasing		(83,702)	(83,702)	(62,367)	(62,367)
		(5,327,647)	(5,327,647)	(5,732,569)	(5,732,569)
Fair value through income or loss					
Derivative financial instruments	3	(105,020)	(105,020)	(90,526)	(90,526)
Put Option (SAAG)	3	-	-	(672,416)	(672,416)
		(5,432,667)	(5,432,667)	(6,495,511)	(6,495,511)

Information about (i) classifications of financial instruments at fair value; (ii) methodology for calculation of fair value of positions; and (iii) derivative financial instruments can be found in Note 29 to the financial statements for the year ending December 31, 2022.

b) Financial instruments

Put SAAG option

Early liquidation of Funds, and early maturity of put option

The judgment of the arbitration tribunal was published on February 10, 2023, ordering Cemig GT to make full payment of the exercise price of the options contained in the contracts.

On May 8, 2023, a Transaction Agreement was signed between Cemig GT and the private pension funds ('the Funds') which participated in the investment structure of the Santo Antônio hydroelectric plant through SAAG (a structure comprising FIP Melbourne, Parma Participações S.A. and FIP Malbec – jointly, 'the Investment Structure').

The total value of the agreement was R\$780 million, which was settled by Cemig GT on May 12, 2023. An additional effect of R\$25 million, relating to the fair value of the liabilities up to the date of settlement, was posted in the second quarter of 2023.

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

	Consolidado e Controladora
Balance on December 31, 2022	672,416
Adjustment to fair value	57,801
Related assets (1)	50,131
Liquidation	(780,348)
Balance on June, 30, 2023	-

(1) With the acquisition of the share units then held by the Funds in the Investment Structure, Cemig GT became the holder of the related assets, which have aggregate value of approximately R\$50 million. This amount is recognized in Other assets in the Statement of financial position.

Swap transactions, currency options and NDF

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

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

The 6-monthly interest on the swap was settled in June 2023, resulting in a negative item of R\$67,840, and cash outflow of the same amount (this compares to a negative amount of R\$35,505 in the first half of 2022, with a net cash outflow of the same amount). Also in June 2023, a part of the hedge was undone, in the amount of US\$368,890, resulting in a gain of R\$282,951, and net cash inflow of R\$240,508.

Assets	Liability	Maturity	Trade market	Notional amount	Realized gain (loss) Jan to Jun, 2023	Realized gain (loss) Jan to Jun, 2023
US\$ Exchange variation + Rate (9.25% p.y.)	R\$149.99% of CDI	Interest: half-yearly Principal: De. 2024	Over the counter	US\$120,000	106,848	(19,362)
US\$ Exchange variation + Rate (9.25% p.y.)	R\$125.54% of CDI	Interest: half-yearly Principal: De. 2024	Over the counter	US\$261,110	108,264	(16,143)
					215,111	(35,505)

The Company contracted, on April 13, 2023 and June 14, 2023, a short-term hedge against variation in the US dollar exchange rate for a volume of US\$392 million, locking in the exchange rate at R\$5.1110/US\$. The instrument contracted was a non-deliverable forward (NDF), without physical delivery of currency, guaranteeing the Company a pre-agreed rate at the moment of maturity, on December 5, 2023.

The notional amount of derivative transactions are not presented in the statement of financial position, since they refer to transactions that do not require cash as only the gains or losses actually incurred are recorded. The net result of those transactions on June 30, 2023 was a negative adjustment of R\$162,735 (negative adjustment of R\$402,027 on June 30, 2022), which was posted in finance income (expenses).

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

This table presents the derivative instruments contracted by the Company as of June 30, 2023 and December 31, 2022:

Assets	Liability	Maturity period	Trade market	Notional amount (2)	Carrying amount on June 30, 2023	Fair value on June 30, 2023	Carrying amount on December 31, 2022	Fair value on December 31, 2022
US\$ exchange variation + Rate (9.25% p.y.) (1)	R\$ + 152.01% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US\$120,000	193,197	139,658	428,134	272.846
US\$ exchange variation + Rate (9.25% p.y.) (1)	R\$ + 125.52% of CDI	Interest: Half-yearly Principal: Dec, 2024	Over the counter	US\$261,110	260,415	170,631	568,487	339.362
US\$ exchange variation higher R\$5.1110	US\$ Exchange variation lower R\$5,1110	December 5, 2023	Balcão	US\$392,244	(114,470)	(75,927)	-	-
					339,142	234,362	996.621	612.208
Non-current assets						339,382		702.734
Current liabilities						(105,020)		(90.526)

