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STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2022 AND DECEMBER 31, 2021
ASSETS
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
CURRENT					
Cash and cash equivalents	5	1,409,372	825,208	124,386	26,692
Marketable securities	6	975,334	1,724,088	293,237	431,222
Receivables from customers, traders and concession holders	7	4,796,738	4,429,883	151,108	157,368
Concession financial assets	13	1,340,337	1,504,666	-	-
Concession contract assets	14	638,210	599,692	-	-
Recoverable taxes	8	1,901,020	1,968,979	1,108	1,088
Income tax and social contribution tax credits	9a	465,150	698,914	-	-
Dividends receivables	15	230,240	335,189	1,964,223	1,820,578
Public lighting contribution		247,276	233,309	-	-
Reimbursement of tariff subsidies - payments	12	101,961	291,896	-	-
Other		428,120	337,326	12,915	9,547
TOTAL CURRENT		**12,533,758**	**12,949,150**	**2,546,977**	**2,446,495**
NON-CURRENT					
Marketable securities	6	190,527	353,730	57,372	88,383
Receivables from customers, traders and concession holders	7	49,760	51,540	1,238	-
Recoverable taxes	8	1,735,313	1,997,285	506,606	502,452
Income tax and social contribution tax recoverable	9a	327,478	315,405	256,653	245,850
Deferred income tax and social contribution tax	9c	2,524,598	2,464,734	835,159	802,270
Escrow deposits	11	1,195,649	1,155,169	309,949	307,651
Derivative financial instruments	30a	866,223	1,219,176	-	-
Accounts receivable from the State of Minas Gerais	10	13,366	13,366	13,366	13,366
Concession financial assets	13	4,591,689	4,969,400	-	-
Concession contract assets	14	5,949,114	5,780,316	-	-
Investments – Equity method	15	5,404,409	5,105,926	19,431,081	18,183,135
Property, plant and equipment	16	2,389,491	2,419,269	1,325	1,411
Intangible assets	17	13,011,817	12,953,317	1,121	1,380
Leasing – right of use assets	18a	211,215	225,593	2,029	2,050
Other		72,985	72,432	160,260	25,011
TOTAL NON-CURRENT		**38,533,634**	**39,096,658**	**21,576,159**	**20,172,959**
TOTAL ASSETS		**51,067,392**	**52,045,808**	**24,123,136**	**22,619,454**

The condensed explanatory notes are an integral part of the interim financial information.

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STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2022 AND DECEMBER 31, 2021
LIABILITIES
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
CURRENT					
Suppliers	19	2,242,655	2,683,343	83,953	64,682
Regulatory charges	22	491,293	610,695	-	-
Profit sharing		176,329	136,580	14,882	11,126
Taxes payable	20	466,486	528,096	42,985	132,764
Income tax and social contribution tax	9b	184,834	190,002	112,348	-
Interest on equity and dividends payable		2,130,995	1,909,050	2,129,053	1,911,250
Loans, financing and debentures	21	1,121,332	1,465,133	53,830	52,430
Payroll and related charges		207,030	225,189	11,412	12,596
Public lighting contribution		376,412	357,105		-
Post-employment obligations	23	352,358	346,733	27,348	26,917
Sector financial liabilities	13	1,466	51,359	-	-
PIS/Pasep and Cofins taxes to be refunded to customers	20	267,307	704,025	-	-
Derivative financial instruments - Swaps	30b	109,824	6,130	-	-
Put option – SAAG	30b	663,719	636,292	-	-
Lease liabilities	18b	50,599	61,586	277	277
Other		810,231	776,275	12,300	8,288
TOTAL CURRENT		**9,652,870**	**10,687,593**	**2,488,388**	**2,220,330**
NON-CURRENT					
Regulatory charges	22	84,310	204,623	4,624	4,624
Loans, financing and debentures	21	8,728,364	9,898,830	-	-
Taxes payable	20	350,819	341,689	-	-
Deferred income tax and social contribution tax	9c	941,956	962,255	-	-
Provisions	24	1,937,588	1,888,972	248,939	236,995
Post-employment obligations	23	5,908,924	5,857,941	710,251	697,149
PIS/Pasep and Cofins taxes to be refunded to customers	20	2,366,849	2,318,910	-	-
Lease liabilities	18b	180,596	182,437	1,971	1,975
Other		242,488	240,793	1,970	1,970
TOTAL NON-CURRENT		**20,741,894**	**21,896,450**	**967,755**	**942,713**
TOTAL LIABILITIES		**30,394,764**	**32,584,043**	**3,456,143**	**3,163,043**
EQUITY	25				
Share capital		8,466,810	8,466,810	8,466,810	8,466,810
Capital reserves		2,249,721	2,249,721	2,249,721	2,249,721
Profit reserves		10,948,094	10,948,094	10,948,094	10,948,094
Valuation adjustments		(2,211,204)	(2,208,214)	(2,211,204)	(2,208,214)
Retained earnings		1,213,572	-	1,213,572	-
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**20,666,993**	**19,456,411**	**20,666,993**	**19,456,411**
NON-CONTROLLING INTERESTS		**5,635**	**5,354**	**-**	**-**
TOTAL EQUITY		**20,672,628**	**19,461,765**	**20,666,993**	**19,456,411**
TOTAL LIABILITIES AND EQUITY		**51,067,392**	**52,045,808**	**24,123,136**	**22,619,454**

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STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of Brazilian Reais, except earnings per share)

	Note	Consolidated		Parent company	
		Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
NET REVENUE	26	**7,847,448**	**7,110,741**	**286,555**	**83**
OPERATING COSTS					
COST OF ENERGY AND GAS	27				
Energy purchased for resale		(3,103,382)	(3,108,114)	(238,162)	-
Charges for use of the national grid		(868,532)	(746,312)	-	-
Gas purchased for resale		(563,781)	(387,525)	-	-
		(4,535,695)	**(4,241,951)**	**(238,162)**	**-**
OTHER COSTS	27				
Personnel		(215,344)	(222,210)	-	-
Materials		(10,969)	(12,073)	-	-
Outsourced services		(278,201)	(269,029)	-	-
Depreciation and amortization		(257,482)	(214,379)	-	-
Operating provisions, net		(76,317)	4,982	-	-
Infrastructure construction cost		(491,262)	(348,375)	-	-
Others		(13,967)	(24,882)	-	-
		(1,343,542)	**(1,085,966)**	**-**	**-**
TOTAL COST		**(5,879,237)**	**(5,327,917)**	**(238,162)**	**-**
GROSS PROFIT		**1,968,211**	**1,782,824**	**48,393**	**83**
OPERATING EXPENSES	27				
Selling expenses		(43,092)	(43,153)	-	-
General and administrative expenses		(227,718)	(205,265)	(10,843)	(19,929)
Operating provisions		(43,921)	13,967	(14,783)	(10,200)
Other operating expenses, net		(205,004)	(174,528)	(17,798)	(10,991)
		(519,735)	**(408,979)**	**(43,424)**	**(41,120)**
Periodic tariff review, net		-	5,816	-	-
Gain from the sale of non-current asset held for sale, net	32	-	108,550	-	108,550
Share of profit, net, of affiliates, affiliate and jointly controlled entities	15	184,428	118,687	1,404,117	273,512
Operating income before financial revenue (expenses) and taxes		**1,632,904**	**1,606,898**	**1,409,086**	**341,025**
Finance income	28	1,109,025	154,415	15,409	3,250
Finance expenses	28	(794,862)	(1,419,635)	(2,195)	(1,815)
Income before income tax and social contribution tax		**1,947,067**	**341,678**	**1,422,300**	**342,460**
Current income tax and social contribution tax	9d	(573,914)	(263,706)	-	-
Deferred income tax and social contribution tax	9d	82,418	344,379	32,889	79,572
NET INCOME FOR THE PERIOD		**1,455,571**	**422,351**	**1,455,189**	**422,032**
Total of net income for the period attributed to:					
Equity holders of the parent		1,455,189	422,032	1,455,189	422,032
Non-controlling interests		382	319	-	-
		1,455,571	**422,351**	**1,455,189**	**422,032**
Basic and diluted earnings per preferred share – R$	25	**0.66**	**0.20**	**0.66**	**0.20**
Basic and diluted earnings per common share – R$	25	**0.66**	**0.20**	**0.66**	**0.20**

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STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of Brazilian Reais)

	Consolidated		Parent company	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
NET INCOME FOR THE PERIOD	**1,455,571**	**422,351**	**1,455,189**	**422,032**
OTHER COMPREHENSIVE INCOME				
Items not to be reclassified to profit or loss in subsequent periods				
Others comprehensive income	393	169	393	169
	393	**169**	**393**	**169**
COMPREHENSIVE INCOME FOR THE PERIOD	**1,455,964**	**422,520**	**1,455,582**	**422,201**
Total of comprehensive income for the period attributed to:				
Equity holders of the parent	1,455,582	422,201	1,455,582	422,201
Non-controlling interests	382	319	-	-
	1,455,964	**422,520**	**1,455,582**	**422,201**

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STATEMENTS OF CHANGES IN CONSOLIDATED EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of Brazilian Reais, except where otherwise indicated)

	Share capital	Capital reserves	Profit reserves	Valuation adjustments	Retained earnings	Total	Non-controlling interests	Total Equity
AS OF DECEMBER 31, 2021	**8,466,810**	**2,249,721**	**10,948,094**	**(2,208,214)**	**-**	**19,456,411**	**5,354**	**19,461,765**
Net income for the period	-	-	-	-	1,455,189	1,455,189	382	1,455,571
Other comprehensive income	-	-	-	393	-	393	-	393
Realization of PP&E deemed cost	-	-	-	(3,383)	3,383	-	-	-
Interest on equity	-	-	-	-	(245,000)	(245,000)	-	(245,000)
Non-controlling interests	-	-	-	-	-	-	(101)	(101)
AS OF MARCH 31, 2022	**8,466,810**	**2,249,721**	**10,948,094**	**(2,211,204)**	**1,213,572**	**20,666,993**	**5,635**	**20,672,628**

	Share capital	Capital reserves	Profit reserves	Valuation adjustments	Retained earnings	Total	Non-controlling interests	Total Equity
AS OF DECEMBER 31, 2020	**7,593,763**	**2,249,721**	**10,060,605**	**(2,431,423)**	**-**	**17,472,666**	**4,682**	**17,477,348**
Net income for the period	-	-	-	-	422,032	422,032	319	422,351
Other comprehensive income	-	-	-	169	-	169	-	169
Realization of PP&E deemed cost	-	-	-	(4,153)	4,153	-	-	-
Non-controlling interests	-	-	-	-	-	-	(41)	(41)
AS OF MARCH 31, 2021	**7,593,763**	**2,249,721**	**10,060,605**	**(2,435,407)**	**426,185**	**17,894,867**	**4,960**	**17,899,827**

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STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of Brazilian Reais)

	Note	Consolidated		Parent company	
		Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
CASH FLOW FROM OPERATIONS					
Net income for the period		1,455,571	422,351	1,455,189	422,032
Expenses (revenues) not affecting cash and cash equivalents:					
Deferred income tax and social contribution tax	9d	(82,418)	(344,379)	(32,889)	(79,572)
Depreciation and amortization	27	283,909	238,431	394	451
Loss on write-off of net residual value of unrecoverable concession financial assets, concessional contract asset, PP&E and Intangible assets	13, 14, 16 and 17	7,944	14,444	-	-
Share of loss, net, of affiliates and jointly controlled entities	15	(184,428)	(118,687)	(1,404,117)	(273,512)
Remeasuring of concession financial and concession contract assets	13 and 26	(360,971)	(296,107)	-	-
Periodic tariff review adjustments		-	(6,036)	-	-
Interest and monetary variation		226,861	419,438	(5,596)	(1,470)
Exchange variation on loans, financing and debentures	21	(842,700)	751,781	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers – realization	26	(436,718)	(178,373)	-	-
Gain from the sale of non-current asset held for sale	32	-	(108,550)	-	(108,550)
Transaction costs	21	1,600	4,137	-	55
Provisions for operating losses	27c	163,330	24,204	14,783	10,200
Net gain on derivative instruments at fair value through profit or loss	30	456,647	187,348	-	-
CVA (Parcel A items Compensation) Account and Other financial components in tariff adjustments	13	700,107	(338,907)	-	-
Post-employment obligations	23	167,520	125,059	19,353	12,998
Other		(7,009)	5,218	-	-
		1,549,245	**801,372**	**47,117**	**(17,368)**
Increase (decrease) in assets					
Receivables from customers, traders and concession holders		(408,167)	39,436	5,022	-
Recoverable taxes		259,715	75,368	(20)	2,889
Income tax and social contribution tax credits		(148,888)	3,450	121,126	86,668
Escrow deposits		(25,595)	(48,164)	609	(1,405)
Dividends received from investees	15	-	970	351	-
Contract assets and concession financial assets	13 and 14	155,765	220,540	-	-
Other		94,210	(10,850)	(138,409)	3,049
		(72,960)	**280,750**	**(11,321)**	**91,201**
Increase (decrease) in liabilities					
Suppliers		(440,688)	(401,546)	19,271	(433)
Taxes payable		171,815	235,181	(112,931)	(78,829)
Income tax and social contribution tax payable		568,746	200,177	-	-
Payroll and related charges		(18,159)	(22,307)	(1,184)	(1,342)
Regulatory charges		(239,715)	(22,769)	-	-
Post-employment obligations	23	(110,912)	(99,583)	(5,820)	(5,274)
PIS/Pasep and Cofins taxes to be refunded to customers		(274,135)	-	-	
Other		42,742	(20,287)	680	(1,999)
		(300,306)	**(131,134)**	**(99,984)**	**(87,877)**
Cash generated (used) by operating activities		**1,175,979**	**950,988**	**(64,188)**	**(14,044)**
Interest paid on loans, financing and debentures	21	(140,990)	(154,673)	-	-
Interest paid on leasing contracts	18	(331)	(295)	(2)	(1)
Income tax and social contribution tax paid		(57,686)	(30,986)	(13)	-
NET CASH FROM OPERATING ACTIVITIES		**976,972**	**765,034**	**(64,203)**	**(14,045)**
INVESTING ACTIVITIES					
Marketable securities		911,957	1,276,371	168,996	15,418
Restricted cash		(10,502)	226	3	(2)
Investments					
Acquisition of equity investees	15	-	(12,558)	(7,000)	(12,558)
Arising from the sale of equity interest, net of costs of sales	32	-	1,366,592	-	1,366,592
Property, plant and equipment	16	(12,181)	(27,791)	-	-
Intangible assets	17	(14,775)	(9,076)	(30)	(30)
Contract assets – distribution of gas and energy infrastructure		(418,905)	(317,395)	-	-
NET CASH GENERATED IN INVESTING ACTIVITIES		**455,594**	**2,276,369**	**161,969**	**1,369,420**
FINANCING ACTIVITIES					
Interest on capital and dividends paid		-	(5)	-	(5)
Payment of loans, financing and debentures	21	(829,673)	(1,372,571)	-	-
Lease liabilities paid	18	(18,729)	(16,813)	(72)	(70)
NET CASH USED IN FINANCING ACTIVITIES		**(848,402)**	**(1,389,389)**	**(72)**	**(75)**

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	Note	Consolidated		Parent company	
		Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Net (decrease) increase in cash and cash equivalents for the period		**584,164**	**1,652,014**	**97,694**	**1,355,300**
Cash and cash equivalents at the beginning of the period	5	825,208	1,680,397	26,692	422,647
Cash and cash equivalents at the end of the period	**5**	**1,409,372**	**3,332,411**	**124,386**	**1,777,947**

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STATEMENTS OF ADDED VALUE

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of Brazilian Reais)

	Consolidated				Parent company			
	Jan to Mar, 2022		Jan to Mar, 2021		Jan to Mar, 2022		Jan to Mar, 2021	
REVENUES								
Sales of energy, gas and services	10,529,694		9,589,537		324,996		91	
Distribution construction revenue	440,565		329,309		-		-	
Transmission construction revenue	68,395		22,451		-		-	
Interest revenue arising from the financing component in the transmission contract asset	191,945		157,255		-		-	
Periodic tariff review adjustments	-		6,036		-		-	
Gain on financial updating of the concession grant free	131,595		124,560		-		-	
Adjustment to expectation of cash flow from reimbursement of distribution concession financial assets	19,732		10,906		-		-	
Investment in PP&E	23,819		22,473		-		-	
Other revenues	-		651		-		-	
Provision for expected credit losses of accounts receivable	(41,533)		(32,153)		211		-	
	11,364,212		**10,231,025**		**325,207**		**91**	
INPUTS ACQUIRED FROM THIRD PARTIES								
Energy purchased for resale	(3,363,494)		(3,384,255)		(262,437)		-	
Charges for use of national grid	(964,309)		(828,879)		-		-	
Outsourced services	(547,728)		(500,749)		(3,434)		(8,473)	
Gas purchased for resale	(715,913)		(492,095)		-		-	
Materials	(317,265)		(202,080)		(6)		(8)	
Other operating costs	(156,966)		34,929		(10,180)		97,398	
	(6,065,675)		**(5,373,129)**		**(276,057)**		**88,917**	
GROSS VALUE ADDED	**5,298,537**		**4,857,896**		**49,150**		**89,008**	
RETENTIONS								
Depreciation and amortization	(283,909)		(238,431)		(394)		(451)	
NET ADDED VALUE PRODUCED BY THE COMPANY	**5,014,628**		**4,619,465**		**48,756**		**88,557**	
ADDED VALUE RECEIVED BY TRANSFER								
Share of profit, net, of affiliates and jointly controlled entities	184,428		118,687		1,404,116		273,512	
Financial revenues	1,109,025		154,415		15,409		3,250	
ADDED VALUE TO BE DISTRIBUTED	**6,308,081**		**4,892,567**		**1,468,281**		**365,319**	
DISTRIBUTION OF ADDED VALUE								
		%		%		%		%
Employees	**481,303**	**7.63**	**418,337**	**8.55**	**28,109**	**1.91**	**19,490**	**5.34**
Direct remuneration	273,003	4.33	262,135	5.36	8,125	0.55	6,290	1.72
Post-employment obligations and other benefits	191,799	3.04	140,890	2.88	19,509	1.33	12,787	3.51
FGTS fund	16,501	0.26	15,312	0.31	475	0.03	413	0.11
Taxes	**3,565,143**	**56.52**	**2,625,239**	**53.66**	**(17,220)**	**(1.17)**	**(78,028)**	**(21.36)**
Federal	1,773,326	28.11	1,028,075	21.02	(26,661)	(1.82)	(78,381)	(21.46)
State	1,787,179	28.33	1,594,162	32.58	9,264	0.63	349	0.10
Municipal	4,638	0.07	3,002	0.06	177	0.01	4	-
Remuneration of external capital	**806,064**	**12.78**	**1,426,640**	**29.16**	**2,203**	**0.15**	**1,825**	**0.50**
Interest	802,392	12.72	1,423,786	29.10	2,195	0.15	1,815	0.50
Rentals	3,672	0.06	2,854	0.06	8	0.00	10	-
Remuneration of own capital	**1,455,571**	**23.07**	**422,351**	**8.63**	**1,455,189**	**99.11**	**422,032**	**115.52**
Retained Earnings	1,455,189	23.07	422,032	8.62	1,455,189	99.11	422,032	115.52
Non-controlling interest in retained earnings	382	0.01	319	0.01	-	-	-	-
	6,308,081	**100.00**	**4,892,567**	**100.00**	**1,468,281**	**100.00**	**365,319**	**100.00**

The condensed explanatory notes are an integral part of the interim financial information.

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NOTES TO THE CONSOLIDATES INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIODS ENDED AS OF MARCH 31, 2022
(In thousands of Brazilian Reais, except where otherwise indicated)

1. OPERATING CONTEXT

a) The Company

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

Management has assessed the capacity of the Company to continue as a going concern and believes that its operations will generate sufficient future cash flows to enable continuity of its businesses. In addition, Management is not aware of any material uncertainties that could generate significant doubts about its ability to continue as a going concern. Therefore, this interim financial information has been prepared on a going concern basis.

b) Covid-19

General Context

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

Also, in connection with recommendations of the World Health Organization (WHO) and the Ministry of Health, aiming to contribute to the population and Brazilian authorities' efforts to prevent the disease outbreak, the Company has implemented an operational contingency plan and several precautionary measures to keep its employees healthy and safe, including: security and health technicians contacting operational staff on a daily basis; interacting daily with subcontractors Social Service department to monitor the evolution of suspicious cases; changing the schedule to prevent gatherings; restricting national and international travel;

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suspending technical visits and events at Company's facilities; using remote means of communication; adopting work-from-home policies for a substantial number of employees, which are gradually returning to work in-person until January, 2022, providing face masks for employees in external service or in service into its facilities, and requiring outsourcings providers to put the same procedures in place, with adoption of a series of measures to contribute to society, disclosed in greater detail in the financial statements of December 31, 2021.