- (1) For the US\$1 billion Eurobond issued on December 2017: (i) for the principal, a call spread was contracted, with floor at R\$3.25/US\$ and ceiling at R\$5.00/US\$; and (ii) a swap was contracted for the total interest, for a coupon of 9.25% p.a. at an average rate equivalent to 150.49% of the CDI. For the additional US\$500 issuance of the same Eurobond issued on July 2018 a call spread was contracted for the principal, with floor at R\$3.85/US\$ and ceiling at R\$5.00/US\$, and a swap was contracted for the interest, resulting in a coupon of 9.25% p.a., with an average rate equivalent to 125.52% of the CDI rate. The upper limit for the exchange rate in the hedge instrument contracted by the Company for the principal of the Eurobonds is R\$5.00/US\$. The instrument matures in December 2024. If the USD/BRL exchange rate is still over R\$5.00 in December 2024, the company will disburse, on that date, the difference between the upper limit of the protection range and the spot dollar on that date. The Company is monitoring the possible risks and impacts associated with the dollar being valued above R\$5.00 and assessing various strategies for mitigating the foreign exchange risk up to the maturity date of the transaction. The hedge instrument fully protects the payment of six-monthly interest, independently of the USD/BRL exchange rate. This does not, however, protect the amount of Income tax withheld at source (Imposto de Renda Retida na Fonte - IRRF) on the payment of interest.
- (2) In thousands of US\$.

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

The fair value on June 30, 2023 was R\$234,362 (R\$612,208 on December 31, 2022), which would be the reference if the Company would liquidate the financial instrument on June 30, 2023, but the swap contracts protect the Company's cash flow up to the maturity of the bonds in 2024 and they have carrying amount of R\$339,142 at June 30, 2023 (R\$996,621 on December 31, 2022).

The Company is exposed to market risk due to having contracted this hedge, the principal potential impact being a change in future interest rates and/or the future exchange rates. Based on the futures curves for interest rates and dollar, the Company prepare a sensitivity analysis and estimates that in a probable scenario, its results would be positively affected by the swap and call spread, on June 30, 2024, in the amount of R\$188,024. The fair value of the financial instrument was estimated in R\$422,386, with a positive amount of R\$430,442 refers to the option (call spread) and a negative amount of R\$8,056 refers to the swap.

Based on the base scenario observed at June 30, 2023, the Company measured the effects on its net income of the 'probable' and 'adverse' scenarios, in which the projections for interest rates and the US dollar exchange rate are high, simulating a scenario of economic stress.

The results are shown below:

Parent Company and Consolidated	Base scenario June 30, 2023	'Probable' scenario Selic 9.75% Dollar 5.06	'Adverse' scenario Selic 14.50% Dollar 6.00
Swap, asset	1,440,147	1,418,470	1,407,958
Swap, liability	(1,473,842)	(1,426,526)	(1,440,871)
Option / Call spread	343,985	430,442	479,954
NDF	(75,928)	-	-
Derivative hedge instrument	234,362	422,386	447,041

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

c) Financial risk management

Exchange rate risk

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

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

Exposure to exchange rates	Consolidated and Parent Company	
	Jun. 30, 2023	Dec. 31, 2022

	Foreign currency	R\$	Foreign currency	R\$
US dollar				
Loans (Note 18)	(761,824)	(3,671,382)	(761,824)	(3,974,971)
Net (liabilities) exposed		(3,671,382)		(3,974,971)

Sensitivity analysis

The Company estimates, based on finance information from its financial consultants, that in a probable scenario, on June 30, 2024 the exchange rates of foreign currencies in relation to the Real will be as follows: appreciation of the dollar exchange rate by 3.34%, to R\$4.98/US\$. The Company has made a sensitivity analysis of the effects on profit arising from depreciation of the Real exchange rate considering an adverse scenario.

Risk: Exposure to exchange rates	Jun. 30, 2023	Jun. 30, 2024	
	Book value	'Probable' scenario Dollar 4.98	'Adverse' scenario Dollar 5.99
US dollar			
Loans (Note 18)	(3,671,382)	(3,793,883)	(4,563,325)
Net liabilities exposed	(3,671,382)	(3,793,883)	(4,563,325)
Net effect of exchange rate variation		(122,501)	(891,943)

Interest rate risk

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

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

Exposure to Brazilian domestic interest rates	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Assets				
Cash equivalents (Note 4) - CDI rate	541,573	287,207	346,850	190,733
Securities (Note 5) - CDI and Selic rates	753,507	1,357,464	290,132	791,344
Indemnities receivable - Generation (Note 10.1)- CDI and Selic rates	737,406	691,460	737,406	691,460
Restricted cash - CDI	12,686	14,488	6,392	6,405
	2,045,172	2,350,619	1,380,780	1,679,942
Liabilities				
Loans and debentures - CDI (Note 18)	(704,327)	(703,185)	(704,327)	(703,185)
	(704,327)	(703,185)	(704,327)	(703,185)
Net assets exposed	1,340,845	1,647,434	676,453	976,757

Sensitivity analysis

The Company and its subsidiaries estimate that in a probable scenario, the Selic rate on June 30, 2024 will be 10.75%. The Company and its subsidiaries carried out a sensitivity analysis of the effects on results considering an adverse scenario. Variation in the CDI rate accompanies the variation in the Selic rate.