Impact of Covid-19 on Interim Financial Information

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

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

As of March 31, 2022, from the observation of the pandemic's economic effects, the Company assessed the assumptions used for calculating fair value and recoverable amount of certain financial and non-financial assets, as follows:

- The subsidiary Cemig GT assessed whether the greater pressure on the exchange rate, combined with a lack of financial market liquidity, will have a negative impact on debt and derivative financial instruments hired to protect its operations against the risks arising from foreign exchange rate changes. At this point, given the current market conditions, the exposure to the exchange variation of the debt principal and the change in derivative instrument's fair value, based on the forecasts of future interest and exchanges rates, and the semiannual settlement of derivatives instruments, resulting in a net finance income of R$386 million in the first quarter of 2022. The long-term projections indicate a maintenance of the dollar in the current level.
- In measuring the expected loss from doubtful receivables, the Company assessed the circumstances of the Covid-19 pandemic, and the measures taken to reduce the impact of the economic retraction on default. The Company has intensified measures to mitigate risks of default, with a specific campaign of negotiation with clients, individual collections through the courts, expansions of the channels for negotiation, and diversification of means of payment. The company believes that the measures

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adopted mitigated the effects of the economic crisis on collection of receivables. Aneel Resolution 928 and 936 extended the rule on suspension of supply of energy to the low-income sub-category of residential users, and certain other customers until March 31, 2022;

- Management´s assumptions applied to determine the recoverable amount of the relevant investments in subsidiaries, joint-controlled entities and associates were not influenced significantly by the Covid-19 situation, since these investees' cash flows are mainly related to long-term rights to commercial operation of the regulated activity. Therefore, no impairment losses were recognized to its investments in subsidiaries, joint-controlled entities and associates, due to the economic crisis;
- Despite the uncertainties related to the crisis unfolding and its potential long-term effects, the Company does not expect that the negative impact on its projections of likely future taxable profits might compromise the recoverability of its deferred tax assets;
- The Company assessed the interest rates and discount rates that are the basis for calculation of Post-employment obligations, and believes that these are not significantly affected by macroeconomic issues in the short and medium term, since the main assumptions used are long-term;
- The Company´s management reviewed the financial assets and liabilities measured at fair value to reflect the conditions and current rates projected, which impacts are presented in Note 30.

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

c) Impacts of the war in Ukraine

Since the Russian invasion of Ukraine, on February 24, 2022, the global market is operating in a scenario of economic uncertainties due to the consequences of this serious military conflict in Europe. In this context, the economic sanctions against Russia and certain Russian citizens and organizations, and also those of Belarus, could cause a negative effect on the global economy, the impacts of which are highly uncertain and unpredictable.

As a result, many entities that operate outside the directly affected region may suffer adverse effects of the conflict, such as high prices of commodities such as oil, natural gas and grains, or due to the potential reduction in world economic activity. Disruption of business on a larger scale could also result in reduction of liquidity for some entities, reducing the quality of receivables in the supply chain.

In the first quarter of 2022, the Company and its subsidiaries did not suffer impacts arising from this conflict in their interim financial informations, since they are not directly involved in the region, and consequently their exposure to Russia and Ukraine is limited. Considering the uncertainties on impacts of the war in Ukraine on the global economy, it has not been possible to estimate the extension of their effects on the business of the Company and its

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subsidiaries, but at present, damage to its operational, financial and investment capacity is not expected if the conflict does not worsen.

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.

This interim financial information has been prepared according to accounting principles, practices and criteria consistent with those adopted in the preparation of the financial statements as of December 31, 2021.

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

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

The Company's Board of Directors authorized the issuance of this interim financial information on May 13, 2022.

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

Number of the Notes		Title of the Notes
12/31/2021	03/31/2022	
1	1	Operational context
2	2	Basis of preparation
3	3	Consolidation principles
4	4	Concessions and authorizations
5	31	Operational segments
6	5	Cash and cash equivalents
7	6	Marketable securities
8	7	Customers and traders
9	8	Recoverable taxes
10	9	Income tax and social contribution tax
11	10	Accounts receivable from the State of Minas Gerais
12	11	Escrow deposits
13	12	Reimbursement of tariff subsidies
14	13	Concession financial assets

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Number of the Notes		Title of the Notes
12/31/2021	03/31/2022	
15	14	Contract assets
16	15	Investments
17	16	Property, plant and equipment
18	17	Intangible assets
19	18	Leasing transactions
20	19	Suppliers
21	20	Taxes
22	21	Loans, financings and debentures
23	22	Regulatory charges
24	23	Post-employment obligations
25	24	Provisions
26	25	Equity and remuneration to shareholders
27	26	Revenues
28	27	Operating costs and expenses
29	28	Financial revenue and expenses
30	29	Related party transactions
31	30	Financial instruments and risk management
32	32	Assets as held for sale
35	33	Non-cash transactions
36	34	Parliamentary Committee of Inquiry (‘CPI’)
37	35	Subsequent events

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

Number	Title of the Notes
33	Insurance
34	Commitments

3. PRINCIPLES OF CONSOLIDATION

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

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

Subsidiary (1)	Mar. 31, 2022			Dec. 31, 2021		
	Form of valuation	Direct interest, %	Indirect interest, %	Form of valuation	Direct interest, %	Indirect interest, %
Cemig Geração e Transmissão	Consolidation	100.00	-	Consolidation	100.00	-
Cemig Distribuição	Consolidation	100.00	-	Consolidation	100.00	-
Gasmig	Consolidation	99.57	-	Consolidation	99.57	-
Cemig Sim	Consolidation	100.00	-	Consolidation	100.00	-

4. CONCESSIONS AND AUTHORIZATIONS

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

	Company holding concession or authorization	Concession or authorization contract	Expiration date *
POWER GENERATION			
Hydroelectric plants			
Emborcação (1) (2)	Cemig GT	07/1997	07/2025
Nova Ponte (1) (2)	Cemig GT	07/1997	07/2025
Santa Luzia (1)	Cemig GT	07/1997	02/2026

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

* The concession contract that were eligible for extension of the concession grant as a result of the renegotiation of hydrological risk (GSF) await a call from Aneel for signature of the amendment; and the eligible plants for which the grants were given by authorizing resolution await reformulation of those acts to contain the new dates. More details see Note 17.

(1) Generation concession contracts that are not within the scope of ICPC 01 / IFRIC 12, whose infrastructure assets are recorded as PP&E since the concession grantor does not have control over whom the service is provided to as the output is being sold mainly in the Free Market (‘ACL’).

(2) On July 17, 2020, Cemig GT filed a statement of its interest in extending these plants concession, under the independent producer regime, outside the regime of quotas, to ensure its right of option under the legislative changes currently under discussion, relating to the group of measures to modernize the energy sector. Any actual decision will only be made after publication by the Brazilian Mining and Energy Ministry and by the grantor, Aneel, of the conditions for extension, which will be submitted to decision by Cemig’s governance bodies at the due time.

(3) Generation concession contracts within the scope of ICPC 01 / IFRIC 12, under which Cemig has the right to receive cash and therefore, recognizes a concession financial asset.

(4) This refers to concessions, given by the process of authorization, for generation, as an independent power producer, of wind power, sold under the Proinfa program. The assets tied to the right of commercial operation are recorded in PP&E. The rights of authorization of commercial operation that are considered as investments in the interim financial information of the parent company are classified in the statements of financial position under intangible, within the scope of ICPC 09.

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

(6) Concession contracts that are within the scope of ICPC 01 / IFRIC 12 and under which the concession infrastructure assets are recorded under the intangible and financial assets bifurcation model, and in compliance with CPC 47, the infrastructure under construction has been classified as a contract asset. On August 5, 2021, Gasmig was informed by an Official Letter from the Minas Gerais State Economic Development Department: (i) that the date of closing of the present tariff cycle had been brought forward to December 31, 2021; and (ii) of the start of the process of Periodic Tariff Review, which will take into account previously decided methodology, based on fundamental criteria such as clients’ profile, costs of operation and investments.

(7) Aneel approved, through Authorizing Resolution n. 9,735, on February 23, 2021, the transfer of the concession contract from Cemig GT to Cemig PCH Poço Fundo. This transfer was formally agreed on April 16, 2021, resulting in a new contract (01/2021).

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

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5. CASH AND CASH EQUIVALENTS

	Consolidated		Parent company	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Bank accounts	54,036	116,956	4,320	4,252
Cash equivalents				
Bank certificates of deposit (CDBs) (1)	1,070,381	624,681	34,987	2,047
Overnight (2)	282,537	81,456	85,079	20,393
Others	2,418	2,115	-	-
	1,355,336	**708,252**	**120,066**	**22,440**
	1,409,372	**825,208**	**124,386**	**26,692**

(1) *Bank Certificates of Deposit* (*Certificados de Depósito Bancário*, or CDBs), accrued interest at 65% to 107%, of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or *Certificados de Depósito Inter-bancário* – CDIs) published by the Custody and Settlement Chamber (*Câmara de Custódia e Liquidação*, or Cetip) on March 31, 2022 (70% to 109% on December 31, 2021). For these CDBs, the Company and its subsidiaries have repo transactions which state, on their trading notes, the bank's commitment to repurchase the security, on demand, on the maturity date of the transaction, or earlier.

(2) *Overnight* transactions are repos available for redemption on the following day. They are usually backed by Treasury Bills, Notes or Bonds and referenced to a pre-fixed rate of 11.41% to 11.64% on March 31, 2022 (8.87% to 9.14% on December 31, 2021). Their purpose is to settle the short-term obligations of the Company and its subsidiaries, or to be used in the acquisition of other assets with better return to replenish the portfolio.

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

6. MARKETABLE SECURITIES

	Consolidated		Parent company	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Investments				
Current				
Bank certificates of deposit (CDBs) (1)	15,193	100,554	4,575	25,175
Financial Notes (LFs) – Banks (2)	723,456	1,417,429	217,850	354,868
Treasury Financial Notes (LFTs) (3)	211,134	178,427	63,578	44,671
Others	25,551	27,678	7,234	6,508
	975,334	**1,724,088**	**293,237**	**431,222**
Non-current				
Financial Notes (LFs) – Banks (2)	181,715	348,149	54,719	87,163
Debentures (4)	8,812	4,874	2,653	1,220
Others	-	707	-	-
	190,527	**353,730**	**57,372**	**88,383**
	1,165,861	**2,077,818**	**350,609**	**519,605**

(1) Bank Certificates of Deposit (Certificados de Depósito Bancário, or CDBs), accrued interest at 103% of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or Certificados de Depósito Inter-bancário – CDIs) published by the Custody and Settlement Chamber (Câmara de Custódia e Liquidação, or Cetip) on March 31, 2022 (107.24% on December 31, 2021).

(2) Bank Financial Notes (*Letras Financeiras*, or LFs) are fixed-rate fixed-income securities, issued by banks and that accrued interest a percentage of the CDI rate published by Cetip. The LFs had remuneration rates varying between 105.58% to 130% of the CDI rate on March 31, 2022 (105% to 130% on December 31, 2021).

(3) Treasury Financial Notes (LFTs) are fixed-rate securities, their yield follows the daily changes in the Selic rate between the date of purchase and the date of maturity. The LFTs had remuneration rates varying between 11.64% to 11.99% on March 31, 2022 (9.12% to 9.50% on December 31, 2021).

(4) *Debentures* are medium and long term debt securities, which give their holders a right of credit against the issuing company. The debentures have remuneration varying from TR+1% to 114.28% of the CDI Rate on March 31, 2022 and December 31, 2021.

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

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7. RECEIVABLES FROM CUSTOMERS, TRADERS AND CONCESSION HOLDERS

	Consolidated					
	Balances not yet due	Up to 90 days past due	More than 91 up to 360 days past due	More than 361 days past due	Mar. 31, 2022	Dec. 31, 2021
Billed supply	1,814,063	796,153	492,718	461,074	3,564,008	3,409,813
Unbilled supply	1,149,005	-	-	-	1,149,005	929,579
Other concession holders – wholesale supply	62,425	23,035	15	1,709	87,184	52,035
Other concession holders – wholesale supply, unbilled	300,599	-	-	-	300,599	264,864
CCEE (Power Trading Chamber)	36,727	64,728	-	913	102,368	169,531
Concession Holders – power transport	63,725	14,793	8,825	80,154	167,497	169,652
Concession Holders – power transport, unbilled	310,676	-	-	-	310,676	319,099
(–) Provision for expected credit losses of accounts receivable	(169,932)	(80,826)	(83,295)	(500,786)	(834,839)	(833,150)
	3,567,288	**817,883**	**418,263**	**43,064**	**4,846,498**	**4,481,423**
Current assets					**4,796,738**	**4,429,883**
Non-current assets					**49,760**	**51,540**

	Parent company					
	Balances not yet due	Up to 90 days past due	More than 91 up to 360 days past due	More than 361 days past due	Mar. 31, 2022	Dec. 31, 2021
Billed supply	-	1,915	-	23,003	24,918	24,599
Unbilled supply	122,658	-	-	-	122,658	106,184
CCEE (Power Trading Chamber)	27,773	-	-	-	27,773	48,869
(–) Provision for expected credit losses of accounts receivable	-	-	-	(23,003)	(23,003)	(22,284)
	150,431	**1,915**	**-**	**-**	**152,346**	**157,368**
Current assets					**151,108**	**157,368**
Non-current assets					**1,238**	**-**

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

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

Consolidated	Mar. 31, 2022	Dec. 31, 2021
Residential	223,673	220,937
Industrial	182,489	184,954
Commercial, services and others	223,965	220,400
Rural	32,649	34,466
Public authorities	45,293	45,221
Public lighting	2,375	1,909
Public services	38,834	37,504
Charges for use of the network (TUSD)	85,561	87,759
	834,839	**833,150**

Considering the pandemic effects on levels of delinquency and the emergence of new factors such as the vaccination progress in the country, mutations of the virus, and changes in government support policy, the Company, taking into account the changes in 2020 and 2021, believes that the current assumptions represent its best estimate, at this moment, for expected losses on doubtful receivables for period ended on March 31, 2022.

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On July 31, 2020 Cemig D filed an application to the tax authority of State of Minas Gerais to offset debts for energy consumption and service owed by the direct and indirect administrations of Minas Gerais State, using amounts of ICMS tax payable, under Article 3 of Minas Gerais State Decree 47,908/2020, which regulated State Law 47,891/2020. The debts from the State of Minas Gerais to Cemig D that qualify for offset are those past due on June 30, 2019, an amount of R$222,266. Following ratification by the State Finance Secretary and formalization of the Debt Recognition Agreement, occurred on March 31, 2021, offsetting began in April 2021. Up to March 31, 2022, 12 (twelve) out of 21 (twenty-one) installments, in the amount of R$10,584 each were offset, remaining outstanding R$95,258. The offsetting is expected to occur on monthly basis, in this amount, up to December 2022.

Changes in the provision for expected credit losses of accounts receivable are as follows:

	Consolidated
Balance on December 31, 2021	**833,150**
Additions, net (Note 27)	43,092
Reversals of disposals	(41,403)
Balance on March 31, 2022	**834,839**

8. RECOVERABLE TAXES

	Consolidated		Parent company	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Current				
ICMS (VAT)	105,711	112,813	12	3
PIS/Pasep (a) (b)	315,925	328,643	24	24
Cofins (a) (b)	1,457,125	1,508,180	121	121
Others	22,259	19,343	951	940
	1,901,020	**1,968,979**	**1,108**	**1,088**
Non-current				
ICMS (VAT) (b)	359,777	342,183	-	-
PIS/Pasep (a)	266,342	316,044	111,283	110,376
Cofins (a)	1,109,194	1,339,058	395,323	392,076
	1,735,313	**1,997,285**	**506,606**	**502,452**
	3,636,333	**3,966,264**	**507,714**	**503,540**

a) Pis/Pasep and Cofins taxes credits over ICMS

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

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

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

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

The Company, in addition of the ability of receiving the credits through ‘*precatórios’* letters of credit, has begun to assess the possibility of credits administrative qualification, under which they will be able to be offset theses credits against federal taxes generated by the holding company’s activity.

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

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

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

Considering the modulation of effects derived from STF, the subsidiary Gasmig recognized, in the second quarter of 2021, the PIS/Pasep and Cofins taxes credits totaling R$219,753. In the absence of a final judgment by the courts, Gasmig recorded a liability corresponding to the amounts to be reimbursed to its customers considering a 10 years period, from the date of end period.

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

The Company recorded in current asset and non-current asset the amounts of R$1,767,580 and R$1,371,060, respectively, corresponding to the tax credits of PIS/Pasep and Cofins over ICMS, with updating by the Selic rate to the date of their actual offsetting.

In the first quarter of 2022, credits of PIS/Pasep and Cofins taxes were offset against payable federal taxes in the amount of R$391,915 (R$407,457 in the first quarter of 2021).

b) Other recoverable taxes

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

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

9. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Income tax and social contribution tax recoverable

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

	Consolidated		Parent company	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Income tax	639,230	763,468	254,070	221,422
Social contribution tax	153,398	250,851	2,583	24,428
	792,628	**1,014,319**	**256,653**	**245,850**
Current	**465,150**	**698,914**	**-**	**-**
Non-current	**327,478**	**315,405**	**256,653**	**245,850**

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

On September 24, 2021, the Brazilian Federal Supreme Court decided, unanimously, that the incidence of income tax and social contribution tax on the indexation charges applying Selic interest rate over undue paid taxes is unconstitutional. On April 29, 2022, Brazil’s Federal Supreme Court finalized its judgment on the Motion for Clarification, deciding in favor of

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modulation of effect as from September 30, 2021, with the exception of the actions filed up to September 17, 2021 (the date of start of the judgment on the merits). The Company and its subsidiaries have not filed actions relating to this subject, and thus will not receive any retrospectively benefit from the decision taken by the court.

b) Income tax and social contribution tax payable

The balances of income tax and social contribution tax recorded in current liabilities refer mainly to the taxes owed by the subsidiaries which report by the Real Profit method and have opted to make monthly payments based on estimated revenue, and also by the subsidiaries that have opted for the Presumed Profit method, in which payments are made quarterly.

	Consolidated	
	Mar. 31, 2022	Dec. 31, 2021
Current		
Income tax	169,419	147,312
Social contribution tax	15,415	42,690
	184,834	**190,002**

c) Deferred income tax and social contribution tax

The Company and its subsidiaries have deferred taxed assets and liabilities from unused tax loss carryforwards, negative base for the social contribution tax, and deductible temporary differences, at the statutory rates applicable to each legal entity in Brazil of 25% (for Income tax) and 9% (for the social contribution tax), as follows:

	Consolidated		Parent company	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Deferred tax assets				
Tax loss carryforwards	693,799	806,639	606,043	583,662
Provisions for contingencies	556,610	542,089	75,299	71,278
Impairment on investments	240,294	244,132	-	-
Fair value of derivative financial instruments (PUT SAAG)	225,664	216,339	-	-
Post-employment obligations	2,009,701	1,980,828	244,819	239,750
Estimated provision for doubtful receivables	315,927	314,863	8,405	8,477
Others	160,852	150,389	4,769	4,095
Total	**4,202,847**	**4,255,279**	**939,335**	**907,262**
Deferred tax liabilities				
Deemed cost	(217,875)	(219,067)	-	-
Acquisition costs of equity interests	(444,040)	(465,615)	(104,176)	(104,992)
Borrowing costs capitalized	(165,121)	(164,716)	-	-
Adjustment to expectation of cash flow – Concession assets	(249,028)	(245,181)	-	-
Adjustment of contract assets	(921,821)	(895,223)	-	-
Adjustment to fair value: Swap/Gains	(257,176)	(412,436)	-	-
Updating on escrow deposits	(7,071)	(6,737)	-	-
Reimbursement of costs – GSF	(307,914)	(319,207)	-	-
Others	(50,159)	(24,618)	-	-
Total	**(2,620,205)**	**(2,752,800)**	**(104,176)**	**(104,992)**
Total, net	**1,582,642**	**1,502,479**	**835,159**	**802,270**
Total assets	**2,524,598**	**2,464,734**	**835,159**	**802,270**
Total liabilities	**(941,956)**	**(962,255)**	**-**	**-**

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

	Consolidated	Parent company
Balance on December 31, 2021	**1,502,479**	**802,270**
Effects allocated to net profit from continuing operations	82,418	32,889
Adjustment of deferred taxes from the previous period	(2,255)	-
Balance on March 31, 2022	**1,582,642**	**835,159**

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

This table reconciles the statutory income tax (rate 25%) and social contribution tax (rate 9%) with the current income tax expense in the statement of income:

	Consolidated		Parent company	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Profit before income tax and social contribution tax	**1,947,067**	**341,678**	**1,422,300**	**342,460**
Income tax and social contribution tax – nominal expense (34%)	(662,003)	(116,171)	(483,582)	(116,436)
Tax effects applicable to:				
Gain in subsidiaries by equity method (net of effects of Interest on Equity)	59,531	38,756	433,860	64,364
Tax incentives	22,605	9,344	-	-
Difference between Presumed Profit and Real Profit	24,222	28,413	-	-
Non-deductible penalties	(12,881)	(3,715)	(49)	15
Interest on equity declared	83,300	-	83,300	-
Income arising from the Light sale	-	133,663	-	133,663
Others	(6,270)	(9,617)	(640)	(2,034)
Income tax and Social Contribution – effective gain (expense)	**(491,496)**	**80,673**	**32,889**	**79,572**
Current tax	**(573,914)**	**(263,706)**	-	-
Deferred tax	**82,418**	**344,379**	**32,889**	**79,572**
	(491,496)	**80,673**	**32,889**	**79,572**
Effective rate	**25.24%**	**23.61%**	**2.31%**	**23.24%**

10. ACCOUNTS RECEIVABLE FROM THE STATE OF MINAS GERAIS

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

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

To solve the issue through a negotiated solution for impasses, the dispute on the TARD was submitted to the Chamber of Administrative Prevention and Resolution of Conflicts ('Câmara

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de Prevenção e Resolução Administrativa de Conflitos' – CPRAC) of State of Minas Gerais, which is currently in the initial stages.

The balance receivable on March 31, 2022, amounts R$13,366 (R$13,366 on December 31, 2021). On June 30, 2021, the Company retained the remaining portion of dividends to be paid to State of Minas Geraisand awaits development of the issue with CPRAC for the definitive write-off from accounts receivable of this remaining balance.

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

11. ESCROW DEPOSITS

	Consolidated		Parent company	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Labor claims	**260,530**	**266,604**	**26,707**	**25,292**
Tax contingencies				
Income tax on Interest on Equity	29,863	29,546	307	300
PIS/Pasep and Cofins taxes (1)	66,461	68,342	-	-
Donations and legacy tax (ITCD)	56,513	55,752	55,537	54,786
Urban property tax (IPTU)	88,807	86,925	63,482	62,229
Finsocial tax	41,542	40,999	41,542	40,999
Income and Social Contr. Tax on indemnity for employees' 'Anuênio' benefit (2)	292,951	290,198	14,068	13,936
Income tax withheld at source on inflationary profit	8,800	8,743	8,800	8,743
Income tax and contribution tax effective rate (3)	99,541	76,155	-	-
Others (4)	105,035	103,570	64,821	67,015
	789,513	**760,230**	**248,557**	**248,008**
Others				
Regulatory	53,423	52,736	20,263	20,033
Third party	12,602	12,482	6,586	6,630
Customer relations	7,722	7,924	1,014	941
Court embargo	20,846	19,146	3,365	3,373
Others	51,013	36,047	3,457	3,374
	145,606	**128,335**	**34,685**	**34,351**
	1,195,649	**1,155,169**	**309,949**	**307,651**

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

12. REIMBURSEMENT OF TARIFF SUBSIDIES

The subsidies to finance bonus of the Program to Encourage Voluntary Reduction of Energy Consumption, in effect from September to December 2021, will be reimbursed through the System Services Charge (ESS). The program was created to encourage customers to save energy due to the critical moment of hydrological scarcity – an emergency measure by the government to ensure the country continuity and security of energy supply. Customers that reduced consumption in the months of September to December 2021, so that the sum of their energy consumption in these months was from 10% to 20% less than in the same period

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of the previous year, were to be given a bonus of R$0.50 per kilowatt-hour (kWh) on the total of the energy saved. The bonus was to be stated in the first energy bill received after December 2021 consumption calculation and credited as a reduction in the subsequent energy bill. The amount appropriated as revenue for subsidies under this bonus was R$205,439. Part of this amount was reimbursed during the first quarter of 2022 through settlement in the CCEE in connection with the terms specified in Aneel Dispatch 397/2022. On March 31, 2022 the Company still has the amount of R$15,722 to receive, recognized in current assets.

In first quarter of 2022, the amount recognized as subsidies revenues, reimbursed through the transfer of resources of Energy Development Account (CDE), was R$245,942 (R$247,847 on March 31, 2021). Of such amounts, Cemig D has a receivable of R$81,981 (R$81,981 on December 31, 2021) and Cemig GT has a receivable of R$4,258 (R$4,476 on December 31, 2021) in current assets.

13. CONCESSION FINANCIAL ASSETS AND LIABILITIES

Consolidated	Mar. 31, 2022	Dec. 31, 2021
Concession financial assets		
Energy distribution concessions (13.1)	779,037	683,729
Gas distribution concessions (13.1)	36,273	34,386
Indemnifiable receivable – Generation (13.2)	816,202	816,202
Concession grant fee – Generation concessions (13.3)	2,850,967	2,792,201
	4,482,479	**4,326,518**
Sector financial assets		
Amounts receivable from Parcel A (CVA) and Other Financial Components (13.4)	1,449,547	2,147,548
Total	**5,932,026**	**6,474,066**
Current assets	**1,340,337**	**1,504,666**
Non-current assets	**4,591,689**	**4,969,400**

Consolidated	Mar. 31, 2022	Dec. 31, 2021
Sector financial liabilities		
Amounts receivable from Parcel A (CVA) and Other Financial Components (13.4)	1,466	51,359
Total	**1,466**	**51,359**
Current liabilities	**1,466**	**51,359**

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

	Generation	Distribution	Gas	Total
Balances on December 31, 2021	**3,608,403**	**683,729**	**34,386**	**4,326,518**
Transfers from contract assets	-	76,203	-	76,203
Monetary updating	131,595	19,732	1,887	153,214
Disposals	-	(627)	-	(627)
Amounts received	(72,829)	-	-	(72,829)
Balances on March 31, 2022	**3,667,169**	**779,037**	**36,273**	**4,482,479**

13.1 Distribution - Financial assets

The energy and gas distribution concession contracts are within the scope of ICPC 01 (IFRIC 12). The financial assets under these contracts refer to the investments made in infrastructure that will be paid by grantor at the end of the concession period. The financial

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assets are measured at fair value through profit or loss, in accordance with regulation of the energy segment and concession contracts executed by Cemig and its subsidiaries and the granting authorities.

13.2 Generation – Indemnity receivable

As from August 2013, with the extinction of the concession for various plants operated by Cemig GT under Concession Contract 007/1997, the subsidiary has a right to receive an amount corresponding to the residual value of the infrastructure assets, as specified in the concession contract. These balances are recognized in financial assets, at fair value through profit or loss and totaled R$816,202 on March 31, 2022 and December 31, 2021.

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

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

On March 31, 2022, investments made after the Jaguara, São Simão and Miranda plants came into operation, in the amounts of R$174,203, R$2,711 and R$22,546, respectively, are recorded as concession financial assets and the determination of the final amounts to be paid to the Company is in a process of discussion with Aneel (the grantor). The Company does not expect losses in realization of these amounts.

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

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

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

On August 9, 2021, the Company stated its interest in receiving the complementary amount related to the portions of the investments linked to revertible assets that had not yet been modernized or depreciated and have not been indemnified.

The Company hired the valuation specialist service provider accredited by Aneel and expects to meet the requirements of Normative Resolution 942, proving the realization of related investments linked to revertible assets through a valuation report, within the stipulated deadline.

13.3 Concession grant fee – Generation concessions

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

The changes in concession financial assets are as follows:

SPC	Plants	Dec. 31, 2021	Monetary updating	Amounts received	Mar. 31, 2022
Cemig Geração Três Marias S.A.	Três Marias	1,583,720	71,997	(39,132)	1,616,585
Cemig Geração Salto Grande S.A.	Salto Grande	497,154	22,673	(12,341)	507,486
Cemig Geração Itutinga S.A.	Itutinga	187,004	9,274	(5,246)	191,032
Cemig Geração Camargos S.A.	Camargos	140,201	6,920	(3,905)	143,216
Cemig Geração Sul S.A.	Coronel Domiciano, Joasal, Marmelos, Paciência and Piau	183,635	9,517	(5,495)	187,657
Cemig Geração Leste S.A.	Dona Rita, Ervália, Neblina, Peti, Sinceridade and Tronqueiras	125,187	6,983	(4,173)	127,997
Cemig Geração Oeste S.A.	Cajurú, Gafanhoto and Martins	75,300	4,231	(2,537)	76,994
Total		**2,792,201**	**131,595**	**(72,829)**	**2,850,967**

Of the energy produced by these plants to being commercialized, since January 2017, 70% is sold in the Regulated Market (ACR) and 30% in the Free Market (ACL).

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Sector assets and liabilities

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

As established in the amendment to the concession contract, there is a guarantee that in the event of termination of the concession contract, for any reason, the remaining balances (assets and liabilities) of any shortfall in payment or reimbursement through the tariff must also be paid by the grantor. The balances on (i) the CVA (*Compensation for Variation of Parcel A items*) Account, (ii) the account for Neutrality of Sector Charges and (iii) *Other financial components* in the tariff calculation, refer to the positive and negative differences between the estimate of the Company's non-manageable costs and the payments actually made. The variations are subject to adjustment using the Selic rate and considered in the subsequent tariff adjustments.

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

Balance sheet	Mar. 31, 2022			Dec. 31, 2021		
	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Assets	**-**	**1,449,547**	**1,449,547**	**988,850**	**4,133,064**	**5,121,914**
Current assets	-	1,048,458	1,048,458	988,850	2,397,151	3,386,001
Non-current assets	-	401,089	401,089	-	1,735,913	1,735,913
Liabilities	**(1,466)**	**-**	**(1,466)**	**(1,040,209)**	**(1,985,516)**	**(3,025,725)**
Current liabilities	(1,466)	-	(1,466)	(1,040,209)	(1,175,718)	(2,215,927)
Non-current liabilities	-	-	-	-	(809,798)	(809,798)
Total current, net	**(1,466)**	**1,048,458**	**1,046,992**	**(51,359)**	**1,221,433**	**1,170,074**
Total non-current, net	**-**	**401,089**	**401,089**	**-**	**926,115**	**926,115**
Total, net	**(1,466)**	**1,449,547**	**1,448,081**	**(51,359)**	**2,147,548**	**2,096,189**

Financial components	Mar. 31, 2022			Dec. 31, 2021		
	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total	Amounts ratified by Aneel in the last tariff adjustment	Amounts to be ratified by Aneel in the next tariff adjustments	Total
Items of 'Parcel A'						
Energy Development Account (CDE) quota	8,813	215,626	224,439	23,593	(90,715)	(67,122)
Tariff for use of transmission facilities of grid participants	58,148	85,869	144,017	145,817	97,203	243,020
Tariff for transport of Itaipu supply	5,790	(6,673)	(883)	13,172	(972)	12,200
Alternative power source program (Proinfa)	4,439	75,822	80,261	11,427	18,664	30,091
ESS/EER System Service/Energy Charges	13,857	1,316,010	1,329,867	30,948	953,014	983,962
Energy purchased for resale	170,656	(268,528)	(97,872)	389,548	1,177,997	1,567,545
Other financial components						
Over contracting of supply (1)	(27,026)	313,729	286,703	(67,566)	192,132	124,566
Neutrality of Parcel A	9,708	110,830	120,538	24,269	73,081	97,350
Billing return – Covid Account (2)	(148,540)	-	(148,540)	(371,350)	-	(371,350)
Other financial items	(92,018)	(327,204)	(419,222)	(230,046)	(225,769)	(455,815)
Excess demand and reactive power	(5,293)	(65,934)	(71,227)	(21,171)	(47,087)	(68,258)
TOTAL	**(1,466)**	**1,449,547**	**1,448,081**	**(51,359)**	**2,147,548**	**2,096,189**

(1) Cemig D was over contracted in 2017 and 2018 and the gain arising from the sale of the excess of energy in the spot market was provisionally passed through to customers by Aneel in the tariff adjustments of 2018 and 2019, including the portion in excess of the limit of 105% of the regulatory load –

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thus reducing the tariff that was determined. To establish whether this is a voluntary over contracting, the Company considers that the portion above the regulatory limit will be recovered in the subsequent tariff adjustment. On August 27, 2020, Aneel published the Dispatch 2,508/2020-SRM-SGT, which set new amounts for distributors' over contracting for the years 2016 and 2017, based on a new valuation criterion established by Aneel Technical Note 97/2020-SRM-SGT – not contained in the regulatory rules which were currently in force. As a result, Cemig D filed an appeal with the Council of Aneel, for the amounts of distribution agents' over contracting to be reset in accordance with the calculation criteria based on maximum effort contained in Aneel Normative Resolution 453/2011. The Company's position on this case is reinforced by the fact that the Brazilian Energy Distributors' Association (Abradee) filed a similar appeal, supported by the opinion of contracted legal advisers. The Company has no expectation of loss in relation to realization of these amounts. The Company recognizes this receivable asset, in the amount of R$196,808 on March 31, 2022, as 'Other financial components' to be ratified. At the reporting date for this interim financial information, this matter was pending analysis by Aneel, however, the decision of SGT/SEM Dispatch 2508 of 2020 is in force and was considered in the last tariff process, in which part of the amount relating to over contracting in 2017 was ratified, totaling R$39,270.

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

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

Balance on December 31, 2021	**2,096,189**
Additions	(738,288)
Amortization	38,181
Updating – Selic rate (Note 28)	51,999
Balance on March 31, 2022	**1,448,081**

14. CONCESSION CONTRACT ASSETS

Under IFRS 15 / CPC 47 – *Revenue from contracts with customers*, the infrastructure construction revenue for which the right to consideration depends on satisfaction of performance obligations related to the completion of its construction, or its future operation and maintenance are classified as contract assets. The amounts on March 31, 2022 totaling:

Consolidated	Mar. 31, 2022	Dec. 31, 2021
Distribution – Infrastructure assets under construction	1,999,762	1,926,652
Gas – Infrastructure assets under construction	101,545	95,137
Transmission – National Grid ('BNES' - Basic Network of the Existing System) - Law 12,783/13	2,020,331	2,011,576
Transmission – Assets remunerated by tariff	2,465,686	2,346,643
	6,587,324	**6,380,008**
Current	**638,210**	**599,692**
Non-current	**5,949,114**	**5,780,316**

Changes in concession contract assets are as follows:

	Transmission	Distribution	Gas	Total
Balance on December 31, 2021	**4,358,219**	**1,926,652**	**95,137**	**6,380,008**
Additions	68,395	415,430	11,062	494,887
Inflation adjustment	193,035	-	-	193,035
Amounts received	(133,632)	-	-	(133,632)
Disposals	-	-	(449)	(449)
Other additions	-	-	937	937
Transfers to financial assets	-	(76,203)	-	(76,203)
Transfers to intangible assets	-	(273,171)	(5,142)	(278,313)
Impairment	-	7,054	-	7,054
Balance on March 31, 2022	**4,486,017**	**1,999,762**	**101,545**	**6,587,324**

The amount of additions in the period ended March 31, 2022 includes R$8,524 borrowing costs, as presented in Note 21. The averade rate to determine the amount of borrowing costs was 9.44%.

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

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Energy and gas distribution activities

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

The transmission activity

For transmission concessions, the consideration to be paid to the Company arises from the concession contracts n. 006/97, n. 079/00, n. 004/05 and n. 006/11, as follows:

	Mar. 31, 2022	Dec. 31, 2021
Current		
Concession contract - 004/05	28,345	26,678
Concession contract - 079/00	44,948	38,782
Concession contract - 006/11	7,575	7,355
Concession contract - 006/97		
National Grid (‘BNES’ – Basic Network of the Existing System)	337,162	317,692
National Grid – new facilities (RBNI)	220,180	209,185
	638,210	**599,692**
Non-current		
Concession contract - 004/05	91,188	89,204
Concession contract - 079/00	154,850	151,858
Concession contract - 006/11	76,323	73,882
Concession contract - 006/97		
National Grid (‘BNES’ – Basic Network of the Existing System)	1,683,169	1,693,884
National Grid – new facilities (RBNI)	1,842,277	1,749,699
	3,847,807	**3,758,527**
	4,486,017	**4,358,219**

a) Concession contract nº. 006/97

The contract regulates the public service of commercial operation of transmission facilities that are classified as parts of the National Grid, pursuant to Law 9,074/1995 and to the regulation applicable, in effect until December 31, 2042.

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

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

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

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

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

In 2020, the injunctions were overturned and Aneel provisionally ratified only the inclusion of the cost of equity updated by IPCA index of the period between the 2017-2018 and 2019-2020 tariff cycles.

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

On April 22, 2021, Aneel published Resolution n. 2,852, which altered Resolution n. 2,712/2020, defining, among other provisions, the financial component referred to. Thus, the cost capital associated with the financial components was incorporated into the calculation of the periodic review processes of 2018 deciding the RAP of the transmission concessions that were extended under Law 12,783/2013. This caused 2 effects: (i) A new value for the component to be considered in the RAP of the tariff cycles for 2020-2021 to 2025-2026; and (ii) a residual value for the difference between the amount paid to the transmission companies in the 2017-2018 and 2019-2020 tariff cycles and the amount payable after the injunctions were overturned.

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

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

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

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b) **Concession contract nº. 079/00**

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

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

On March 30, 2021, the Resolution nº 2,839 updated the amounts of the RAPs and the adjustment portions for this contract, resulting in R$3,708 in contract assets amount.

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

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

c) **Concession contract nº. 006/2011**

The contract regulates commercial operation of public transmission service, comprising construction, maintenance and operation of the Sete Lagoas 4 substation, in effect until June 15, 2041.

The index used for adjustment of the contract is the Expanded National Consumer Price (‘*Índice de Preços ao Consumidor Amplo’* – IPCA).

On July 13, 2021, Aneel established the RAP for the 2021–2022 cycle, through Resolution nº 2,895, which was amended by Resolution nº 2,959 on October 5, 2021, due to applications for reconsideration filed by the transmission concession holders.

The financial effects of the new RAPs, comparing with the contract financial forecasting model, were not significant, considering that there have not been significant changes in the assumptions used.

d) **Concession contract nº. 004/2005**

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

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

On July 13, 2021, Aneel established the RAP for the 2021–2022 cycle, through Resolution 2,895, which was amended by Resolution 2,959 on October 5, 2021, due to applications for reconsideration filed by the transmission concession agents, including the Company.

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

15. INVESTMENTS

Investees	Control	Consolidated		Parent company	
		Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Cemig Geração e Transmissão	Subsidiary	-	-	8,644,830	7,831,942
Hidrelétrica Cachoeirão	Jointly controlled	59,204	59,013	-	-
Guanhães Energia	Jointly controlled	162,169	125,172	-	-
Hidrelétrica Pipoca	Jointly controlled	48,524	46,722	-	-
Retiro Baixo	Jointly controlled	203,950	200,385	-	-
Aliança Norte (*Belo Monte* Plant)	Jointly controlled	601,339	609,154	-	-
Amazônia Energia (*Belo Monte* Plant)	Jointly controlled	920,938	932,600	-	-
Lightger	Jointly controlled	128,786	124,275	-	-
Baguari Energia	Jointly controlled	160,204	168,430	-	-
Aliança Geração	Jointly controlled	1,291,078	1,140,930	-	-
Cemig Distribuição	Subsidiary	-	-	7,188,136	6,942,666
Taesa	Jointly controlled	1,700,046	1,580,379	1,700,046	1,580,379
Ativas Data Center	Affiliated	15,275	15,750	15,275	15,750
Gasmig	Subsidiary	-	-	1,697,175	1,635,985
Cemig Sim	Subsidiary	-	-	116,330	111,433
Photovoltaic plants (1)	Jointly controlled	108,743	98,839	-	-
Axxiom Soluções Tecnológicas	Jointly controlled	4,153	4,277	4,153	4,277
Sete Lagoas Transmissora	Subsidiary	-	-	65,136	60,703
Total of investments		**5,404,409**	**5,105,926**	**19,431,081**	**18,183,135**
Itaocara – equity deficit	Jointly controlled	(20,838)	(20,767)	-	-
Madeira Energia (*Santo Antônio* Plant) – provisions to losses	Affiliated	(170,685)	(161,648)	-	-
Total		**5,212,886**	**4,923,511**	**19,431,081**	**18,183,135**

(1) Set of photovoltaics plants, in which the investee Cemig Sim has a participation.

The Company's investees that are not consolidated are jointly controlled entities, with the exception of the interests in the affiliates Madeira Energia (Santo Antônio power plant) and Ativas Data Center.

For the period ended of March 31, 2022, management evaluates if the economic shock of the Covid-19 pandemic (Note 1b), of potential decline in value of assets, as referred to in IAS 36 / CPC 01 – *Impairments of Assets*. As a result of the analyzes, the Company concluded that the pandemic's effects on the economic context and the long term expectation of realization of the assets underwent no significant change, were not observed impairment of its investments. Thus, the reported assets net carrying amount is recoverable and therefore the Company has not recognized any impairment loss related to its investments, except for the investment held in Mesa, as disclosed in more detail in this Note.

Additionally, in relation to the above, the Company's management has assessed the risk threatening all its investments ability to continue as a going concern, taking substantially into

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consideration: the economic-financial clauses of Cemig D and Gasmig; the guarantee of revenues of the transmission companies; the protection against *force majeure* reduction in regulated generation contracts; and all the legal measures that have been applied by the federal government and by Aneel – and has concluded that the Company and its subsidiaries' ability to continue as going concern is secure.

a) Right to exploitation of the regulated activity

In the process of allocating the purchase price for of the acquisition of the jointly controlled subsidiaries and affiliates, a valuation was made for the intangible assets relating to the right to operate the infrastructure. This asset is presented together with the acquisition cost of the investments. These assets will be amortized over the remaining period of the concessions on a straight-line basis.