Risk: Reduction in Brazilian interest rates - Consolidated	Jun. 30, 2023	Jun. 30, 2024	
	Amount Book value	'Probable' scenario: Selic 10.75%	'Adverse' scenario Selic 8.25%
Assets			
Cash equivalents - Cash investments (Note 4)	541,573	599,792	586,253
Marketable securities (Note 5)	753,507	834,509	815,671
Indemnities receivable - Generation (Note 10.1)	737,406	816,677	798,242
Restricted cash	12,686	14,050	13,733
	2,045,172	2,265,028	2,213,899
Liabilities			
Loans and debentures - CDI (Note 18)	(704,327)	(780,042)	(762,434)
	(704,327)	(780,042)	(762,434)
Net assets	1,340,845	1,484,986	1,451,465
Net effect of variation in interest rates		144,141	110,620

Inflation risk

The Company and its subsidiaries are exposed to the risk of reduction 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 related to the contract are also adjusted using the IPCA and IGP-M index, mitigating part of the Company risk exposure.

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

Exposure to inflation	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Assets				
Generation - Concession grant fee - IPCA (Note 10)	3,017,041	2,950,415	2,244,681	-
Liabilities				
Loans and debentures - IPCA (Note 18)	(311,030)	(302,216)	(311,030)	(302,216)
Debt agreed with pension fund (Forluz) - (Note 20)	(39,860)	(56,892)	(39,860)	(56,892)
Solution for Forluz pension fund deficit (Note 20)	(122,679)	(123,843)	(122,679)	(123,843)
	(473,569)	(482,951)	(473,569)	(482,951)
Net assets (liabilities) exposed	2,543,472	2,467,464	1,771,112	(482,951)

Sensitivity analysis

The Company and its subsidiaries estimate that in a probable scenario, the IPCA inflation index on June 30, 2024 will be 4.52%. For the risk of reduction in inflation they have made a sensitivity analysis of the effects on profit arising from reductions in rates in an adverse scenario.

Risk: reduction in inflation Consolidated	Jun. 30, 2023	Jun. 30, 2024	
	Book value	'Probable' scenario: IPCA 4.52%	'Adverse' scenario IPCA 3.19%
Assets			
Generation - Concession Grant Fee - IPCA (Note 10)	3,017,041	3,153,411	3,113,285
Liabilities			
Loans and debentures - IPCA (Note 18)	(311,030)	(325,089)	(320,952)
Debt agreed with pension fund (Forluz) (Note 20)	(39,860)	(41,662)	(41,132)
Solution for Forluz pension fund deficit (Note 20)	(122,679)	(128,224)	(126,592)
	(473,569)	(494,975)	(488,676)
Net assets exposed	2,543,472	2,658,436	2,624,609
Net effect of variation in inflation		114,964	81,137

Liquidity risk

The information on how the Company manages liquidity risk is given in Note 29 to the financial statements for the year ended December 31, 2022.

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

Consolidated	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at (interest rates):						
Floating rates						
Loans and debentures	-	-	543,842	5,080,071	344,694	5,968,607
Onerous concessions	358	705	2,979	12,889	16,648	33,579
Debt agreed with pension fund (Forluz)	3,406	6,843	31,525	-	-	41,774
Solution for deficit of pension fund (Forluz)	1,512	3,033	13,955	81,157	82,698	182,355
	5,276	10,581	592,301	5,174,117	444,040	6,226,315
Fixed rate						
Suppliers	376,259	4,754	-	-	-	381,013
	381,535	15,335	592,301	5,174,117	444,040	6,607,328

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

Parent Company	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at (interest rates):						
Floating rates						
Loans and debentures	-	-	543,842	5,080,071	344,694	5,968,607
Onerous concessions	358	705	2,979	12,889	16,648	33,579
Debt agreed with pension fund (Forluz)	3,406	6,843	31,525	-	-	41,774
Solution for deficit of pension fund (Forluz)	1,512	3,033	13,955	81,157	82,698	182,355
	5,276	10,581	592,301	5,174,117	444,040	6,226,315
Fixed rate						
Suppliers	349,776	3,105	-	-	-	352,881
	355,052	13,686	592,301	5,174,117	444,040	6,579,196

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

Risk of debt early maturity

The Company has loans and debentures contracts with covenants relating to financial index of the Company and its parent company, and cross-default clauses. Non-compliance with these covenants could result in earlier maturity of debts. More details in Note 18.

Credit Risk and hydrological risk

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

d) Capital management

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

	Consolidated		Parent Company	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
Total liabilities	9,540,852	11,096,184	9,305,434	10,644,364
Cash and cash equivalents (Note 4)	(544,277)	(292,980)	(347,796)	(194,482)
Marketable securities (Note 5)	(750,986)	(1,352,359)	(289,162)	(788,368)
Net liabilities	8,245,589	9,450,845	8,668,476	9,661,514
Total equity	9,643,082	8,892,810	9,643,082	8,892,810
Net liabilities / equity	0.86	1.06	0.90	1.09

28. OPERATING SEGMENTS

The detailed information on the operational segments is given in Note 5 to the financial statements for the year ended December 31, 2022.

INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD FROM JANUARY TO JUNE, 2023								
ACCOUNT/DESCRIPTION	ENERGY			INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING					
NET REVENUE	1,276,674	538,124	2,229,790	-	4,044,588	(620,688)	(35,592)	3,388,308
COST OF ENERGY	23,309	(161)	(2,148,162)	-	(2,125,014)	620,688	10,858	(1,493,468)
OPERATING COSTS AND EXPENSES (3)								
Personnel	(73,856)	(65,868)	(14,503)	(11,765)	(165,992)	-	-	(165,992)
Employees' and managers' profit sharing	(8,058)	(7,623)	(1,653)	(1,405)	(18,739)	-	-	(18,739)
Post-employment obligations	(23,352)	(14,431)	(3,307)	(4,442)	(45,532)	-	-	(45,532)
Materials, outsourced services and other expenses (revenues)	(103,872)	(47,362)	(8,495)	23,431	(136,298)	-	25,060	(111,238)
Depreciation and amortization	(161,218)	(2)	(7)	-	(161,227)	-	-	(161,227)
Operating provisions (reversals)	(59,505)	(5,355)	143	(61,678)	(126,395)	-	-	(126,395)
Construction costs	-	(74,017)	-	-	(74,017)	-	-	(74,017)
Total cost of operation	(429,861)	(214,658)	(27,822)	(55,859)	(728,200)	-	25,060	(703,140)
OPERATING COSTS AND EXPENSES	(406,552)	(214,819)	(2,175,984)	(55,859)	(2,853,214)	620,688	35,918	(2,196,608)
Equity in earnings of unconsolidated investees, net	326	-	-	95,038	95,364	-	(326)	95,038
OPERATING RESULT BEFORE FINANCE AND TAX RESULT	870,448	323,305	53,806	39,179	1,286,738	-	-	1,286,738
Finance income and expenses, net	22,572	(2,509)	44,192	(43,674)	20,581	-	-	20,581
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	893,020	320,796	97,998	(4,495)	1,307,319	-	-	1,307,319
Income tax and social contribution tax	(180,922)	(69,540)	(33,022)	45,154	(238,330)	-	-	(238,330)
NET INCOME FOR THE PERIOD	712,098	251,256	64,976	40,659	1,068,989	-	-	1,068,989

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

INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD FROM JANUARY TO JUNE, 2022								
ACCOUNT/DESCRIPTION	ENERGY			INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING					
NET REVENUE	1,428,248	643,000	2,954,851	-	5,026,099	(823,731)	(28,491)	4,173,877
COST OF ENERGY	(133,638)	(70)	(2,650,329)	-	(2,784,037)	823,731	2,272	(1,958,034)
OPERATING COSTS AND EXPENSES (3)								
Personnel	(70,854)	(65,685)	(12,221)	(23,961)	(172,721)	-	-	(172,721)
Employees' and managers' profit sharing	(7,859)	(7,991)	(1,471)	(2,681)	(20,002)	-	-	(20,002)
Post-employment obligations	(32,438)	(20,371)	(4,650)	(6,507)	(63,966)	-	-	(63,966)
Materials, outsourced services and others expenses (revenues)	(178,978)	(120,184)	(5,783)	(14,258)	(319,203)	-	26,219	(292,984)
Depreciation and amortization	(164,176)	(2)	(6)	-	(164,184)	-	-	(164,184)
Operating provisions (reversals)	(15,334)	(8,365)	(3,672)	20,413	(6,958)	-	-	(6,958)
Construction costs	-	(125,886)	-	-	(125,886)	-	-	(125,886)
Total cost of operation	(469,639)	(348,484)	(27,803)	(26,994)	(872,920)	-	26,219	(846,701)
OPERATING COSTS AND EXPENSES	(603,277)	(348,554)	(2,678,132)	(26,994)	(3,656,957)	823,731	28,491	(2,804,735)
Equity in earnings of unconsolidated investees, net	70,981	-	-	203,039	274,020	-	-	274,020
OPERATING INCOME BEFORE FINANCE INCOME (EXPENSES)	895,952	294,446	276,719	176,045	1,643,162	-	-	1,643,162
Finance income	(78,347)	(51,234)	14,785	(123,079)	(237,875)	-	-	(237,875)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	817,605	243,212	291,504	52,966	1,405,287	-	-	1,405,287
Income tax and social contribution tax	(200,677)	(63,318)	(95,335)	357,447	(1,883)	-	-	(1,883)
NET INCOME (LOSS) FOR THE YEAR	616,928	179,894	196,169	410,413	1,403,404	-	-	1,403,404