The rights of authorization to generate wind energy granted to Parajuru and Volta do Rio, valued at R$48,087 (R$49,241 on December 31, 2021) and R$65,511 (R$67,205 on December 31, 2021), respectively, are classified in the financial position of the subsidiary Cemig GT and of the Company, respectively and in accordance with Technical Interpretation ICPC 09, the investments and are classified in the consolidated balance sheet under Intangibles. These concession assets are amortized by the straight-line method, during the period of the concession. For further information see Note 17.

Changes in these assets are as follows:

PARENT COMPANY			
Investees	**Dec. 31, 2021**	**Amortization**	**Mar. 31, 2022**
Lightger	76,488	(625)	75,863
Taesa	151,462	(2,330)	149,132
Gasmig	396,246	(3,815)	392,431
TOTAL	**624,196**	**(6,770)**	**617,426**

CONSOLIDATED			
Investees	**Dec. 31, 2021**	**Amortization**	**Mar. 31, 2022**
Cemig Geração e Transmissão	**376,063**	**(7,167)**	**368,896**
Retiro Baixo	27,798	(347)	27,451
Lightger	76,488	(625)	75,863
Aliança Geração	301,605	(6,327)	295,278
Aliança Norte (Belo Monte Plant)	46,660	(493)	46,167
Taesa	151,462	(2,330)	149,132
TOTAL	**604,013**	**(10,122)**	**593,891**

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

PARENT COMPANY						
Investees	Dec. 31, 2021	Gain (loss) by equity method (Income statement)	Dividends	Additions / acquisitions	Others	Mar. 31, 2022
Cemig Geração e Transmissão	7,831,942	812,888	-	-	-	8,644,830
Cemig Distribuição	6,942,666	375,927	(130,457)	-	-	7,188,136
Ativas Data Center	15,750	(475)	-	-	-	15,275
Gasmig	1,635,985	85,360	(24,563)	-	393	1,697,175
Cemig Sim	111,433	8,321	(3,424)	-	-	116,330
Axxiom Soluções Tecnológicas	4,277	(124)	-	-	-	4,153
Sete Lagoas Transmissora	60,703	2,553	(5,120)	7,000	-	65,136
Taesa	1,580,379	119,667	-	-	-	1,700,046
	18,183,135	**1,404,117**	**(163,564)**	**7,000**	**393**	**19,431,081**

CONSOLIDATED				
Investees	Dec. 31, 2021	Gain (loss) by equity method (Income statement)	Dividends	Mar. 31, 2022
Hidrelétrica Cachoeirão	59,013	3,723	(3,532)	59,204
Guanhães Energia	125,172	36,997	-	162,169
Hidrelétrica Pipoca	46,722	4,459	(2,657)	48,524
Lightger	124,275	4,511	-	128,786
Baguari Energia	168,430	6,534	(14,760)	160,204
Amazônia Energia (Belo Monte Plant)	932,600	(11,662)	-	920,938
Aliança Norte (Belo Monte Plant)	609,154	(7,815)	-	601,339
Ativas Data Center	15,750	(475)	-	15,275
Taesa	1,580,379	119,667	-	1,700,046
Aliança Geração	1,140,930	24,252	125,896	1,291,078
Retiro Baixo	200,385	3,565	-	203,950
UFV Janaúba Geração de Energia Elétrica Distribuída	2,699	466	-	3,165
UFV Corinto Geração de Energia Elétrica Distribuída	9,258	888	-	10,146
UFV Manga Geração de Energia Elétrica Distribuída	11,294	1,188	-	12,482
UFV Bonfinópolis II Geração de Energia Elétrica Distribuída	6,432	497	-	6,929
UFV Lagoa Grande Geração de Energia Elétrica Distribuída	14,890	1,285	-	16,175
UFV Lontra Geração de Energia Elétrica Distribuída	17,823	1,775	-	19,598
UFV Mato Verde Geração de Energia Elétrica Distribuída	6,130	698	-	6,828
UFV Mirabela Geração de Energia Elétrica Distribuída	4,058	494	-	4,552
UFV Porteirinha I Geração de Energia Elétrica Distribuída	5,318	649	-	5,967
UFV Porteirinha II Geração de Energia Elétrica Distribuída	6,384	696	-	7,080
UFV Brasilândia Geração de Energia Elétrica Distribuída	14,553	1,268	-	15,821
Axxiom Soluções Tecnológicas	4,277	(124)	-	4,153
Total of investments	**5,105,926**	**193,536**	**104,947**	**5,404,409**
Itaocara – equity deficit	(20,767)	(71)	-	(20,838)
Madeira Energia (*Santo Antônio* Plant) – provisions to losses (1)	(161,648)	(9,037)	-	(170,685)
Total	**4,923,511**	**184,428**	**104,947**	**5,212,886**

(1) A loss was recognized for extension of the contractual obligations which the Company had assumed to the investee and the other shareholders. On March 31, 2022 this amount was R$170,685. There is more information below in this note.

Changes in dividends receivable are as follows:

	Consolidated	Parent company
Balance on December 31, 2021	**335,189**	**1,820,578**
Investees' dividends proposed (reversal)	(104,947)	163,564
Withholding income tax on Interest on equity	-	(19,568)
Amounts received	(2)	(351)
Balance on March 31, 2022	**230,240**	**1,964,223**

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c) Main information on the subsidiaries and affiliates, not adjusted for the percentage represented by the Company's ownership interest:

Investee	Number of shares	Mar. 31, 2022			Dec. 31, 2021		
		Cemig interest (%)	Share capital	Equity	Cemig interest (%)	Share capital	Equity
Cemig Geração e Transmissão	2,896,785,358	100.00	4,123,724	8,568,968	100.00	4,123,724	7,755,454
Madeira Energia (Santo Antônio Plant)	12,034,025,147	17.90	10,619,786	(1,109,868)	15.51	10,619,786	1,492,037
Hidrelétrica Cachoeirão	35,000,000	49.00	35,000	120,824	49.00	35,000	120,436
Guanhães Energia (3)	548,626,000	49.00	548,626	330,958	49.00	548,626	255,453
Hidrelétrica Pipoca	41,360,000	49.00	41,360	100,048	49.00	41,360	93,385
Baguari Energia (1)	26,157,300,278	69.39	186,573	230,884	69.39	186,573	242,736
Central Eólica Praias de Parajuru	85,834,843	100.00	85,835	128,723	100.00	85,835	128,466
Central Eólica Volta do Rio	274,867,441	100.00	274,867	211,209	100.00	274,867	206,783
Lightger (4)	79,078,937	49.00	79,232	108,006	49.00	79,232	97,525
Aliança Norte (Belo Monte Plant)	41,923,360,811	49.00	1,209,043	1,133,003	49.00	1,209,043	1,147,947
Amazônia Energia (Belo Monte Plant) (1)	1,322,697,723	74.50	1,322,698	1,235,601	74.50	1,322,698	1,251,811
Aliança Geração	1,291,582,500	45.00	1,291,488	2,205,626	45.00	1,291,488	1,857,905
Retiro Baixo	225,350,000	49.90	225,350	353,710	49.90	225,350	345,868
Usina Hidrelétrica Itaocara S.A.	156,259,500	49.00	156,259	(42,526)	49.00	156,259	(42,381)
Cemig Baguari	406,000	100.00	406	83	100.00	406	88
Cemig Ger. Três Marias S.A.	1,291,423,369	100.00	1,291,423	1,609,127	100.00	1,291,423	1,652,343
Cemig Ger. Salto Grande S.A.	405,267,607	100.00	405,268	522,496	100.00	405,268	526,776
Cemig Ger. Itutinga S.A.	151,309,332	100.00	151,309	202,057	100.00	151,309	211,956
Cemig Geração Camargos S.A.	113,499,102	100.00	113,499	158,763	100.00	113,499	165,369
Cemig Geração Sul S.A.	148,146,505	100.00	148,147	222,520	100.00	148,147	214,845
Cemig Geração Leste S.A.	100,568,929	100.00	100,569	139,610	100.00	100,569	147,702
Cemig Geração Oeste S.A.	60,595,484	100.00	60,595	111,648	100.00	60,595	105,990
Rosal Energia S.A.	46,944,467	100.00	46,944	117,976	100.00	46,944	114,751
Sá Carvalho S.A.	361,200,000	100.00	36,833	124,098	100.00	36,833	134,209
Horizontes Energia S.A.	39,257,563	100.00	39,258	62,545	100.00	39,258	59,575
Cemig PCH S.A.	45,952,000	100.00	45,952	97,071	100.00	45,952	90,117
Cemig Geração Poço Fundo S.A. (2)	97,161,578	100.00	97,162	143,212	100.00	97,162	144,128
Empresa de Serviços de Comercialização de Energia Elétrica S.A.	486,000	100.00	486	8,736	100.00	486	7,734
Cemig Trading S.A.	1,000,000	100.00	1,000	1,975	100.00	1,000	2,158
Companhia de Transmissão Centroeste de Minas	28,000,000	100.00	28,000	116,681	100.00	28,000	122,079
Cemig Distribuição	2,359,113,452	100.00	5,371,998	7,188,136	100.00	5,371,998	6,942,666
Taesa	1,033,496,721	21.68	3,042,034	7,244,803	21.68	3,042,034	6,684,756
Ativas Data Center	456,540,718	19.60	182,063	77,931	19.60	182,063	80,358
Gasmig	409,255,483	99.57	665,430	1,310,378	99.57	665,429	1,245,093
Cemig Sim	24,431,845	100.00	102,153	116,330	100.00	102,153	111,433
Sete Lagoas Transmissora de Energia	36,857,080	100.00	36,857	69,581	100.00	36,857	65,210
Axxiom Soluções Tecnológicas	68,064,706	49.00	68,065	8,587	49.00	68,065	8,728
UFV Janaúba Geração de Energia Elétrica Distribuída	18,509,900	49.00	6,510	7,740	49.00	6,510	5,507
UFV Corinto Geração de Energia Elétrica Distribuída	18,000,000	49.00	18,000	20,282	49.00	18,000	18,893
UFV Manga Geração de Energia Elétrica Distribuída	21,660,575	49.00	21,660	23,893	49.00	21,661	22,155
UFV Bonfinópolis Geração de Energia Elétrica Distribuída	13,197,187	49.00	13,197	13,950	49.00	13,197	13,226
UFV Lagoa Grande Geração de Energia Elétrica Distribuída	25,471,844	49.00	25,472	28,159	49.00	25,472	26,249
UFV Lontra Geração de Energia Elétrica Distribuída	29,010,219	49.00	29,010	32,086	49.00	29,010	29,406
UFV Mato Verde Geração de Energia Elétrica Distribuída	11,030,391	49.00	11,030	12,368	49.00	11,030	11,337
UFV Mirabela Geração de Energia Elétrica Distribuída	9,320,875	49.00	9,321	10,151	49.00	9,321	9,450
UFV Porteirinha I Geração de Energia Elétrica Distribuída	12,348,392	49.00	12,348	13,519	49.00	12,348	12,596
UFV Porteirinha II Geração de Energia Elétrica Distribuída	11,702,733	49.00	11,703	12,992	49.00	11,703	11,904
UFV Brasilândia Geração de Energia Elétrica Distribuída	25,629,900	49.00	25,879	28,576	49.00	25,879	26,625

(1) Jointly-control under a Shareholders' Agreement.
(2) On February 23, 2021, Aneel authorized through Resolution 9,735 the Company transfer of ownership of the concession of the Poço Fundo Small Hydro Plant from Cemig Geração e Transmissão S.A. to Cemig Geração Poço Fundo S.A. The transfer was formalized by signature of a new concession contract, Nº. 01/2021, on April 16, 2021.
(3) On December 9, 2021, Light disclosed to the market that it had signed a share purchase agreement with Brasal Energia S.A. for sale of its equity interest in Guanhães and LightGer, subject to the conditions precedent that are usual in this type of transaction. Brasal Energia S.A will join this investee existing shareholders' agreements, complying fully with their terms.

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

Santo Antônio Energia S.A. ('SAESA') is a wholy owned subsidiary of MESA, SAESA, whose objects are operation and maintenance of the *Santo Antônio* Hydroelectric Plant and its transmission system, for 35 years from its signature, on June 13, 2008. The Santo Antônio Hydroelectric Plant began commercial operation with its first generating unit in 2012, and reached full generation in December 2016. Between the shareholders include Furnas, Odebrecht Energia, SAAG and the Company.

On March 31, 2022, MESA reported a negative net working capital, increased by the recognition of the arbitration proceedings CAM 115/18 and CCI 21,511/ASM effects, described in the following topics. Hydroelectric plants *Project Finance* structurally present negative net working capital in the first years of operation, because they are built using high levels of financial leverage. On the other hand, they have firm long-term contracts for energy supply as support and guarantee of payment of their debts.

To balance the situation of capital structure and liquidity, in addition to the measures described below, related to the arbitral decisions, MESA has been adopting actions aimed at reducing the operational expediture, protecting the exposure to hydrological risks, optimizing the capital structure, and managing the energy operations.

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

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

On December 13, 2021 was released the arbitration decision annulling the capital increase part of the arbitration proceeding, as well as on March 16, 2022, the Market Arbitration Chamber published a decision on a motion for clarification in which determined the revert of the increase of capital made by the shareholders in this investee.

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

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

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

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

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

i. Liability of CCSA for reimbursement of the costs of replenishing the collateral, and use of the contractual limitation clause, specified in contract.
ii. Liability of SAESA relating to the increase in costs incurred by CCSA arising, mainly, from strikes and work stoppages occurred from 2009 to 2013.

The result of this arbitration, made available by the International Arbitration Court of the International Chamber of Commerce on February 7, 2022, indicates that part of the claims of SAESA were accepted, as well as some of the claims of CCSA and where applicable of its co-consortium members against SAESA. Also, the arbitration decision initially declared as being without effect the instrument entitled “Terms and Conditions”, which was the basis for recognition by the Company of the “Reimbursable Expenditures”, as set out in an explanatory note to the financial statements of SAESA.

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

Under the financing contracts signed with the National Bank for Economic and Social Development (‘BNDES’) and financing contracts under on lending from the BNDES, any amounts that SAESA is ordered to pay will be paid in accordance with procedures determined in the respective financing contracts.

On March 9, 2022, SAESA filed a motion for clarification on certain matters of the final decision, including pecuniary aspects, and believes that only after evaluation of this claim and any other motions for clarification that may be requested by the other parties involved, the decision will become definitive and able to produce effects, with effective decision on any amounts that may eventually be payable by SAESA.

On April 11, 2022 SAESA filed a motion for advance dismissal of enforcement, with extinction of the legal action for partial execution brought by Grupo Industrial Complexo Rio Madeira (GICOM), which is part of CCSA, in the amount of R$645 million. Considering that, GICOM based its case on the opinion that the decision released in the arbitration proceeding CCI 21,511/ASM was definitive and enforceable. On April 17, 2022, a court decision was

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rendered in the lawsuit for partial execution of the arbitration decision, receiving the motion for advance dismissal of enforcement presented by SAESA, and granting suspensive effect to interrupt the executed debts payment the Arbitral Court considers the motion for clarification presented in the arbitration proceedings, or judgment is given on the application for motion for advance dismissal of enforcement, whichever occurs first.

On April 29, 2022, the MESA Extraordinary General Meeting approved a capital increase until R$1,582,551, to be made in order to capitalize SAESA. Cemig GT relinquished the right to subscribe the investee's shares and will not make the contribution referring to its equity interests.

SAESA also reiterated that the arbitration proceedings are in progress, still treated with confidentiality.

Investment in Madeira Energia S.A.

As a result of the above mentioned arbitration decisions, the Company recognized, on December 31, 2021, an impairment of R$366,850, which results in reduction of the investment carrying amount to zero and in accordance with IAS 28 / CPC 18 – Investments in Associates and Joint Ventures, constituted a liability for the obligations assumed on behalf of investee in equity support and guarantee agreements, which on March 31, 2022 totaled R$170,685.

The liability was estimated applying the Company's direct percentage shareholding in Mesa, currently 9.86%, applied to the expected cash outflow to settle the debt arising from the arbitration judgment. Considering that there are specific circumstances established in shareholders' agreements, and in the share purchase agreement of SAAG, and in the guarantees themselves provided by SAAG to SAESA, the Company believes that it does not have a responsibility in relation to its indirect shareholding in Mesa, currently of 8.05%, since it did not assume the obligations which were contracted by SAAG to SAESA before it entered the business; therefore, the other shareholder, the former holder of 100% of the equity (AG Participações), remains as guarantor of all the related obligations to that investee.

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 Cemig GT owns an indirect equity interest in NESA of 11.69%.

On March 31, 2022 NESA presents negative net working capital of R$26,956 (R$189,028 on December 31, 2021) and will spend further amounts on projects specified in its concession contract, even after conclusion of the construction and full operation of the Belo Monte Hydroelectric Plant. According to the estimates and projections, the 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.

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The Company evaluated the recoverability amount of its investment in NESA, based on its value in use, in accordance with CPC 01/ IAS 36 – Impairment of Assets, and by CPC 46/ IFRS 13 – Fair Value Measurement, and has concluded that the recoverable amount of the investment is higher than its carrying amount at March 31, 2022.

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 March 31, 2022 to R$2,985,000 (R$2,832,000 on December 31, 2021).

Risks related to compliance with laws and regulations

Jointly controlled investees:

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

Investigations and other legal measures are in progress since 2015, conducted by the Federal Public Attorneys' Office, which involve other shareholders of NESA and certain executives of those other shareholders. In this context, the Federal Public Attorneys have started investigations on irregularities involving contractors and suppliers of NESA and of its other shareholders, which are still in progress.

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

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

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

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changes in the existing scenario will be reflected appropriately in the Company's interim financial information.

Madeira Energia S.A. ('MESA')

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

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

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

Other investigations

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

Additionally, since 2017 Renova, whose equity interest held by Cemig GT was classified in Non-current assets held for sale in 2021, is part of an investigation conducted by the Civil Police of Minas Gerais State and other public authorities related to certain injections of capital made by the controlling shareholders, including the Company and its subsidiary Cemig GT, and injections made in prior years by Renova in certain projects under development.

The police investigations of the inquiries referred to as operation "E o vento levou" and of the Minas Gerais Civil Police have not yet been completed, but no results are expected from these investigations with effects that could significantly impact the Company's interim financial information, even if there may be any which were not recorded by Renova, since

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no contractual or constructive obligations to the investee were assumed either by the Company nor by any of its subsidiaries.

Considering the share purchase agreement signed for disposal of the investment held in Renova, as reported in Note 32 to these interim financial information, also no effects are expected after the conclusion of the sale transaction, considering that the share purchase instrument does not specify any right of indemnity against Cemig GT in relation to any act, fact, event, action or omission which took place before and/or after the date of its signature, except to the extent that they may constitute a violation or inexactitude of any of the declarations or warranties given by Cemig GT. In the contract, the parties expressly recognized the “no claims” nature of the transaction.

Internal procedures for risks related to compliance with law and regulations

Taking into account the investigations that are being conducted by public authorities relating to the Company and to certain investees, as described above, the governance bodies of the Company have authorized contracting third party investigator to analyze the internal procedures related to these investments, as well as internal proceedings related to the acquisition of Light’s interest in Enlighted (see Note 24). This independent investigation was subject to oversight of an independent Special Investigation Committee whose creation was approved by our Board of Directors.

The Company’s internal investigation was completed, and the corresponding report was issued on May 8, 2020 and identified no objective evidence substantiating illegal acts made by Company in the Company’s investments that were the subject of the investigation. Therefore, there was no impact in the Company’s interim financial information, neither for the period ended on March 31, 2022 nor for prior periods.

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

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

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

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The independent internal investigation begun in 2020 has been concluded, and its final report has been delivered and was approved by the Investigation Committee on November 24, 2021, no matter was identified that might present a significant impact on the interim financial information on March 31, 2022 or on financial statements for prior years. However, the Company awaits completion of the investigations by the Public Attorneys' Office of Minas Gerais State (MPMG), and by ither Brazilian and international authorities that are still on going.

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

16. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Mar. 31, 2022			Dec. 31, 2021		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	246,605	(26,621)	219,984	246,605	(25,822)	220,783
Reservoirs, dams and watercourses	3,295,716	(2,371,933)	923,783	3,295,828	(2,352,006)	943,822
Buildings, works and improvements	1,086,360	(842,294)	244,066	1,085,943	(837,942)	248,001
Machinery and equipment	2,684,570	(1,993,584)	690,986	2,672,848	(1,975,923)	696,925
Vehicles	20,602	(19,349)	1,253	20,632	(19,260)	1,372
Furniture and utensils	13,735	(11,294)	2,441	13,747	(11,230)	2,517
	7,347,588	**(5,265,075)**	**2,082,513**	**7,335,603**	**(5,222,183)**	**2,113,420**
In progress	306,978	-	306,978	305,849	-	305,849
Net property, plant and equipment	**7,654,566**	**(5,265,075)**	**2,389,491**	**7,641,452**	**(5,222,183)**	**2,419,269**

Parent company	Mar. 31, 2022			Dec. 31, 2021		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
In service						
Land	82	-	82	82	-	82
Buildings, works and improvements	55	(25)	30	55	(24)	31
Machinery and equipment	5,200	(5,045)	155	5,200	(4,962)	238
Furniture and utensils	727	(695)	32	727	(693)	34
	6,064	**(5,765)**	**299**	**6,064**	**(5,679)**	**385**
In progress	1,026	-	1,026	1,026	-	1,026
Net property, plant and equipment	**7,090**	**(5,765)**	**1,325**	**7,090**	**(5,679)**	**1,411**

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Changes in PP&E are as follows:

Consolidated	Dec. 31, 2021	Additions	Disposals	Reversal of provision (2)	Depreciation	Transfers / capitalizations	Mar. 31, 2022
In service							
Land (1)	220,783	-	-	-	(799)	-	219,984
Reservoirs, dams and watercourses	943,822	-	-	-	(20,159)	120	923,783
Buildings, works and improvements	248,001	-	-	-	(4,353)	418	244,066
Machinery and equipment	696,925	-	(95)	-	(17,140)	11,296	690,986
Vehicles	1,372	-	-	-	(119)	-	1,253
Furniture and utensils	2,517	-	-	-	(76)	-	2,441
	2,113,420	**-**	**(95)**	**-**	**(42,646)**	**11,834**	**2,082,513**
In progress	305,849	**12,181**	**-**	**782**	**-**	**(11,834)**	306,978
Net property, plant and equipment	**2,419,269**	**12,181**	**(95)**	**782**	**(42,646)**	**-**	**2,389,491**

(1) Certain land sites linked to concession contracts and without provision for reimbursement are amortized in accordance with the period of the concession.
(2) Reversal of a provision previously recognized for impairment of works in progress assets with expectation of partial or total cancellation, due to the Company's withdrawn of a previously agreed consortium

Parent company	Dec. 31, 2021	Addition	Depreciation	Mar. 31, 2022
In service				
Land	82	-	-	82
Buildings, works and improvements	31	-	(1)	30
Machinery and equipment	238	-	(83)	155
Furniture and utensils	34	-	(2)	32
	385	**-**	**(86)**	**299**
In progress	**1,026**	**-**	**-**	**1,026**
Net property, plant and equipment	**1,411**	**-**	**(86)**	**1,325**

Consortium

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

	Stake in power output (%)	Average annual depreciation rate (%)	Mar. 31, 2022	Dec. 31, 2021
In service				
Queimado Power Plant	82.50	3.94	220,009	220,009
Accumulated depreciation			(128,571)	(126,583)
Total in service			**91,438**	**93,426**
In progress				
Queimado Power Plant	82.50	-	55	43
Total in progress			**55**	**43**
Total			**91,493**	**93,469**

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17. INTANGIBLE ASSETS

Consolidated	Mar. 31, 2022			Dec. 31, 2021		
	Historical cost	Accumulated amortization	Residual value	Historical cost	Accumulated amortization	Residual value
In service						
Useful life defined						
Temporary easements	14,692	(4,895)	9,797	14,692	(4,726)	9,966
Onerous concession	13,599	(8,649)	4,950	13,599	(8,493)	5,106
Assets of concession	21,743,983	(9,843,615)	11,900,368	21,475,916	(9,669,212)	11,806,704
Assets of concession - GSF	1,031,810	(99,259)	932,551	1,031,809	(65,744)	966,065
Others	78,595	(74,652)	3,943	78,347	(73,854)	4,493
	22,882,679	**(10,031,070)**	**12,851,609**	**22,614,363**	**(9,822,029)**	**12,792,334**
In progress	**160,208**	**-**	**160,208**	**160,983**	**-**	**160,983**
Net intangible assets	**23,042,887**	**(10,031,070)**	**13,011,817**	**22,775,346**	**(9,822,029)**	**12,953,317**

Parent company	Mar. 31, 2022			Dec. 31, 2021		
	Historical cost	Accumulated amortization	Residual value	Historical cost	Accumulated amortization	Residual value
In service						
Useful life defined						
Software use rights	13,565	(12,563)	1,002	13,564	(12,273)	1,291
Brands and patents	8	(8)	-	8	(8)	-
Others	9	(9)	-	9	(9)	-
	13,582	**(12,580)**	**1,002**	**13,581**	**(12,290)**	**1,291**
In progress	**119**	**-**	**119**	**89**	**-**	**89**
Net intangible assets	**13,701**	**(12,580)**	**1,121**	**13,670**	**(12,290)**	**1,380**

Changes in intangible assets are as follow:

Consolidated	Dec. 31, 2021	Additions	Disposals	Amortization	Transfers (1)	Mar. 31, 2022
In service						
Useful life defined						
Temporary easements	9,966	-	-	(169)	-	9,797
Onerous concession	5,106	-	-	(156)	-	4,950
Assets of concession	11,806,704	-	(6,767)	(193,163)	293,594	11,900,368
Assets of concession - GSF	966,065	-	-	(33,514)	-	932,551
Others	4,493	-	-	(813)	263	3,943
	12,792,334	**-**	**(6,767)**	**(227,815)**	**293,857**	**12,851,609**
In progress	**160,983**	**14,775**	**(6)**	**-**	**(15,544)**	**160,208**
Net intangible assets	**12,953,317**	**14,775**	**(6,773)**	**(227,815)**	**278,313**	**13,011,817**

(1) The transfers were made between concession contract assets to Intangible assets: R$278,313.

Parent company	Dec. 31, 2021	Additions	Amortization	Mar. 31, 2022
In service				
Useful life defined				
Softwares use rights	1,291	-	(289)	1,002
	1,291	**-**	**(289)**	**1,002**
In progress	**89**	**30**	**-**	**119**
Net intangible assets	**1,380**	**30**	**(289)**	**1,121**

Concession assets

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

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The authorization rights of gas distribution granted to Gasmig, in the amount of R$392,432 (R$396,246 on December 31, 2021), are classified as investments in its individual balance sheet, as Note 15, in accordance with Technical Interpretation ICPC 09.

The concession assets includes the rights of authorization to generate wind energy granted to the Parajuru and Volta do Rio, in the amount of R$113,598 (R$116,446 on December 31, 2021), which are recognized as investments in the interim financial information of the Cemig GT and are classified under intangible assets in the statement of financial position, as per Technical Interpretation ICPC 09.

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

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

On September 9, 2020, the Law 14,052 was passed, changing the Law 13,203/2015, aiming to compensate holders of hydroelectric plants for the costs incurred due to the GSF, under the Energy Reallocation Mechanism (MRE) for the period from 2012 to 2017, during which there was hydrological crisis, and the following non-hydrological risks were incurred by the hydroelectric plants holders:

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

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

On December 1, 2020, Aneel issued its Normative Resolution 895, which established the methodology for calculation of the compensation, and the procedures for renegotiation of hydrological risk. To be eligible for the compensations under Law 14,052, the holders of hydroelectric plants participating in the MRE are required to: (i) cease any legal actions which claimed exemption from or mitigation of hydrological risks related to the MRE, (ii) relinquishing any claims and/or further legal actions in relation to exemptions from or mitigation of hydrological risks related to the MRE, (iii) not to have renegotiated hydrological risk under Law 13,203/2015.

On August 03, 2021, Aneel ratified, through the Resolution nº. 2,919/2021, the terms of concession extension of hydroelectric plants participating in the MRE, including all of the Company plants suitable for the renegotiation, except for Queimado and Irapé, which renegotiate the hydrological risk through the Resolution nº. 684/2015 and were not covered

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by the Resolution nº. 2,919/2021. The values ratified are aligned with the Company estimations, based on the Resolution Aneel nº. 895/2020.

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

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

The fair values of the concessions extension rights have been estimated individually, as shown in the table below, using the revenue approach, under which future values are converted into a single present value, discounted by the rate of profitability approved by Management for the energy generation activity, reflecting present market expectations in relation to the future amounts. The useful life of items that are components of Intangible assets has been adjusted for the new remaining concession period, that is to say, the result of addition, to the original concession period, of the new concession extension granted.

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

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

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

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

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18. LEASING TRANSACTIONS

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

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

The Company and its subsidiaries have elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). Thus, these leasing agreements are recognized as an expense in the income statement on the straight-line basis, over the period of the leasing. Their effects on net income of the tree-month period ended on March 31, 2022 were immaterial.

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

Marginal rates	Annual rate (%)	Monthly rate (%)
Initial application		
Up to two years	7.96	0.64
Three to five years	10.64	0.85
Six to twenty years	13.17	1.04
Contracts entered – 2019 at 2021		
Up to three years	6.87	0.56
Three to four years	7.33	0.59
Four to twenty years	8.08	0.65
Contracts entered – August to December 2021 (1)		
Up to five years	5.81	0.47
Six to ten years	5.89	0.48
Eleven to fifteen years	5.95	0.49
Sixteen to thirty years	5.95	0.49
Contracts entered – January to March 2022 (1)		
Up to five years	6.24	0.51
Six to ten years	6.42	0.53
Eleven to fifteen years	6.50	0.54

(1) Monthly the Company calculates the addition to the rate to be applied to the new contracts. For the purposes of publication, these are presented at the average rates used.

a) Right of use assets

The right-of-use assets were valued at cost, corresponding to the amount of the initial measurement of the lease liabilities, adjusted by its remeasurements, and amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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Changes in the right of use asset are as follows:

Consolidated	Real estate property	Vehicles	Total
Balances on December 31, 2021	**191,567**	**34,026**	**225,593**
Disposals (contracts terminated)	(96)	-	(96)
Amortization (1)	(2,612)	(11,425)	(14,037)
Addition	197	-	197
Remeasurement (2)	(1,020)	578	(442)
Balances on March 31, 2022	**188,036**	**23,179**	**211,215**

(1) Amortization of the Right of Use recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R$157 from January to March, 2022 (R$140 from January to March, 2021).
(2) The Company and its subsidiaries have identified events giving rise to revaluation and modifications of their principal contracts. The lease liabilities are restated with adjustment to the asset of Right of Use.

Parent company	Real estate property
Balances on December 31, 2021	**2,050**
Amortization (1)	(21)
Balances on March 31, 2022	**2,029**

(1) Amortization of the Right of Use recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, a total R$6 on March 31, 2022 (R$2 on March 31, 2021).

b) Lease liabilities

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

The changes in the lease liabilities are as follows:

	Consolidated	Parent company
Balances on December 31, 2021	**244,023**	**2,252**
Addition	197	-
Business combination adjustment	(159)	-
Settled	(101)	-
Interest incurred (1)	6,737	70
Leasing paid	(18,729)	(72)
Interest in leasing contracts	(331)	(2)
Remeasurement (2)	(442)	-
Balances on March 31, 2022	**231,195**	**2,248**
Current liabilities	**50,599**	**277**
Non-current liabilities	**180,596**	**1,971**

(1) Financial revenues recognized in the Income Statement are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amounts of R$452 and R$5 from January to March 2022 (R$428 and R$5 from January to March, 2021), for the consolidated and individual interim financial information, respectively.
(2) The Company and its subsidiaries identified events that give rise to restatement and modifications of their principal contracts; the lease liability was remeasured with an adjustment to the asset of right of use.

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

Cash flow	Consolidated		Parent company	
	Nominal	Adjusted to present value	Nominal	Adjusted to present value
Consideration for the leasing	637,846	231,195	7,033	2,248
Potential PIS/Pasep and Cofins (9.25%)	55,237	18,327	651	208

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

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

	Consolidated (nominal)	Parent company (nominal)
2022	45,691	222
2023	28,142	296
2024	27,898	296
2025	27,768	296
2026	27,613	296
2027 at 2045	480,734	5,627
Undiscounted values	**637,846**	**7,033**
Embedded interest	(406,651)	(4,785)
Lease liabilities	**231,195**	**2,248**

19. SUPPLIERS

	Consolidated		Parent company	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Energy on spot market – CCEE	158,353	129,957	-	-
Charges for use of energy network	179,879	175,476	95	95
Energy purchased for resale	936,753	1,314,197	83,414	62,322
Itaipu Binacional	301,909	331,118	-	-
Gas purchased for resale	238,091	227,683	-	-
Materials and services	427,670	504,912	444	2,265
	2,242,655	**2,683,343**	**83,953**	**64,682**

20. TAXES PAYABLE AND AMOUNTS TO BE REFUNDED TO CUSTOMERS

	Consolidated		Parent company	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Current				
ICMS	152,197	123,928	3,020	2,616
Cofins (1)	166,761	166,482	12,021	30,030
PIS/Pasep (1)	36,250	36,180	2,595	6,496
INSS	35,945	36,178	1,803	1,940
Others (2)	75,333	165,328	23,546	91,682
	466,486	**528,096**	**42,985**	**132,764**
Non-current				
Cofins (1)	288,192	280,690	-	-
PIS/Pasep (1)	62,627	60,999	-	-
	350,819	**341,689**	**-**	**-**
	817,305	**869,785**	**42,985**	**132,764**
Amounts to be refunded to customers				
Current				
PIS/Pasep and Cofins	267,307	704,025	-	-
Non-current				
PIS/Pasep and Cofins	2,366,849	2,318,910	-	-
	2,634,156	**3,022,935**	**-**	**-**

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

(2) The balance of December 31, 2021 includes the withholding income tax on Interest on equity declared on December 10, 2021. This payment was made in January 2022, in accordance with the tax legislation.

The amounts of PIS/Pasep and Cofins taxes to be refunded to customers refer to the credits to be received by the Cemig D following the extinction of the ICMS value added tax within the taxable amount for calculation of those taxes, in amount of R$2,451,631, as described in

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Note 7 (a). Until March, 2022, a total of R$2,020,032, has been reimbursed to clients (R$1,583,314 until December, 2021).

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

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

- On August 18, 2020, Aneel ratified the inclusion into the tariff adjustment for 2020 of a negative financial component of R$714,339, in effect from August 19, 2020 to May 27, 2021 – this corresponds to the release of the escrow funds following final judgment in Company’s favor against which there is no further appeal.
- On May 25, 2021, Aneel ratified incorporation into the 2021 tariff adjustment, in effect from May 28, 2021 to May 27, 2022, of the negative financial component of R$1,573,000, corresponding to the total amount of the credits offset and received when the escrow deposit was released. There are more details on the credits in Note 7b to this interim financial information. See Note 13.4 for more information on the Cemig D tariff adjustment.

Although the definitive criteria for the refunding of PIS/Pasep and Cofins taxes to customers are pending, awaiting conclusion of discussions with Aneel and the mechanisms and criteria for reimbursement.

Additionally, as per Note 8 (a), the subsidiary Gasmig recognized the amounts of the PIS/Pasep and Cofins taxes credits over ICMS for the periods covered by the legal action that argues this matter, in the amount of R$228,842. In the absence of a court judgment against which there is no further appeal, the subsidiary recorded a liability in the amount of R$182,524, corresponding to the amounts to be refunded to its customers, based on 10 years period, from the date of the end of the quarter. The 10 years period refers to the maximum amount possibly subject to restitution, to be validated after complementary analyses of the court decisions that will be issued, and the legislation in effect when the case was ruled against which there is no further appeal.

21. LOANS, FINANCING AND DEBENTURES

Financing source	Principal maturity	Annual financial cost %	Currency	Consolidated			
				Mar. 31, 2022			Dec. 31, 2021
				Current	Non-current	Total	Total
FOREIGN CURRENCY							
Eurobonds (1) (7)	2024	9.25%	U$$	164,700	4,737,799	4,902,499	5,622,673
(-) Transaction costs				-	(7,619)	(7,619)	(8,220)
(±) Interest paid in advance (2)				-	(12,397)	(12,397)	(13,356)
Debt in foreign currency				**164,700**	**4,717,783**	**4,882,483**	**5,601,097**
BRAZILIAN CURRENCY							
Eletrobrás (3)	2023	UFIR + 6.00% at 8.00%	R$	3,247	1,572	4,819	5,647
Sonda (4)	2022	110.00% of CDI	R$	53,831	-	53,831	52,430
Debt in Brazilian currency				**57,078**	**1,572**	**58,650**	**58,077**
Total of loans and financings				**221,778**	**4,719,355**	**4,941,133**	**5,659,174**
Debentures - 3rd Issue – 3rd Series (1)	2022	IPCA + 6.20%	R$	-	-	-	428,367

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Financing source	Principal maturity	Annual financial cost %	Currency	Consolidated			
				Mar. 31, 2022			Dec. 31, 2021
				Current	Non-current	Total	Total
Debentures - 3rd Issue – 3rd Series (3)	2025	IPCA + 5.10%	R$	286,083	562,153	848,236	1,147,465
Debentures - 7th Issue – 1st Series (3)	2024	CDI + 0.45%	R$	546,569	675,000	1,221,569	1,355,933
Debentures - 7th Issue – 2nd Series (3)	2026	IPCA + 4.10%	R$	21,331	1,797,186	1,818,517	1,759,628
Debentures – 4th Issue – 1st Series (5)	2022	TJLP+1.82%	R$	7,533	-	7,533	10,028
Debentures – 4th Issue – 2nd Series (5)	2022	Selic + 1.82%	R$	3,293	-	3,293	4,376
Debentures – 4th Issue – 3rd Series (5)	2022	TJLP + 1.82%	R$	7,706	-	7,706	10,597
Debentures – 4th Issue – 4th Series (5)	2022	Selic + 1.82%	R$	3,910	-	3,910	5,201
Debentures – 7th Issue – Single series (5)	2023	CDI + 1.50%	R$	20,060	20,000	40,060	40,049
Debentures – 8th Issue – Single series (5)	2031	IPCA + 5.27%	R$	6,091	993,134	999,225	986,446
(-) Discount on the issuance of debentures (6)				-	(14,188)	(14,188)	(15,002)
(-) Transaction costs				(3,022)	(24,276)	(27,298)	(28,299)
Total, debentures				**899,554**	**4,009,009**	**4,908,563**	**5,704,789**
Total				**1,121,332**	**8,728,364**	**9,849,696**	**11,363,963**

Financing source	Principal maturity	Annual financial cost %	Currency	Parent company			
				Mar. 31, 2022			Dec. 31, 2021
				Current	Non-current	Total	Total
BRAZILIAN CURRENCY							
Sonda	2021	110.00% of CDI	R$	53,830	-	53,830	52,430
Total of loans and financings				**53,830**	-	**53,830**	**52,430**

(1) Cemig Geração e Transmissão.
(2) Advance of funds to achieve the yield to maturity agreed in the Eurobonds contract.
(3) Cemig Distribuição.
(4) Parent Company. Arising from merger of Cemig Telecom.
(5) Gasmig; The proceeds from the 8th debenture issue, concluded by Gasmig on September 10, 2020, in the amount of R$850,000, were used to redeem the Promissory Notes issued on September 26, 2019, with maturity at 12 months, whose proceeds were used in their entirety for payment of the concession grant fee for the gas distribution concession contract.
(6) Discount on the sale price of the 2nd series of the Seventh issue of Cemig Distribuição.
(7) In August 2021, Cemig GT carried out a partial buyback of its Eurobonds issue, in the principal amount of US$500 million. There are more details on this transaction later in this Note.

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

Guarantees

The guarantees of the debt balance on loans and financing, on March 31, 2022, were as follows:

	Mar. 31, 2022
Promissory notes and Sureties	5,730,395
Guarantee and Receivables	3,020,144
Receivables	27,030
Shares	53,830
Unsecured	1,018,297
TOTAL	**9,849,696**

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

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Consolidated	2022	2023	2024	2025	2026	Total
Currency						
US dollar	164,700	-	4,737,799	-	-	4,902,499
Total, currency denominated	**164,700**	**-**	**4,737,799**	**-**	**-**	**4,902,499**
Index						
IPCA (1)	32,430	281,075	386,233	1,290,665	1,675,575	3,665,978
UFIR/RGR (2)	2,438	2,381	-	-	-	4,819
CDI (3)	438,833	613,830	270,000	-	-	1,322,663
URTJ/TJLP (4)	15,239	-	-	-	-	15,239
Total by index	**488,940**	**897,286**	**656,233**	**1,290,665**	**1,675,575**	**5,008,699**
(-) Transaction costs	(2,749)	(3,362)	(7,473)	(4,361)	(16,972)	(34,917)
(±) Interest paid in advance	-	-	(12,397)	-	-	**(12,397)**
(-) Discount	-	-	-	(7,094)	(7,094)	(14,188)
Overall total	**650,891**	**893,924**	**5,374,162**	**1,279,210**	**1,651,509**	**9,849,696**

Parent company	2022	Total
Indexers		
CDI (3)	53,830	53,830
Total, governed by indexers	**53,830**	**53,830**

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

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

Currency	Accumulated change on March 31, 2022 (%)	Accumulated change on March 31, 2021 (%)	Indexer	Accumulated change on March 31, 2022 (%)	Accumulated change on March 31, 2021 (%)
US dollar	(15.10)	9.63	IPCA	3.20	2.05
			CDI	2.39	0.48
			TJLP	14.29	(3.52)

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

	Consolidated	Parent company
Balances on December 31, 2021	**11,363,963**	**52,430**
Monetary variation	65,249	-
Exchange rate variation	(842,700)	-
Financial charges provisioned	232,247	1,400
Amortization of transaction cost	1,600	-
Financial charges paid	(140,990)	-
Amortization of financing	(829,673)	-
Balances on March 31, 2022	**9,849,696**	**53,830**

Borrowing costs, capitalized

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

	Mar. 31, 2022	Mar. 31, 2021
Costs of loans and financing	232,247	332,565
Financing costs on intangible assets and contract assets (1) (Note 17 and 21)	(8,524)	(6,538)
Net effect in Profit or loss	**223,723**	**326,027**

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(1) The average capitalization rate p.a. on March 31, 2022 was 10.18% (7.50% on March 31, 2021).