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

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

29. ASSETS CLASSIFIED AS HELD FOR SALE

	Consolidated	Parent Company
Jointly controlled entities Retiro Baixo	190,547	190,547
Jointly controlled entities Baguari Energia	159,878	159,878
Plants of the wholly-owned subsidiary Horizontes	11,998	-
	362,423	350,425

Process of sale of 15 PCHs/CGHs

On March 17, 2023 the invitation and tender were published for a public auction to sell 15 small hydroelectric generation plants and units (PCHs and CGHs), 12 owned by Cemig GT and 3 by its wholly-owned subsidiary Horizontes. The minimum price for the single lot of these assets is R\$ 48,185. The auction is scheduled for August 10, 2023.

Generation plant	Ledger	Beginning of the operation	Installed capacity (MW)	Physical guarantee (MWh)	Commercial Operation Status	Site
Cemig GT						
CGH Bom Jesus do Galho	Registry	1931	0.36	0.13	Out of operation	Minas Gerais
CGH Xicão	Registry	1942	1.81	0.61	In operation	Minas Gerais
CGH Sumidouro	Registry	1954	2.12	0.53	In operation	Minas Gerais
PCH São Bernardo	Concession	1948	6.82	3.42	In operation	Minas Gerais
CGH Santa Marta	Registry	1944	1.00	0.58	In operation	Minas Gerais
CGH Santa Luzia	Registry	1958	0.70	N/A	In operation	Minas Gerais
				Geração: 0.28		
CGH Salto Morais	Registry	1957	2.39	0.60	In operation	Minas Gerais
PCH Rio de Pedras	Concession	1928	9.28	2.15	In operation	Minas Gerais
CGH Pissarrão	Registry	1925	0.80	0.55	In operation	Minas Gerais
CGH Lages	Registry	1955	0.68	N/A	In operation	Minas Gerais
				Geração: 0.32		
CGH Jacutinga	Registry	1948	0.72	0.57	In operation	Minas Gerais
CGH Anil	Registry	1964	2.06	1.10	In operation	Minas Gerais
Horizontes						
CGH Salto do Paraopeba	Authorization	1955	2.46	2.21	Out of operation	Minas Gerais
CGH Salto Passo Velho	Authorization	2001	1.80	1.64	In operation	Santa Catarina
PCH Salto Voltão	Authorization	2001	8.20	7.36	In operation	Santa Catarina
Total			41.20	22.05		

(1) Information not revised by the independent auditors.

This disposal aims to comply with the directives of the Company's strategic planning, in optimizing its portfolio of assets, seeking to improve operational efficiency and allocation of capital.

Thus, in March 2023 the assets were transferred to Current assets held for sale, in accordance with the terms of CPC 31 / IFRS 5, as follows:

Plant	Net book value Fixed assets and Intangible assets	Assets held for sale
Cemig GT	46,126	-
CGH Bom Jesus do Galho	110	-
CGH Xicão	8,188	-
CGH Sumidouro	1,906	-
PCH São Bernardo	6,367	-
CGH Santa Marta	249	-
CGH Santa Luzia	995	-
CGH Salto Morais	798	-
PCH Rio de Pedras	21,943	-
CGH Pissarrão	1,423	-
CGH Lages	948	-
CGH Jacutinga	1,485	-
CGH Anil	1,713	-
Horizontes	7,212	7,212
CGH Salto do Paraopeba	-	-
CGH Salto Passo Velho	2,479	2,479
PCH Salto Voltão	4,733	4,733
Total	53,338	7,212

The Company evaluated the recoverable value of its assets immediately before classifying them as assets held for sale and recognized in income a provision for impairment, in the amount of R\$46,126. The estimated value in use was determined using the shareholder's cash flow discounted by the IPCA + a rate that varies between 5% and 10%. The projection horizon considers the contract terms of each of the plants.

Subsequently, the assets were classified as held for sale, having been measured at the lower of the book value and fair value less selling expenses, with the balance of the asset held for sale amounting to R\$7,212, pursuant to item 15 of CPC 31, with no effects recognized in income. Additionally: the total of Assets held for sale was increased by R\$4,786 in the second quarter of 2023, corresponding to works in progress on modernization of the Salto Voltão Small Hydro Plant.

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

The Company continues to operate in the power generation business.

Signature of share purchase agreement for disposal of Retiro Baixo and Baguari Energia by Cemig GT

Operation one

Share purchase agreements were signed on April 14, 2023 for sale to Furnas Centrais Elétricas of the Company's entire stockholding interests in the jointly-controlled subsidiaries Retiro Baixo and Baguari Energia, as follows:

- (i) for R\$200.4 million, the 49.9% equity interest held by the Company in Retiro Baixo, which operates the Retiro Baixo Hydroelectric Plant, in Minas Gerais, with installed capacity of 81.1 MW, and assured energy (physical offtake guarantee) of 34.8 MW.
- (ii) for R\$393 million, the Company's indirectly held interest of 34% in the Baguari Consortium, which operates the UHE Baguari hydroelectric plant, in Minas Gerais, with installed generation capacity of 140 MW and assured energy (physical offtake guarantee) of 81.9 MW, representing 69.39% of the share capital of Baguari Energia.

The figures will be updated by 100% of the CDI rate, from the base date of December 31, 2022, up to the date of payment at closing of the transactions.

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

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

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

Transaction 2

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

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

With the conclusion of Transaction 1, Cemig GT will no longer hold any equity in Baguari Energia and thus have no participation in the Consórcio UHE Baguari. If Transaction 2 is concluded before Transaction 1, Cemig GT will participate in the increase in the capital of Baguari Energia, in proportion to its equity interest, for acquisition of 100% of Baguari I; and at the end of the two transactions Cemig GT will sell its entire interest in the Baguari Consortium to Furnas.

Any additional amount relating to full subscription of the equity stake, if applicable, shall be adjusted by 100% of the CDI rate, from the date of formalization of subscription of the equity interest up to the date of its actual payment.

Completion of these transactions is subject to compliance with certain conditions precedent that are usual in this type of transaction.

30. PARLIAMENTARY COMMITTEE OF INQUIRY ('CPI')

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

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

As to the processes of contracting, the Company carries out regular audits, and no material impacts have been identified in the interim accounting information for the first half of 2023, nor in the financial statements of prior periods.

FINANCIAL RESULTS

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

Net income for the period

For 2Q23, the Company reports a net income of R\$459,486 which compares with its net income of R\$589,890 in 2Q22, an reduction of 22.11%

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

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

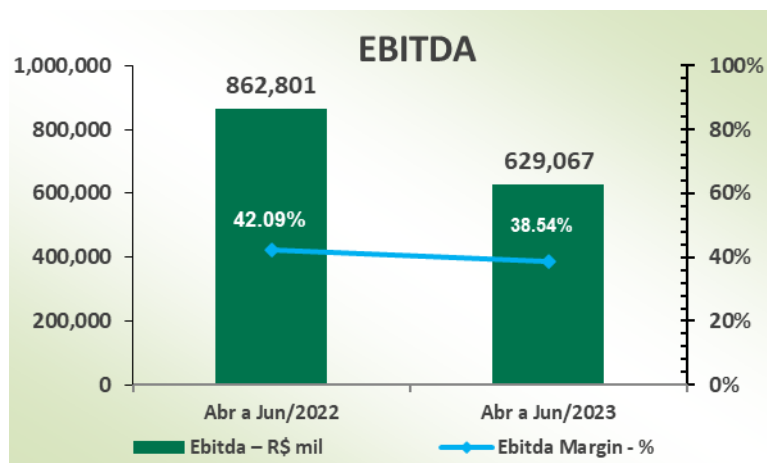
The consolidated Ebitda, measured according to CVM Instruction n. 156/2022, decreased in 27.09% in 2Q23, compared to 2Q22. The Ebitda margin decreased from 42.09% in 2Q22 to 38.54% for 2Q23.

More details on the specific items of this Comment.