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

Restrictive covenants

There are early maturity clauses for cross-default in the event of non-payment by Cemig D, GT or by the Company, of 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:

Title - Security	Covenant	Ratio required – Issuer	Ratio required Cemig (guarantor)	Compliance required
Eurobonds Cemig GT (1)	Net debt / Ebitda adjusted for the Covenant (3)	The following or less: 2.5 on/after Dec. 31, 2021	The following or less: 3.0 on/after Dec. 31, 2021	Semi-annual and annual
7th Debentures Issue Cemig D	Net debt / Ebitda adjusted	Less than 3.5	Less than 3.0	Semi-annual and annual
Debentures GASMIG (2)	Overall indebtedness (Total liabilities/Total assets)	Less than 0.6	-	Annual
	Ebitda / Debt servicing	1.3 or more	-	Annual
	Ebitda / Net finance income (expenses)	2.5 or more	-	Annual
	Net debt / Ebitda	The following or less 2.5	-	Annual
8th Debentures Issue Gasmig Single series (3)	EBITDA/Debt servicing	1.3 or more	-	Annual
	Net debt/EBITDA	3.0 or less	-	Annual

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

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

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

On March 31, 2022, the Company and its subsidiaries were compliant with the covenants.

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

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22. REGULATORY CHARGES

	Consolidated	
	Mar. 31, 2022	Dec. 31, 2021
Liabilities		
Global Reversion Reserve (RGR)	28,084	28,198
Energy Development Account (CDE)	103,795	109,618
Grantor inspection fee – ANEEL	2,552	2,526
Energy Efficiency Program	254,027	237,426
Research and development (R&D)	116,442	112,267
Energy System Expansion Research	4,071	4,377
National Scientific and Technological Development Fund	8,154	8,759
Proinfa – Alternative Energy Program	12,736	16,623
Royalties for use of water resources	8,646	5,374
Emergency capacity charge	26,325	26,325
Customer charges – Tariff flags	16	251,837
CDE on R&D	2,579	2,767
CDE on EEP	3,552	4,583
Others	4,624	4,638
	575,603	**815,318**
Current liabilities	**491,293**	**610,695**
Non-current liabilities	**84,310**	**204,623**

23. POST-EMPLOYMENT OBLIGATIONS

Consolidated	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities on December 31, 2021	**2,670,153**	**3,468,504**	**66,017**	**6,204,674**
Expense recognized in Statement of income	71,205	94,498	1,817	167,520
Contributions paid	(61,836)	(48,147)	(929)	(110,912)
Net liabilities on December 31, 2020	**2,679,522**	**3,514,855**	**66,905**	**6,261,282**
			Mar. 31, 2022	**Dec. 31, 2021**
Current liabilities			**352,358**	**346,733**
Non-current liabilities			**5,908,924**	**5,857,941**

Parent company	Pension plans and retirement supplement plans	Health plan	Dental plan	Total
Net liabilities on December 31, 2019	**498,434**	**220,585**	**5,047**	**724,066**
Expense recognized in Statement of income	13,312	5,904	137	19,353
Contributions paid	(3,046)	(2,718)	(56)	(5,820)
Net liabilities on December 31, 2021	**508,700**	**223,771**	**5,128**	**737,599**
			Mar. 31, 2022	**Dec. 31, 2021**
Current liabilities			**27,348**	**26,917**
Non-current liabilities			**710,251**	**697,149**

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

The amounts reported as expense in the income statement refer to the portions of the costs of post-employment obligations, in amount of R$ 153,480 (R$106,683 on March 31, 2021), plus the financial costs and monetary updating of the debt agreed with Forluz, in the amount of R$ 14,040 (R$18,376 on March 31, 2021).

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Life insurance

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

However, as a result of the amendment in the Collective Labor Agreement for 2021-2023, in relation to offer and payment of life insurance for the employees and former employees, the Company wrote off, in the fourth quarter of 2021, the balance of the obligation, remeasured using the revised actuarial assumptions, recognized in the income statement and Shareholders' equity, in the amounts of R$415,438, and R$59,495.

On February 2, 2022 the Association of Retired Electricity Workers and Pension Holders of Cemig and its Subsidiaries (Associação dos Eletricitários Aposentados e Pensionistas da Cemig e Subsidiárias – AEA/MG) filled on injunction requesting the Company to comply with and maintain in full the same terms relating to coverage of the life insurance premium as it was previously practiced. However, on February 11, 2022, the Regional Employment Law Appeal Court of the 3rd Region refused this claim, on the grounds that this had been validly decided in the Collective Labor Agreement.

Debt with the pension fund (Forluz)

On March 31, 2022 the Company and its subsidiaries has recognized an obligation for past actuarial deficits relating to the pension fund in the amount of R$356,538 (R$384,513 on December 31, 2021). This amount has been recognized as an obligation payable, and will be amortized until June of 2024, through monthly installments calculated by the system of constant installments (known as the 'Price' table) and adjusted by the IPCA (Expanded National Customer Price) inflation index (published by the Brazilian Geography and Statistics Institute – IBGE) plus 6% per year. The Company is required to pay this debt even if Forluz has a surplus, thus, the Company maintain recorded the debt in full and record the effects of monetary updating and interest in finance income in the statement of income.

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

Forluz and the sponsors Cemig, Cemig GT and Cemig D have signed a Debt Assumption Instrument to cover the deficit of Plan A for the years of 2015, 2016 and 2017. On March 31, 2022 the total amount payable by Cemig and its subsidiaries as a result of the Plan A deficits was R$533,708 (R$538,934 on December 31, 2021 referring to the Plan A deficits of 2015, 2016 and 2017). The monthly amortizations, calculated by the constant installments system (Price Table), will be paid up to 2031 for the 2015 and 2016 deficits, in the amount of R$348,435, and up to 2033 for the 2017 deficit, in the amount of R$185,273. 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.

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On December of 2020, in accordance with the applicable legislation, Forluz proposed to Cemig a new Debt Assumption Instrument to be signed between Forluz and the sponsors Cemig, Cemig GT and Cemig D, in accordance with the plan to cover the deficit of Plan A, which occurred in 2019. The total amount to be paid by the Company as a result of the deficit found in Plan A, without considering parity of contribution, is R$160,425, through 166 monthly installments. The remuneration interest rate 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.

The Company recognized the legal obligation in relation to the deficit of Plan A, corresponding to 50% of the minimum amount, and, thus, obeying the contribution parity rule, made the payments of R$9,983 (R$6,783 on December 31, 2021) with remain at the disposal of Forluz to be redeemed at an account with an official bank. Due to the refusal by Forluz to receive this amount, on May 26, 2021 the Company proposed an Action of Consignment in Payment, which is in its initial pleading phase.

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

24. PROVISIONS

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

Claims in which the Company is a defendant

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

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	Consolidated				
	Dec. 31, 2021	Additions	Reversals	Settled	Mar. 31, 2022
Labor	403,934	33,742	(7)	(24,554)	413,115
Civil					
Customer relations	32,235	8,176	-	(6,218)	34,193
Other civil actions	38,548	3,019	(462)	(1,839)	39,266
	70,783	**11,195**	**(462)**	**(8,057)**	**73,459**
Tax	1,295,661	41,170	-	(8,924)	1,327,907
Regulatory	47,842	1,367	-	(108)	49,101
Others	70,752	5,085	(779)	(1,052)	74,006
Total	**1,888,972**	**92,559**	**(1,248)**	**(42,695)**	**1,937,588**

	Parent company				
	Dec. 31, 2021	Additions	Reversals	Settled	Mar. 31, 2022
Labor	43,075	1,875	-	(629)	44,321
Civil				-	
Customer relations	1,220	402	-	(41)	1,581
Other civil actions	2,421	1,180	-	-	3,601
	3,641	**1,582**	**-**	**(41)**	**5,182**
Tax	177,722	11,486	-	(2,380)	186,828
Regulatory	11,166	300	-	-	11,466
Others	1,391	-	(249)	-	1,142
Total	**236,995**	**15,243**	**(249)**	**(3,050)**	**248,939**

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

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

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

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

<u>Labor claims</u>

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

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The aggregate amount of the contingency is approximately R$1,534,773 (R$1,570,680 at December 31, 2021), of which R$413,115 (R$403,934 at December 31, 2021) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

Customers claims

The Company and its subsidiaries are involved in various civil actions relating to indemnity for personal injury and for material damages, arising, principally, from allegations of irregularity in measurement of consumption, and claims of undue charging, in the normal course of business, totaling R$179,683 (R$180,858 at March 31, 2021), of which R$34,193 (R$32,235 at December 31, 2021) has been recorded – this being the probable estimate for funds needed to settle these disputes.

Other civil proceedings

The Company and its subsidiaries are involved in various civil actions claiming indemnity for personal and material damages, among others, arising from incidents occurred in the normal course of business, in the amount of R$479,176 (R$460,540 at December 31, 2021), of which R$39,266 (R$38,548 at December 31, 2021) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

Tax

The Company and its subsidiaries are involved in numerous administrative and judicial claims actions relating to taxes, including, among other matters, subjects relating to the Urban Property Tax (*Imposto sobre a Propriedade Territorial Urbana*, or IPTU); the Rural Property Tax (ITR); the Tax on Donations and Legacies (ITCD); the Social Integration Program (*Programa de Integração Social*, or PIS); the Contribution to Finance Social Security (*Contribuição para o Financiamento da Seguridade Social*, or Cofins); Corporate Income tax (*Imposto de Renda Pessoa Jurídica*, or IRPJ); the Social Contribution (*Contribuição Social sobre o Lucro Líquido*, or CSLL); and motions to tax enforcement. The aggregate amount of this contingency is approximately R$225,621 (R$212,312 on December 31, 2021), of which R$25,415 (R$19,041 at December 31, 2021) has been recorded – the amount estimated as probably necessary for settlement of these disputes.

In addition to the issues above the Company and its subsidiaries are involved in various proceedings on the applicability of the IPTU Urban Land Tax to real estate properties that are in use for providing public services. The aggregate amount of the contingency is approximately R$88,721 (R$86,847 on December 31, 2021). Of this total, R$3,332 has been recognized (R$3,432 on December 31, 2021) – this being the amount estimated as probably necessary for settlement of these disputes. The company has been successful in its efforts to have its IPTU tax liability suspended, winning judgments in favor in some cases – this being the principal factor in the reduction of the total value of the contingency.

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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 probability of loss from 'possible' to 'probable' for some portions paid as profit-sharing amounts, maintaining the classification of the chance of loss as 'possible' for the other portions, since it believes that it has arguments on the merit for defense and/or because it believes that the amounts questioned are already within the period of limitation.

The amount of the contingencies is approximately R$1,462,520 (R$1,433,086 on December 31, 2021), of which R$1,297,993 has been provisioned (R$1,272,036 on December 31, 2021), this being the estimate of the probable amount of funds to settle these disputes.

Non-homologation of offsetting of tax credit

The federal tax authority did not ratify the Company's declared offsetting, in corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes – IRPJ, CSLL, PIS/Pasep and Cofins – identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The Company and its subsidiaries are contesting the non-homologation of the amounts offset. The amount of the contingency is R$204,417 (R$199,430 on December 31, 2021), of which R$1,166 (R$1,152 at December 31, 2021), has been provisioned, since the relevant requirements of the National Tax Code (CTN) have been complied with.

Regulatory

The Company and its subsidiaries are involved in numerous administrative and judicial proceedings, challenging, principally: (i) tariff charges in invoices for use of the distribution system by a self-producer; (ii) alleged violation of targets for continuity indicators in retail supply of energy; and (iii) the tariff increase made during the federal government's economic stabilization plan referred to as the 'Cruzado Plan', in 1986. The aggregate amount of the contingency is approximately R$401,269 (R$385,244 on December 31, 2021), of which R$49,101 (R$47,842 at December 31, 2021) has been recorded as provision – the amount estimated as probably necessary for settlement of these disputes.

Other legal actions in the normal course of business

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

The Company and its subsidiaries are involved in disputes alleging losses suffered as a result of supposed breaches of contract at the time of provision of services of cleaning of power

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line pathways and firebreaks. The amount recorded is R$57,503 (R$55,193 on December 31, 2021), this being estimated as the likely amount of funds necessary to settle this dispute.

'*Luz Para Todos'* Program

The Company is a party in disputes alleging losses suffered by third parties as a result of supposed breach of contract at the time of implementation of part of the rural electrification program known as the '*Luz Para Todos'*. The estimated amount of the contingency is approximately R$436,322 (R$419,869 on December 31, 2021). Of this total, R$842 (R$810 on December 31, 2021) has been provisioned the amount estimated as probably necessary for settlement of these disputes.

Other legal proceedings

Company and its subsidiaries are involved as plaintiff or defendant, in other less significant claims, related to the normal course of their operations including: environmental matters, removal of residents from risk areas; and indemnities for rescission of contracts, on a lesser scale, related to the normal course of its operations, with an estimated total amount of R$420,072 (R$401,589 at December 31, 2021), of which R$15,661 (R$14,749 at December 31, 2021), the amount estimated as probably necessary for settlement of these disputes.

Contingent liabilities – loss assessed as 'possible'

Taxes and contributions

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

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

In 2006 the Company and its subsidiaries paid an indemnity to its employees, totaling R$177,686, in exchange for rights to future payments (referred to as the *Anuênio*) for time of service, which would otherwise be incorporated, in the future, into salaries. The Company and its subsidiaries did not pay income tax and Social Security contributions on this amount because it considered that those obligations are not applicable to amounts paid as an indemnity. However, to avoid the risk of a future fine, the Company obtained an injection, which permitted to make an escrow deposit of R$121,834, which updated now represents the amount of R$292,951 (R$290,198 on December 31, 2021). The updated amount of the contingency is R$305,898 (R$301,647 on December 31, 2021) and, based on the arguments above, management has classified the chance of loss as 'possible'.

Social Security contributions

The Brazilian federal tax authority (*Secretaria da Receita Federal*) has filed administrative proceedings related to various matters: employee profit sharing; the Workers' Food Program (*Programa de Alimentação do Trabalhador*, or PAT); education benefit; food benefit; Special

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Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers' support programs); and fines for non-compliance with accessory obligations. The Company and its subsidiaries have presented defenses and await judgment. The amount of the contingency is approximately R$123,709 (R$121,223 on December 31, 2021). Management has classified the chance of loss as 'possible', also taking into account assessment of the chance of loss in the judicial sphere, (the claims mentioned are in the administrative sphere), based on the evaluation of the claims and the related case law.

Income tax withheld on capital gain in a shareholding transaction

The federal tax authority issued a tax assessment against Cemig as a jointly responsible party with its jointly controlled entity Parati S.A. Participações em Ativos de Energia Elétrica (Parati), relating to withholding income tax (*Imposto de Renda Retido na Fonte*, or IRRF) allegedly applicable to returns paid by reason of a capital gain in a shareholding transaction relating to the purchase by Parati, and sale, by Enlighted, at July 7, 2011, of 100.00% of the equity interests in Luce LLC (a company with head office in Delaware, USA), holder of 75.00% of the shares in the Luce Brasil equity investment fund (FIP Luce), which was indirect holder, through Luce Empreendimentos e Participações S.A., of approximately 13.03% of the total and voting shares of Light S.A. (Light). The amount of the contingency is approximately R$242,702 (R$239,467 on December 31, 2021), and the loss has been assessed as 'possible'.

The social contribution tax on net income (CSLL)

The federal tax authority issued a tax assessment against the Company and its subsidiaries for the years of 2012 and 2013, alleging undue non-addition, or deduction, of amounts relating to the following items in calculating the social contribution tax on net income: (i) taxes with liability suspended; (ii) donations and sponsorship (Law 8,313/91); and (iii) fines for various alleged infringements. The amount of this contingency is R$468,149 (R$453,924 on December 31, 2021). The Company has classified the chances of loss as 'possible', in accordance with the analysis of the case law on the subject.

ICMS (local state value added tax)

From December 2019 to December 2021, the Tax Authority of Minas Gerais State issued infraction notices against the subsidiary Gasmig, in the total amount of R$357,435, relating to reduction of the calculation base of ICMS tax in the sale of natural gas to its customers over the period from December 2014 to September 2021, alleging a divergence between the form of calculation used by Gasmig and the opinion of that tax authority. The claims comprises principal amount of R$124,478, penalty payments of R$200,546 and interest of R$32,411.

Considering that the State of Minas Gerais, over a period of more than 25 years, has never made any allegations against the methodology of calculation by the Company, Management and Company's legal advisors, believe that there is a defense under Article 100, III of the National Tax Code, which removes claims for penalties and interest; and that the

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contingency for loss related to these amounts is 'remote'. In relation to the argument on the difference between the amount of ICMS tax calculated by Gasmig and the new interpretation by the state tax authority, the probability of loss was considered 'possible'. On March 31, 2022 the amount of the contingency for the period relating to the rules on expiry by limitation of time is R$148,924 (R$139,938 on December 31, 2021). In July 2021, Gasmig filed a lawsuit for annulment of a tax debit, against the State of Minas Gerais, and this proceeding suspended the tax claim referred to above.

Interest on Equity

The Company filed an application for mandamus, with interim relief, requesting the right to deduct, from the basis of calculation of corporate income tax and Social Contribution tax, the expense relating to payment of Interest on Equity in 4Q20 calculated on the basis of prior periods (the first and second quarters of 2020), and for cancellation of the demand for new supposed credits of corporate income tax and the Social Contribution relating to the amount that was not paid as a result of the deduction of the said financial expense, with application of fines. The amount of the contingencies in this case is approximately R$61,390 on March 31, 2022 (R$60,079 on December 31, 2021), and the chances of loss were assessed as 'possible', based on analysis of current judgments by the Brazilian courts on the theme.

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

The Brazilian tax authority issued, in August 2021, two infringement notices relating to calculation of the PIS/Pasep and Cofins taxes, from August 2016 to December 2017, alleging insufficiency of payment of these contributions due to supposed undue credits deduction of the expenses on the Proinfa charge, and absence of reversal of the credits related to non-technical losses. The Company is contesting these infringement notices. On March 31, 2022 the amount of the contingency is R$165,361 (R$161,780 on December 31, 2021) and the Company has classified the chances of loss as 'possible', due to the scarcity of case law on the subject.

Regulatory matters

Public Lighting Contribution (CIP)

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

The Company and its subsidiaries believes it has arguments of merit for defense in these claims, since the charge at present made is grounded on Aneel Normative Resolution 456/2000. As a result it has not constituted a provision for this action, the amount of which

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is estimated at R$1,322,167 (R$1,269,402 at December 31, 2021). The Company has assessed the probability of loss in this action as 'possible', due to the Customer Defense Code (*Código de Defesa do Consumidor*, or CDC) not being applicable, because the matter is governed by the specific regulation of the electricity sector, and because Cemig complied with Aneel Resolutions 414 and 456, which deal with the subject.

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

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

This should take effect in the CCEE as from November 2008, resulting in an additional disbursement for Cemig GT, related to the expense on purchase of energy in the spot market on the CCEE, in the approximate amount of R$452,359 (R$436,835 on December 31, 2021). On November 9, 2008 Cemig GT obtained an interim decision in the Regional Federal Appeal Court (*Tribunal Regional Federal*, or TRF) suspending the obligatory nature of the requirement to pay into court the amount that would have been owed under the Special Financial Settlement made by the CCEE. Cemig GT has classified the chance of loss as 'possible', since this action deals with the General Agreement for the Electricity Sector, in which the Company has the full documentation to support its arguments.

Inefficiency in provision of services

A public class action filled by the Public Attorneys' Office of Minas Gerais state against the Company, alleging supposed inefficiency in provision of services related to the distribution of electricity to the consumers of the municipality of Rio Vermelho. The Company has presented its contestation and awaits beginning of the instruction stage. The amount of the contingency on March 31, 2022 was R$ 269,485. The Company has classified the chances of loss as 'possible', due of the documentation received and the nature of the action.

Tariff increases

Exclusion of customers classified as low-income

The Federal Public Attorneys' Office filed a class action against the Company and the grantor (Aneel), to avoid exclusion of customers from classification in the *Low-income residential tariff* sub-category, requesting an order for Cemig D to pay twice the amount paid in excess by customers. A decision was given in favor of the plaintiffs, but the Company and the grantor (Aneel) have filed an interlocutory appeal and await judgment. The amount of the

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contingency is approximately R$427,814 (R$413,375 on December 31, 2021). Cemig D has classified the chances of loss as ‘possible’ due to other favorable decisions on this matter.