Ebitda 2Q23 - R\$'000	Generation	Transmission	Trading	Investee	Total
Net income for the period	363,181	97,811	9,384	(10,890)	459,486
+ Current and deferred income tax and social contribution tax	79,932	34,400	16,052	(26,115)	104,269
+/- Net financial revenue (expenses)	(10,055)	1,632	(28,664)	22,318	(14,769)
+ Depreciation and amortization	80,078	-	3	-	80,081
= Ebitda according to "CVM Instruction n. 156" (1)	513,136	133,843	(3,225)	(14,687)	629,067

Ebitda 2Q22 - R\$'000	Generation	Transmission	Trading	Investee	Total
Net income for the period	149,362	5,981	51,735	382,812	589,890
+ Current and deferred income tax and social contribution tax	32,705	(18,740)	16,453	(374,570)	(344,152)
+/- Net financial revenue (expenses)	200,087	122,725	(4,441)	216,385	534,756
+ Depreciation and amortization	82,303	1	3	-	82,307
= Ebitda according to "CVM Instruction n. 156" (1)	464,457	109,967	63,750	224,627	862,801
Non-recurring and non-cash effects					
- Gains arising from the sale of investment	-	-	-	(60,000)	(60,000)
+ Adjustment to fair value of financial asset	171,770	-	-	-	171,770
- Reversal of provision for loss - MESA	-	-	-	(170,916)	(170,916)
= Ebitda Adjusted (2)	636,227	109,967	63,750	(6,289)	803,655

- (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 of June 23, 2022. It comprises Net income adjusted by the effects of net financial revenue (expenses), Depreciation and amortization, and Income and Social Contribution taxes. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it does not have a standard meaning; and it may be non-comparable with measures with similar titles provided by other companies. The Company publishes Ebitda because it uses it to measure its own performance. Ebitda should not be considered in isolation or as a substitution for net income or operational profit, nor as an indicator of operational performance or cash flow, nor to measure liquidity nor the capacity for payment of debt.
- (2) In accordance with CVM Instruction 156/2022, the Company adjusts Ebitda to exclude items which by their nature do not contribute to information on the potential for gross cash flow generation, since they are extraordinary items.



Operational revenue

Revenue from supply of energy

Revenue from supply of electricity was 18.88% lower, at R\$1,529,092 in 2Q23, compared to R\$1,884,936 in 2Q22. This difference is mainly a reflection of continuing transfers of the Cemig Group's activity in Trading from Cemig GT to the Cemig holding.

	Apr. to Jun., 2023			Apr. to Jun., 2022		
	MWh	R\$	Average price/MWh billed - R\$/MWh ¹	MWh	R\$	Average price/MWh billed - R\$/MWh
Industrial	5,606,741	1,682,841	300.15	7,434,741	2,114,577	284.42
Commercial	1,965,997	508,664	258.73	2,122,937	538,940	253.87
Rural	7,631	2,262	296.42	8,423	2,427	288.14
Subtotal	7,580,369	2,193,767	289.40	9,566,101	2,655,944	277.64
Net unbilled retail supply	-	(80,927)	-	-	79,818	-
	7,580,369	2,112,840	289.40	9,566,101	2,735,762	277.64
Wholesale supply to other concession holders (2)	7,126,188	1,039,496	145.87	4,964,201	1,188,628	239.44
Wholesale supply unbilled, net	-	(42,384)	-	-	(21,939)	-
	14,706,557	3,109,952	219.85	14,530,302	3,902,451	264.59

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

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

(3) Information not reviewed by the independent auditors.

Transmission concession revenue

The main variations in revenue are presented below:

- This infrastructure operation and maintenance revenue was R\$182,320 in 2Q23, compared to R\$197,395 in 2Q22, 7.64% lower.
- The revenues posted for construction, strengthening and enhancement of infrastructure totaled R\$67,798 in 2Q23, compared to R\$100,873 in 2Q22, 32.79% lower. This difference reflects expectation for the projects that are in the final phase of execution, resulting in lower amounts of investment in 2Q23 than in 2Q22. Also, the new projects are at the initial phase, with disbursements associated with the planning and decision phases, which have lower costs.

- Revenues from financial remuneration of transmission contract assets were 48.59% lower, at R\$105,185 in 2Q23, compared to R\$204,602 in 2Q22. This variation mainly reflects the lower value of the IPCA inflation index - the indexor used for remuneration of the contract - which was 0,76% in 2Q23, compared to 2.22% in 2Q22.

More details in Note 11.

Taxes and regulatory charges reported as deductions from revenue

Taxes and charges applied to operating revenue in 2Q23 were R\$406,355, compared to R\$537,165 in 2Q22. This variation is mainly associated with the taxes calculated as a percentage of sales revenue. Hence, their variations are substantially proportional to the changes in revenue.

Operating costs and expenses

Operating costs and expenses in 2Q23 totaled R\$1,108,814, compared to R\$1,187,159 in 2Q22. The following paragraphs outline the main variations in operating costs and expenses:

Energy purchased for resale

The expense on energy purchased for resale in 2Q23 was R\$683,877, or 26.77% less than the figure of R\$933,891 for this account in 2Q22. This is due to (i) costs of energy acquired in the Free Market 28.85% lower, at R\$719,760 in 2Q23, compared to R\$1,011,604 in 2Q22, and (ii), principally, transfer of the Trading activities of the Cemig Group from Cemig GT to the Cemig holding.