Environmental claims

Impact arising from construction of power plants

The Public Attorneys’ Office of Minas Gerais State has filed class actions requiring the formation of a Permanent Preservation Area (APP) around the reservoir of the *Capim Branco* hydroelectric plant, suspension of the effects of the environmental licenses, and recovery of alleged environmental damage. Cemig GT, based on the opinion of its legal advisers in relation to the changes that have been made in the new Forest Code and in the case law on this subject, Cemig GT has classified the chance of loss in this dispute as ‘possible’. The estimated value of the contingency is R$127,606 (R$123,098 on December 31, 2021).

Other contingent liabilities

Contractual imbalance

Cemig D is party in other disputes arising from alleged non-compliance with contracts in the normal course of business, for an estimated total of R$206,178 (R$198,144 on December 31, 2021). Cemig D has classified the chance of loss as ‘possible’, after analysis of the case law on this subject.

Renova: Application to override corporate identity

A receivables investment fund filed an application for Override of Legal Identity (Incidente de Desconsideração da Personalidade Jurídica – IDPJ) in relation to certain companies of the Renova group, aiming to include some shareholders of Renova, including the Company and its subsidiary Cemig GT, as defendants jointly and severally liable. The amount involved in this dispute is estimated at R$89,844 (R$86,256 on December 31, 2021). The probability of loss has been assessed as ‘possible’.

25. EQUITY AND REMUNERATION TO SHAREHOLDERS

a) Share capital

On March 31, 2022 and December 31, 2021, the Company’s issued and share capital is R$8,466,810, represented by 566,036,634 common shares and 1,127,325,434 preferred shares, both of them with nominal value of R$5.00 (five Reais).

Capital increase

Since the balance of Profit Reserves on December 31, 2021 exceeded the share capital by R$ 1,522,600, the Annual General Meeting of April 29, 2022 approved the proposal to increase the share capital from R$ 8,446,810 to R$ 11,006,583, in accordance with Article

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199 of the Corporate Law (Law 6404 of 1976), by capitalization of R$ 2,540,043 from the Retained Earnings Reserve, and distribution of a stock bonus, with issuance of 508,008,620 new shares, with nominal value of R$ 5.00, comprising 169,810,990 common shares and 338,197,630 preferred shares, in accordance with the by-laws.

b) Earnings per share

Due to the capital increase, on April 29, 2021, with issuance of 508,008,620 new shares, without a corresponding entry of funds into the Company, the basic and diluted profit per share is presented, retrospectively, considering the new number of Company's shares.

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

	Number of shares	
	Jan to Mar, 2022	Jan to Mar, 2021 (restated)
Common shares already paid up	735,847,624	735,847,624
Shares in treasury	(102)	(102)
Total common shares	**735,847,522**	**735,847,522**
Preferred shares already paid up	1,465,523,064	1,465,523,064
Shares in treasury	(846,062)	(846,062)
Total preferred shares	**1,464,677,002**	**1,464,677,022**
Total	**2,200,524,524**	**2,200,524,524**

Basic and diluted earnings per share

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

	Jan to Mar, 2022	Jan to Mar, 2021 (restated)
Net income (loss) for the period (A)	**1,455,189**	**422,032**
Total earnings (B)	2,200,524,523	2,200,524,523
Basic earnings per share (A/B) (R$)	**0.66**	**0.20**

The purchase and sale options of investments in SAAG, described in Note 30, could potentially dilute basic earnings per share in the future; however, they have not caused dilution of earning per share in the presented periods.

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26. REVENUE

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

	Consolidated		Parent company	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Revenue from supply of energy (a)	8,304,056	6,951,837	314,449	-
Revenue from use of the electricity distribution systems (TUSD) (b)	859,444	836,735	-	-
CVA and Other financial components (c)	(700,107	338,907	-	-
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers– realization (1)	436,718	178,373	-	-
Transmission revenue				
Transmission operation and maintenance revenue (d)	83,787	89,162		
Transmission construction revenue (d)	68,395	22,451	-	-
Interest revenue arising from the financing component in the transmission contract asset (d) (Note 13)	191,945	157,255	-	-
Distribution construction revenue	440,565	329,309	-	-
Adjustment to expectation of cash flow from indemnifiable financial assets of distribution concession (e)	19,732	10,906	-	-
Revenue on financial updating of the Concession Grant Fee (f)	131,595	124,560	-	-
Transactions in energy on the CCEE (g)	(18,670)	107,045	10,438	-
Mechanism for the sale of surplus (h)	138,994	-	-	-
Supply of gas	956,008	705,185	-	-
Fine for violation of service continuity indicator	(31,894)	(30,569)	-	-
Other operating revenues (i)	501,358	412,862	109	91
Deductions on revenue (j)	(3,534,478)	(3,123,277)	(38,441)	(8)
Net operating revenue	**7,847,448**	**7,110,741**	**286,555**	**83**

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

a) Revenue from energy supply

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

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This table shows energy supply by type of customer:

	MWh (1)		R$	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Residential	2,841,768	2,875,007	3,115,806	2,659,585
Industrial	4,158,420	3,801,715	1,393,200	1,210,151
Commercial, services and others	2,276,420	2,105,940	1,743,177	1,320,731
Rural	545,936	844,374	489,779	534,815
Public authorities	204,191	186,717	179,314	137,104
Public lighting	285,011	355,356	167,372	211,955
Public services	339,958	347,115	246,977	194,880
Subtotal	**10,651,704**	**10,516,224**	**7,335,625**	**6,269,221**
Own consumption	9,854	8,560	-	-
Unbilled revenue	-	-	77,884	5,794
	10,661,558	**10,524,784**	**7,413,509**	**6,275,015**
Wholesale supply to other concession holders (2)	3,155,649	2,716,110	866,323	750,541
Wholesale supply unbilled, net	-	-	24,224	(73,719)
Total	**13,817,207**	**13,240,894**	**8,304,056**	**6,951,837**

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

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

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

	MWh (1)	
	Jan to Mar, 2022	Jan to Mar, 2021
Industrial	4,935,505	4,982,862
Commercial	433,917	366,150
Rural	11,986	9,787
Public service	862	651
Concessionaires	63,562	72,117
Total	**5,445,832**	**5,431,567**

(1) Data not audited by external auditors

c) The CVA account, and Other financial components

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

d) Transmission concession revenue

- Construction revenue corresponds to the performance obligation to build the transmission infrastructure, recognized based on the satisfaction of performance obligation over time. They are measured based on the cost incurred, including PIS/Pasep and Cofins taxes over the total revenues and the profit margin of the project. For more information, see Note 14.

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- Operation and maintenance revenue corresponds to the performance obligation of operation and maintenance specified in the transmission concession contract, after termination of the construction phase. They are recognized when the services are rendered and he invoices for the RAPs are issued.
- Interest revenue in the contract asset recognized, recorded as transmission concession gross revenue in statement income. Revenue corresponds to the significant financing component in the contract asset and is recognized by the linear effective interest rate method based on the rate determined at the start of the investments, which is not subsequently changed. The average of the implicit rates is 6.86%. The rates are determined for each authorization and are applied on the amount to be received (future cash flow) over the contract duration. This includes financial updating by the inflation index specified for each transmission contract.

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

	Jan to Mar, 2022	Jan to Mar, 2021
Construction and upgrades revenue	68,395	22,451
Construction and upgrades costs	(50,696)	(19,065)
Margin	17,699	3,386
Mark-up (%)	**34.91%**	**17.76%**
Operation and maintenance revenue	83,787	89,162
Operation and maintenance cost	(68,554)	(67,100)
Margin	15,233	22,062
Mark-up (%)	**22.22%**	**32.88%**

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

Income from monetary updating of the Regulatory Remuneration Asset Base.

f) Revenue on financial updating of the Concession Grant Fee

Represents the inflation adjustment using the IPCA inflation index, plus interest, on the Concession Grant Fee for the concession awarded as Lot D of Auction 12/2015. See Note 13.

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

The revenue from transactions made through the Power Trading Chamber (*Câmara de Comercialização de Energia Elétrica*, or CCEE) is the monthly positive net balance of settlements of transactions for purchase and sale of energy in the Spot Market, through the CCEE, for which the consideration corresponds to the product of energy sold at the Spot Price.

In the third quarter of 2021, part of the energy purchase contracts of the subsidiary Cemig GT were transferred to the Company, beginning the process of segregation of the commercialization business, in order to provide a more accurate view of this business

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segment results. Segregation of the commercialization business does not affect the Company's corporate strategy, of serving the market, with the purpose of delivery of energy to its clients.

h) Mechanism for the sale of energy surplus

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

i) Other operating revenues

Consolidated	Jan to Mar, 2022	Jan to Mar, 2021
Charged service	4,294	3,982
Services rendered	15,019	13,309
Low-income subsidy	72,360	65,246
Other subsidies (1)	322,897	271,988
Rental and leasing	63,792	47,112
Other	22,996	11,225
	501,358	**412,862**

(1) This revenue includes gains referring to the subsidies applying to the tariffs of electricity distribution clients, in the amount of R$245,942 on March 31, 2022 (R$247,847 on March 31, 2021), which includes (i) incentive-bearing source load subsidies, and subsidies for rural supply, nocturnal irrigation, generation from incentive-bearing sources, and public service; (iii) 'Flag Tariff' account revenue, of R$76,089 on March 31, 2022 (R$18,474 on March 31, 2021), due to the creditor position acquired by the Company in the Flag Tariff Funds Centralizing Account (Conta Centralizadora de Recursos de Bandeiras Tarifárias – CCRBT); and the reversal in amount of R$5,485 from January to March 2022, of a gain recognized in December 2021 for subsidies related to the Program to Encourage Voluntary Production of Electricity Consumption; and the revenue from subsidies related to use of the transmission system, totaling R$ 6,351 on March 31, 2022 (R$5,667 on March 31, 2021).

j) Deductions on revenue

	Consolidated		Parent Company	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Taxes on revenue				
ICMS	1,872,055	1,651,452	9,233	-
Cofins	664,046	612,850	23,998	7
PIS/Pasep	145,008	133,051	5,210	1
Others	1,441	836	-	-
	2,682,550	**2,398,189**	**38,441**	**8**
Charges to the customer				
Global Reversion Reserve (RGR)	3,742	3,690	-	-
Energy Efficiency Program (PEE)	16,219	25,422	-	-
Energy Development Account (CDE)	1,009,297	674,869	-	-
Research and Development (R&D)	8,583	13,710	-	-
National Scientific and Technological Development Fund (FNDCT)	12,211	13,710	-	-
Energy System Expansion Research (EPE of MME)	6,105	6,855	-	-
Customer charges – Proinfa alternative sources program	19,490	16,335	-	-
Energy services inspection fee	7,603	9,638	-	-
Royalties for use of water resources	11,747	8,879	-	-
Customer charges – the 'Flag Tariff' system	(251,821)	(48,020)	-	-
CDE on R&D	3,630	-	-	-
CDE on PEE	5,122	-	-	-
	851,928	**725,088**	**-**	**-**
	3,534,478	**3,123,277**	38,441	8

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27. OPERATING COSTS AND EXPENSES

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

	Consolidated		Parent company	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Personnel	303,567	307,454	7,009	6,301
Employees' and managers' profit sharing	37,150	29,514	3,756	2,270
Post-employment benefits – Note 23	153,480	106,683	18,661	12,094
Materials	20,253	20,850	6	8
Outsourced services (a)	379,749	342,434	3,433	2,709
Energy purchased for resale (b)	3,103,382	3,108,114	238,162	-
Depreciation and amortization (1)	283,909	238,431	394	451
Operating provisions and adjustments for operating losses (c)	163,330	24,204	14,783	10,200
Charges for use of the national grid	868,532	746,312	-	-
Gas purchased for resale	563,781	387,525	-	-
Construction costs (d)	491,262	348,375	-	-
Other operating expenses, net (e)	30,577	77,000	(4,618)	7,087
	6,398,972	**5,736,896**	**281,586**	**41,120**

(1) Net of PIS/Pasep and Cofins taxes applicable to amortization of the Right of Use, in the amount of R$157 in the statements and R$6 in the Parent company statements (R$140 and R$2 on March 31, 2021).

a) Outsourced services

	Consolidated		Parent company	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Meter reading and bill delivery	29,670	31,174	-	-
Communication	37,063	40,492	87	55
Maintenance and conservation of electrical facilities and equipment	143,160	124,042	3	4
Building conservation and cleaning	15,263	16,799	56	38
Hired labor	4,758	-	12	-
Freight and tickets	319	-	58	-
Accommodation and food	2,764	-	7	-
Security services	3,959	3,157	-	-
Auditing and consulting services	4,731	9,276	1,020	1,590
External audit	3,745	-	860	-
Maintenance and upkeep of furniture and utensils	2,117	-	-	-
Information technology	44,070	25,261	887	325
Vehicle maintenance and upkeep	625	-	-	-
Disconnection and reconnection	21,229	16,007	-	-
Environment	3,123	-	-	-
Legal services	4,242	4,193	144	306
Court costs	632	-	26	-
Tree pruning	9,389	10,805	-	-
Cleaning of power line pathways	17,252	24,407	-	-
Copying and legal publications	3,990	2,832	27	11
Inspection of customer units	7,897	5,602	-	-
Other expenses	19,751	28,387	246	380
	379,749	**342,434**	**3,433**	**2,709**

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b) Energy purchased for resale

	Consolidated		Parent company	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Supply from Itaipu Binacional	394,055	487,525	-	-
Physical guarantee quota contracts	214,718	202,065	-	-
Quotas for Angra I and II nuclear plants	89,298	61,144	-	-
Spot market	93,764	39,332	(220)	-
Proinfa	151,414	95,500	-	-
'Bilateral' contracts	110,083	84,987	-	-
Energy acquired in Regulated Market auctions	625,633	1,122,835	-	-
Energy acquired in the Free Market (1)	1,230,940	1,035,843	262,657	-
Distributed generation ('Geração distribuída')	453,589	255,024	-	-
PIS/Pasep and Cofins credits	(260,112)	(276,141)	(24,275)	-
	3,103,382	**3,108,114**	**238,162**	**-**

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

c) Operating provision (reversals)

	Consolidated		Parent company	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Estimated losses on doubtful accounts receivables (Note 7) (1)	43,092	43,153	-	-
Estimated losses on other accounts receivables (2)	1,500	(11,000)	(211)	-
	44,592	**32,153**	**(211)**	**-**
Contingency provisions (reversals) (Note 25) (3)				
Labor claims	33,735	21,605	1,875	8,155
Civil	10,733	9,955	1,582	253
Tax	41,170	(29,322)	11,486	2,264
Regulatory	1,367	-	300	-
Other	4,306	2,980	(249)	(472)
	91,311	**5,218**	**14,994**	**10,200**
	135,903	**37,371**	**14,783**	**10,200**
Adjustment for losses				
Put option – SAAG (Note 31)	27,427	(13,167)	-	-
	27,427	**(13,167)**	**-**	**-**
	163,330	**24,204**	**14,783**	**10,200**

(1) The expected losses on receivables are presented as selling expenses in the Statement of Income.
(2) This refers mainly to the estimated loss on credits for sharing of infrastructure (rental of overhead cable poles).
(3) The provisions for contingencies are presented in the consolidated profit and loss account for the period as operating expenses.
(4) Estimated losses on amounts receivable from Renova, as a result of the assessment of the jointly controlled entity credit risk.

d) Construction infrastructure costs

Consolidated	Jan to Mar, 2022	Jan to Mar, 2021
Personnel and managers	30,351	15,014
Materials	281,455	181,036
Outsourced services	157,508	130,039
Others	21,948	22,286
	491,262	**348,375**

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e) Other operating expenses, net

	Consolidated		Parent company	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Leasing and rentals	2,110	1,608	1	3
Advertising	711	268	-	(12)
Own consumption of energy	6,279	48	-	-
Subsidies and donations	4,337	1,007	-	-
Onerous concession	959	792	-	-
Insurance	6,318	7,330	721	959
CCEE annual charge	1,452	1,483	37	-
Forluz – Administrative running cost	8,024	7,552	401	373
Collection agents	20,311	20,918	-	
Net loss (gain) on deactivation and disposal of assets	1,168	11,804	-	
Obligations deriving from investment contracts	833	5,379	-	
Taxes and charges	4,743	3,936	208	353
Other expenses (recovery of expenses) (1)	(26,668)	14,875	(5,986)	5,411
	30,577	**77,000**	**(4,618)**	**7,087**

(1) In the first quarter of 2022, the Company posted recovery of costs and expenses related to the increase in the number of inspections, charging of bills for energy losses, the cost of posting on credit information services, notary-served bill protests, and disconnections of customers in default.

28. FINANCE INCOME AND EXPENSES

	Consolidated		Parent company	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
FINANCE INCOME				
Income from financial investments	73,658	31,613	15,313	7,912
Interest on sale of energy	95,375	114,784	155	-
Foreign exchange variations – Itaipu Binacional	23,965	-	-	-
Foreign exchange variations - loans and financing	842,700	-	-	-
Monetary variations	17,215	6,693	3,598	1,042
Monetary variations – CVA	51,999	-	-	-
Monetary updating of escrow deposits	14,885	2,507	2,907	490
Prepayment rents	469	-	-	-
PIS/Pasep and Cofins charged on finance income (1)	(24,426)	(15,838)	(13,407)	(8,566)
Gains on financial instruments –swap	-	-	1,020	-
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	(375)	-	4,154	809
Other finance incomes	13,560	14,656	1,669	1,563
	1,109,025	**154,415**	**15,409**	**3,250**
FINANCE EXPENSES				
Charges on loans and financings	(223,723)	(326,027)	(1,400)	(266)
Cost of debt – amortization of transaction cost	(1,600)	(4,137)	-	(55)
Foreign exchange variations - loans and financing	-	(751,781)	-	-
Foreign exchange variations – Itaipu Binacional	-	(16,963)	-	-
Monetary updating – loans and financings	(65,249)	(84,174)	-	-
Monetary updating – onerous concessions	(2,824)	(3,893)	-	-
Charges and monetary updating on post-employment obligations	(14,040)	(18,376)	(692)	(904)
Loss on financial instruments –swap	(456,647)	(187,348)	-	(63)
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS (2)	-	(6,784)	-	-
Leasing – Monetary variation	(6,285)	(6,332)	(65)	-
Financial expenses (R&D and PEE)	(7,313)	-	-	-
Other finance expenses	(17,181)	(13,820)	(38)	(527)
	(794,862)	**(1,419,635)**	**(2,195)**	**(1,815)**
NET FINANCE INCOME (EXPENSES)	**314,163**	**(1,265,220)**	**13,214**	**1,435**

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

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29. RELATED PARTY TRANSACTIONS

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

COMPANY	ASSETS		LIABILITIES		REVENUE		EXPENSES	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Shareholder								
Minas Gerais State Government								
Current								
Customers and traders (1)	143,217	167,366	-	-	43,360	32,630	-	-
Non-current								
Accounts Receivable – AFAC (2)	13,366	13,366	-	-	-	959	-	-
Affiliated (3)								
Madeira Energia								
Current								
Transactions with energy (4)	8,021	7,533	131,605	131,080	23,737	24,815	(364,919)	(411,740)
Adjustment for losses (5)	-	-	170,685	161,648	-	-	-	-
Jointly controlled entity (3)								
Aliança Geração								
Current								
Transactions with energy (4)	293	-	20,772	16,785	15,422	11,012	(53,865)	(46,027)
Provision of services (6)	488	512	-	-	1,303	1,336	-	-
Contingency (7)	-	-	53,331	52,497	-	-	(833)	(5,379)
Baguari Energia								
Current								
Transactions with energy (4)	-	-	977	983	38	-	(2,133)	(2,265)
Provision of services (6)	287	211	-	-	259	-	-	-
Interest on Equity, and dividends	14,759	-	-	-	-	-	-	-
Norte Energia								
Current								
Transactions with energy (4)	2,079	2,338	34,294	35,139	6,466	6,969	(80,685)	(80,621)
Lightger								
Current								
Transactions with energy (4)	-	-	2,918	2,160	-	-	(8,472)	(6,461)
Hidrelétrica Pipoca								
Current								
Transactions with energy (4)	-	-	4,258	3,153	-	-	(12,363)	(9,107)
Interest on Equity, and dividends	2,657	-	-	-	-	-	-	-
Retiro Baixo								
Current								
Transactions with energy (4)	570	570	618	62	1,147	1,392	(1,357)	(1,738)
Interest on Equity, and dividends	7,202	-	-	-	-	-	-	-
Taesa								
Current								
Transactions with energy (4)	-	-	9,372	9,971	65	60	(33,742)	(27,075)
Provision of services (6)	150	150	-	-	288	310	-	-
Hidrelétrica Itaocara								
Current								
Adjustment for losses (8)	-	-	20,838	20,767	-	-	-	-
Axxiom								
Current								
Provision of services (9)	-	-	77	62	-	-	-	-
Hidrelétrica Cachoeirão								
Current								
Interest on Equity, and dividends	3,532	-	-	-	-	-	-	-
Other related parties								
FIC Pampulha								
Current								
Cash and cash equivalents	279,188	81,027	-	-	-	-	-	-
Marketable securities	960,533	1,707,323	-	-	41,775	37,441	-	-
Non-current								

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COMPANY	ASSETS		LIABILITIES		REVENUE		EXPENSES	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Marketable securities	188,269	351,162	-	-	-	-	-	-
Forluz								
Current								
Post-employment obligations (10)	-	-	187,835	180,635	-	-	(71,205)	(50,132)
Supplementary pension contributions – Defined contribution plan (11)	-	-	-	-	-	-	(18,027)	(17,439)
Administrative running costs (12)	-	-	-	-	-	-	(8,024)	(7,551)
Operating leasing (13)	167,339	169,993	22,848	23,765	-	-	(7,536)	(7,219)
Non-current								
Post-employment obligations (10)	-	-	2,491,687	2,489,518	-	-	-	-
Operating leasing (13)	-	-	162,599	162,913	-	-	-	-
Cemig Saúde								
Current								
Health Plan and Dental Plan (14)	-	-	192,686	184,129	-	-	(96,315)	(64,290)
Non-current								
Health Plan and Dental Plan (14)	-	-	3,389,074	3,350,392	-	-	-	-

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

(1) Refers to sale of energy supply to the Minas Gerais State government. The price of the supply is set by the grantor (Aneel) through a Resolution relating to the annual tariff adjustment of Cemig D. In 2017 the government of Minas Gerais State signed a debt recognition agreement with Cemig D for payment of debits relating to the supply of power due and unpaid, in the amount of R$113,032, up to November 2019. These receivables have guarantee in the form of Cemig's right to retain dividends and Interest on Equity otherwise payable to the State (in proportion to the State's equity interest in the Company), for as long as any payments are overdue or in default. On March, 31, 2021, Cemig D obtained authorization from the Minas Gerais State Finance Secretary to offset part of the ICMS tax payable to the state against the debt owed by the State government to the company, under State Law 23,705/2020. The amount is to be offset in 21 equal monthly installments of approximately R$10.5 million. Until December 31, 2021, nine installments had been offset.