Construction cost

The cost of construction in 2Q23 was R\$47,184, compared to R\$75,190 in 2Q22, or 37.25% lower. The difference reflects the estimate for the projects that are in final phase of execution, resulting in lower amounts invested in 2Q23 than in 2Q22. Further, the new projects are at the initial phase, with disbursements associated with the stages of planning and decision, which have lower costs.

Outsourced services

The expense with third-party services was R\$64,406 in the first quarter of 2023, compared to R\$50,433 in the first quarter of 2022, representing an increase of 27.71%, mainly due to the following factors:

- Expenses on maintenance and conservation of facilities and equipment were 33.85% higher, at R\$21,802 in 2Q23, compared to R\$14,284 in 2Q22; and
- Expenses on the environment were 8.73% higher – at R\$5,623 in 2Q23, vs. R\$3,287 in 2Q22.

Operating provisions

Operational provisions in 2Q23 were an expense of R\$38,214, compared to a reversal in 2Q22 of R\$35,681. This variation is mainly due to the recognition, in the second quarter of 2022, of the reversal of an expected loss with a related party, in the amount of R\$53,356, due to the sale of the equity interest held by the Company in Renova, as well as the onerous assignment of all of its credits in the face of this investee.

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

Net gains on equity interests in non-consolidated investees in 2Q23 were R\$25,532, 88,28% higher than in 2Q22 (R\$217,940). This primarily reflects reversal of the provision of R\$170,916, referring to the obligations assumed by the Company in favor of the investee Madeira Energia S.A. (Santo Antônio plant) under support and guarantee agreements.

Note 12 gives the breakdown of equity method gains/losses, by investee.

Net Financial Result

The Company reports net financial revenue of R\$14,769 in 2Q23, compared to net financial revenue of R\$534,756 in 2Q22. This variation is mainly due to the following factors:

- Depreciation of the dollar against the Real in 2Q23 of 7,64%, compared to depreciation, of 10.56%, in 2Q22 - generating a posting of revenues of R\$197,496 in 2Q23 vs. revenues of R\$500,200, in 2Q22; and
- The fair value of the financial instrument contracted to hedge the risks connected with the Eurobonds resulted in a negative item of R\$150,010 in 2Q23, compared with a negative item of R\$54,620 in 2Q22, arising basically from a rise in the yield curve related to expectation of increase in the US\$/R\$ exchange rate.

For a breakdown of financial income/expenses see Note 25.

Income tax and social contribution tax

For 2Q23, the expense on income tax and social contribution tax was R\$104,269, on pre-tax gain of R\$563,755 - an effective rate of 18.5%. For 2Q22, the revenue on income tax and social contribution tax was R\$344,152, or an effective rate of (140.05)% on the pre-tax gain of R\$254,738.

These effective rates are reconciled with the nominal rates in Note 8d.

Reynaldo Passanezi Filho
Chief Executive Officer

Dimas Costa
Chief Trading Officer

Leonardo George de Magalhães
Chief Finance and Investor Relations
Officer

Paulo Mota Henriques
Chief Generation and Transmission
Officer

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

Marney Tadeu Antunes
Interim Director without portfolio

Mário Lúcio Braga
Controller
CRC-MG-47,822

José Guilherme Grigolli Martins
Accounting Manager
Accountant - CRC-1SP/242451-04



KPMG Auditores Independentes Ltda.
Rua Paraíba, 550 - 12º andar - Bairro Funcionários
30130-141 - Belo Horizonte/MG - Brasil
Caixa Postal 3310 - CEP 30130-970 - Belo Horizonte/MG - Brasil
Telephone +55 (31) 2128-5700
kpmg.com.br

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

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

Introduction

We have reviewed the individual and consolidated interim financial information of Cemig Geração e Transmissão S.A. (“the Company”), included in the Quarterly Information Form (ITR), for the quarter ended 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 individual and consolidated interim financial information in accordance with CPC 21(R1) and International Standard IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board – (IASB), and for presentation of these interim financial information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of review

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



Conclusion on the individual and consolidated interim financial information

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

Emphasis of matter

Risks related to compliance with laws and regulations

As mentioned in notes 12 and 30 to the individual and consolidated interim financial information, there are investigations being conducted by public authorities regarding the Company, its subsidiary and investee Norte Energia S.A., which involve the investee and their executives and other shareholders of this investee. 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 individual and consolidated 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 individual and consolidated 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 Portuguese¹

Thiago Rodrigues de Oliveira

Contador CRC 1SP259468/O-7

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