(2) This refers to the recalculation of the inflation adjustment of amounts relating to the Advance against Future Capital Increase (AFAC), which were returned to the State of Minas Gerais. These receivables have guarantee in the form of Cemig's right to retain dividends and Interest on Equity otherwise payable to the State (in proportion to the State's equity interest in the Company), for as long as any payments are overdue or in default. For more information, see Note 10.

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

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

(5) An uncovered liability was recognized corresponding to the Company's equity interest in Madeira Energia S.A. as a result of the judgment given in the arbitration proceedings (for more details see Note 15 to the interim financial information).

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

(7) 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$151 million (R$149 million on December 31, 2021), of which Cemig's portion is R$53 million (R$52 million on December 31, 2021).

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

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

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

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

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

(13) Rental of the Company's administrative head office, in effect until August 2024 (able to be extended every five years, up to 2034), with annual inflation adjustment by the IPCA index and price reviewed every 60 months. On September 20, 2021 the lease contract was adjusted upward by 9.68%, corresponding to accumulated IPCA inflation over the prior 12 months. On April 27, 2021, an amendment was signed to the contract with Forluz, following transfer of the office premises of the investees Cemig SIM and Gasmig to the Júlio Soares Building, with consequent reduction of the rental cost for Cemig.

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

Dividends receivable

Dividends receivable	Consolidated		Parent company	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Cemig GT	-	-	799,947	799,947
Cemig D	-	-	1,027,849	916,961
Gasmig	-	-	24,563	350
Sete Lagoas Transmissora	-	-	5,121	-
Light	71,206	71,206	71,206	71,206
Aliança Geração	99,000	224,896	-	-
Taesa	31,873	31,873	31,873	31,873
Cemig Sim	-	-	3,653	230
Others (1)	28,161	7,214	11	11
	230,240	**335,189**	**1,964,223**	**1,820,578**

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

Guarantees on loans, financing and debentures

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

Related party	Relationship	Type	Objective	Mar. 31, 2022	Maturity
Norte Energia (NESA) (1)	Affiliated	Surety	Financing	2,585,677	2042
Norte Energia (NESA)/Light (2)	Affiliated	Counter-guarantee	Financing	683,615	2042
Santo Antônio Energia S.A. (3)	Jointly controlled entity	Surety	Debentures	510,399	2037
Santo Antônio Energia S.A.	Jointly controlled entity	Guarantee	Financing	1,147,841	2034
Norte Energia (NESA)	Affiliated	Surety	Debentures	77,436	2030
				5,004,968	

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

On March 31, 2022, Management believes that there is no need to recognize any provisions in the Company's interim financial information for the purpose of meeting any obligations arising under these sureties and/or guarantees.

Purchase of energy guarantee

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

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

Cemig and its subsidiaries and jointly controlled entities invest part of their financial resources in an investment fund which has the characteristics of fixed income and obeys the Company's cash investment policy. The amounts invested by the fund are reported as cash and cash equivalent, marketable securities line in current and non-current assets, or presented deducted from the Debentures line in current and non-current liabilities, in proportion to the Company's participation in the fund, of 93.91%, on March 31, 2022 (96.25%, on December, 31, 2021).

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

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Remuneration of key management personnel

The total costs of key personnel, comprising the Executive Board, the Fiscal Council, the Audit Committee and the Board of Directors, are within the limits approved at a General Shareholders' Meeting, and the effects on the income statements of the in period ended March 31, 2022 and 2021, are as follows:

	Jan to Mar, 2022	Jan to Mar, 2021
Remuneration	5,866	5,877
Profit sharing	2,436	1,303
Pension plans	401	380
Health and dental plans	53	54
Life insurance	8	-
Total	**8,764**	**7,614**

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments classification and fair value

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

	Level	Mar. 31, 2022		Dec. 31, 2021	
		Balance	Fair value	Balance	Fair value
Financial assets					
Amortized cost (1)					
Marketable securities – Cash investments	2	296,713	296,713	1,094,473	1,094,473
Customers and Traders; Concession holders (transmission service)	2	4,846,498	4,846,498	4,481,423	4,481,423
Restricted cash	2	29,697	29,697	19,195	19,195
Accounts receivable from the State of Minas Gerais (AFAC)	2	13,366	13,366	13,366	13,366
Concession financial assets – *CVA* (Parcel 'A' Costs Variation Compensation) Account and *Other financial components*	3	1,449,547	1,449,547	2,147,548	2,147,548
Reimbursement of tariff subsidies	2	101,961	101,961	291,896	291,896
Low-income subsidy	2	47,801	47,801	46,540	46,540
Escrow deposits	2	1,195,649	1,195,649	1,155,169	1,155,169
Concession grant fee – Generation concessions	3	2,850,967	2,850,967	2,792,201	2,792,201
		10,832,199	**10,832,199**	**12,041,811**	**12,041,811**
Fair value through profit or loss					
Cash equivalents – Cash investments		1,355,336	1,355,336	708,252	708,252
Marketable securities					
Bank certificates of deposit	2	15,193	15,193	100,554	100,554
Treasury Financial Notes (LFTs)	1	211,134	211,134	178,427	178,427
Financial Notes – Banks	2	642,821	642,821	704,364	704,364
		2,224,484	**2,224,484**	**1,691,597**	**1,691,597**
Derivative financial instruments (Swaps)	3	866,223	866,223	1,219,176	1,219,176
Concession financial assets – Distribution infrastructure	3	815,310	815,310	718,115	718,115
Indemnifiable receivable – Generation	3	816,202	816,202	816,202	816,202
		4,722,219	**4,722,219**	**4,445,090**	**4,445,090**
		15,554,418	**15,554,418**	**16,486,901**	**16,486,901**
Financial liabilities					
Amortized cost (1)					
Loans, financing and debentures	2	(9,849,696)	(9,849,696)	(11,363,963)	(11,363,963)
Debt with pension fund (Forluz)	2	(356,538)	(356,538)	(384,513)	(384,513)
Deficit of pension fund (Forluz)	2	(532,901)	(532,901)	(538,934)	(538,934)
Concessions payable	3	(28,010)	(28,010)	(26,813)	(26,813)
Suppliers	2	(2,242,655)	(2,242,655)	(2,683,343)	(2,683,343)
Leasing transactions	2	(231,195)	(231,195)	(244,023)	(244,023)
Sector financial liabilities	2	(1,466)	(1,466)	(51,359)	(51,359)
		(13,242,461)	**(13,242,461)**	**(15,292,948)**	**(15,292,948)**
Fair value through profit or loss					
Derivative financial instruments - Swaps	3	(109,824)	(109,824)	(6,130)	(6,130)
Put Options (SAAG)	3	(663,719)	(663,719)	(636,292)	(636,292)
		(773,543)	**(773,543)**	**(642,422)**	**(642,422)**
		(14,016,004)	**(14,016,004)**	**(15,935,370)**	**(15,935,370)**

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

At initial recognition the Company measures its financial assets and liabilities at fair value and classifies them according to the accounting standards currently in effect. *Fair value* is a measurement based on assumptions that market participants would use in pricing an asset or liability, assuming that market participants act in their economic best interest. The information applied in the fair value valuation techniques is classified in three levels of fair value hierarchy, as follows:

- Level 1 – Active market – Quoted prices: A financial instrument is considered to be quoted in an active market if the prices quoted are promptly and regularly made available by an exchange or organized over-the-counter market, by operators, by brokers or by a market association, by entities whose purpose is to publish prices, or by regulatory agencies, and if those prices represent regular arm's length market transactions made without any preference.

- Level 2 – No active market – Valuation technique: For an instrument that does not have an active market, fair value should be found by using a method of valuation/pricing. Criteria such as data on the current fair value of another instrument that is substantially similar, or discounted cash flow analysis or option pricing models, may be used. Level 2 is based on information that is observable, either directly or indirectly. The objective of the valuation technique is to establish what would be the transaction price on the measurement date in an arm's-length transaction motivated by business model.

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

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

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Fair value calculation of financial positions

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

Indemnifiable receivable – generation: measured at New Replacement Value (VNR), as per criteria set by regulations of the grantor power, based on the fair value of the assets to be indemnify at the end of the concession. For more information, see Note 13.2.

Marketable securities: Fair value of marketable securities is determined taking into consideration the market prices of the investment, or market information that makes such calculation possible, considering future interest rates and exchange of investments to similar securities. The market value of the security is deemed to be its maturity value discounted to present value by the discount rate obtained from the market yield curve.

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

Swaps: Fair value was calculated based on the market value of the security at its maturity adjusted to present value by the discount rate from the market yield curve.

Other financial liabilities: Fair value of its loans, financing and debentures were determined using 131.33% of the CDI rate – based on its most recent funding. For the loans, financing, debentures and debt renegotiated with Forluz, with annual rates between IPCA + 4.10% to 6.20% and CDI + 0.79% to 4.67%, Company believes that their carrying amount is approximated to their fair value.

b) Derivative financial instruments

Put options

On March 31, 2022 and December 31, 2021, the options values were as follows:

	Mar. 31, 2022	Dec. 31, 2021
Put option – SAAG	663,719	636,292
	663,719	**636,292**

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Put option – SAAG

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

A liability of R$663,719 was recorded in the Company's interim financial information, for the difference between the exercise price and the estimated fair value of the assets. Considering the early liquidation of Funds, and early maturity of put option, this amount was classified as current liabilities.

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

	Consolidated
Balance on December 31, 2021	**636,292**
Adjustment to fair value	27,427
Balance on March 31, 2022	**663,719**

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

Early liquidation of Funds, and early maturity of put option

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

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

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

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Thus, using the contractual prerogative contained in the option instruments, the Company invoked the contractual mechanism of Amicable Resolution for the contractual terms negotiation with the private pension plan entities. Since the amicable negotiation failed, the Company invoked the arbitration clause for resolution of conflict between the parties, which awaits the decision of the Brazil Canada Chamber of Commerce of the State of São Paulo.

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

<u>Swap transactions</u>

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

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

Assets	Liability	Maturity period	Trade market	Notional amount	Realized gain / loss	
					Mar. 31, 2022	Dec. 31, 2021
US$ exchange variation + Rate (9.25% p.y.)	R$ 151.99% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US$1,000,000	-	1,018,638
US$ exchange variation + Rate (9.25% p.y.)	R$ 125.52% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US$500,000	-	155,569
US$ exchange variation higher R$5.0984	US$ exchange variation lower R$5.0954	August 03, 2021	Over the counter	US$600,000	-	23,700
					-	**1,197,907**

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 March 31, 2022 was a negative adjustment of R$456,647 (R$187,348 on March 31, 2021), which was posted in finance income (expenses).

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

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This table presents the derivative instruments as of March 31, 2022 and December 31, 2021:

Assets	Liability	Maturity period	Trade market	Notional amount (2)	Unrealized gain / loss		Unrealized gain / loss	
					Carrying amount Mar. 31, 2022	Fair value Mar. 31, 2022	Carrying amount Dec. 31, 2021	Fair value Dec. 31, 2021
US$ exchange variation + Rate (9.25% p.y.) (1)	R$ 151.99% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US$500,000	738,740	473,785	873,095	706,401
US$ exchange variation + Rate (9.25% p.y.) (1)	R$ 125.52% of CDI	Interest: Half-yearly Principal: Dec. 2024	Over the counter	US$500,000	444,606	282,614	577,565	506,645
					1,183,346	**756,399**	**1,450,660**	**1,213,046**
Current asset							**866,223**	**1,219,176**
Current liabilities							**(109,824)**	**(6,130)**

1) For the US$1 billion Eurobond issued on December 2017: (i) for the principal, a call spread was contracted, with floor at R$ 3.25/US$ and ceiling at R$ 5.00/US$; and (ii) a swap was contracted for the total interest, for a coupon of 9.25% p.a. at an average rate equivalent to 150.49% of the CDI. In July 20 21, Cemig GT dismantled a total of US$500 million of the original hedge issued. For the additional US$500 issuance of the same Eurobond issued on July 2018: (1) a call spread was contracted for the principal, with floor at R$ 3.85/US$ and ceiling at R$ 5.00/US$; and (2) a swap was contracted for the interest, resulting in a coupon of 9.25% p.a., with an average rate equivalent to 125.52% of the CDI rate. The upper limit for the exchange rate in the hedge instrument contracted by the Company for the principal of the Eurobonds is R$ 5.00/US$. The instrument matures in December 2024. If the USD/BRL exchange rate is still over R$5.00 in December 2024, the company will disburse, on that date, the difference between the upper limit of the protection range and the spot dollar on that date. The Company is monitoring the possible risks and impacts associated with the dollar being valued above R$5.00 and assessing various strategies for mitigating the foreign exchange risk up to the maturity date of the transaction. The hedge instrument fully protects the payment of six-monthly interest, independently of the USD/BRL exchange rate.
2) In millions of US$.

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

The fair value at March 31, 2022 was R$756,399 (R$1,213,046 on December 31, 2021), which would be the reference if Cemig GT would liquidate the financial instrument on that date, but the swap contracts protect the Company's cash flow up to the maturity of the bonds in 2024 and they have carrying amount of R$1,183,346 at March 31, 2022 (R$1,450,660 on December 31, 2021).

Cemig GT is exposed to market risk due to having contracted this hedge, the principal potential impact being a change in future interest rates and/or the future exchange rates. Based on the futures curves for interest rates and dollar, Cemig GT prepare a sensitivity analyses and estimates that in a probable scenario its results at March 31, 2023, would be positively affected by the swap and call spread at the end of the period in the amount of R$225,061. The fair value of the financial instrument will be R$981,460, in which R$1,067,169 refers to the option (call spread) and R$85,709 refers to the swap.

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

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Parent Company and Consolidated	Base scenario Mar. 31, 2022	'Probable' scenario Mar. 31, 2023	'Possible' scenario exchange rate depreciation and interest rate increase 25%	'Remote' scenario: exchange rate depreciation and interest rate increase 50%
Swap (asset)	3,926,025	3,892,539	3,519,720	3,166,360
Swap (liability)	(4,063,495)	(3,978,248)	(4,075,614)	(4,170,008)
Option / Call spread	893,869	1,067,169	576,049	130,157
Derivative hedge instrument	**756,399**	**981,460**	**20,155**	**(873,491)**

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

c) Financial risk management

Corporate risk management is a management tool that is part of the Company's corporate governance practices, and is aligned with the process of planning, which sets the Company's strategic business objectives.

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

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

Exchange rate risk

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

The net exposure to exchange rates is as follows:

Exposure to exchange rates	Mar. 31, 2022		Dec. 31, 2021	
	Foreign currency	R$	Foreign currency	R$
US dollar				
Loans and financing (Note 21)	(1,034,763)	(4,902,499)	(1,007,557)	(5,622,673)
Suppliers (Itaipu Binacional) (Note 19)	(63,723)	(301,909)	(59,335)	(331,118)
	(1,098,486)	**(5,204,408)**	**(1,066,892)**	**(5,953,791)**
Net liabilities exposed		**(5,204,408)**		**(5,953,791)**

<u>Sensitivity analysis</u>

Based on finance information from its financial consultants, the Company estimates that in a probable scenario the variation of the exchange rates of foreign currencies in relation to the Real on March 31, 2023 will be an appreciation of the dollar by 2.37%, to R$4.85. The

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Company has prepared a sensitivity analysis of the effects on the Company's net income arising from depreciation of the Real exchange rate considering the increase of 25%, and 50%, in relation to this 'probable' scenario.

Risk: foreign exchange rate exposure	Base Scenario	'Probable' scenario US$=R$4.85	'Possible' scenario US$= R$6.06	'Remote' scenario US$=R$7.28
US dollar				
Loans and financings (Note 21)	4,902,499	5,018,599	6,270,662	7,533,073
Suppliers (Itaipu Binacional) (Note 19)	301,909	309,059	386,164	463,907
	5,204,408	**5,327,658**	**6,656,826**	**7,996,980**
Net liabilities exposed	**5,204,408**	**5,327,658**	**6,656,826**	**7,996,980**
Net effect of exchange rate fluctuation		**123,250**	**1,452,418**	**2,792,572**

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

Interest rate risk

The Company and its subsidiaries are exposed to the risk of decrease in Brazilian domestic interest rates on March 31, 2023. This risk arises from the effect of variations in Brazilian interest rates on net financial income comprised by financial revenues from cash investments made by the Company, and also to the financial assets related to the CVA and other financial components, net of the effects on financial expenses associated to loans, financings and debentures in Brazilian currency, and also sectorial financial liabilities.

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

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

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

Risk: Exposure to domestic interest rate changes	Mar. 31, 2022	Dec. 31, 2021
Assets		
Cash equivalents – Cash investments (Note 5) – CDI	1,355,336	708,252
Marketable securities (Note 6) – CDI / SELIC	1,165,861	2,077,818
Restricted cash – CDI	29,697	19,195
CVA and in tariffs (Note 13) – SELIC	1,449,547	2,147,548
	4,000,441	**4,952,813**
Liabilities		
Loans, financing and debentures (Note 21) – CDI	(1,322,663)	(1,457,989)
Loans, financing and debentures (Note 21) – TJLP	(15,239)	(20,625)
Sector financial liabilities (note 13)	(1,466)	(51,359)
	(1,339,368)	**(1,529,973)**
Net assets exposed	**2,661,073**	**3,422,840**

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Sensitivity analysis

In relation to the most significant interest rate risk, Company estimates that, in a probable scenario, at March 31, 2023 Selic and TJLP rates will be 12.25% and 6.60%, respectively. The Company made a sensitivity analysis of the effects on its net income arising from increases in rates of 25% and 50% in relation to the 'probable' scenario. Fluctuation in the CDI rate accompanies the fluctuation of Selic rate.

Risk: Increase in Brazilian interest rates	Mar. 31, 2022	Mar. 31, 2023		
	Book value	'Probable' scenario Selic 12.25% TJLP 6.60%	'Possible' scenario Selic 9.19% TJLP 4.95%	'Remote' scenario Selic 6.13% TJLP 3.30%
Assets				
Cash equivalents (Note 5)	1,355,336	1,521,365	1,479,891	1,438,418
Marketable securities (Note 6)	1,165,861	1,308,679	1,273,004	1,237,328
Restricted cash	29,697	33,335	32,426	31,517
CVA and *Other financial components* – SELIC (Note 13)	1,449,547	1,627,117	1,582,760	1,538,404
	4,000,441	**4,490,496**	**4,368,081**	**4,245,667**
Liabilities				
Loans and financing (Note 21) – CDI	(1,322,663)	(1,484,689)	(1,444,216)	(1,403,742)
Loans and financing (Note 21) – TJLP	(15,239)	(16,245)	(15,993)	(15,742)
Sector financial liabilities (Note 13)	(1,466)	(1,563)	(1,539)	(1,514)
	(1,339,368)	**(1,502,497)**	**(1,461,748)**	**(1,420,998)**
Net assets exposed	**2,661,073**	**2,987,999**	**2,906,333**	**2,824,669**
Net effect of fluctuation in interest rates		**326,926**	**245,260**	**163,596**

Increase in inflation risk

The Company and its subsidiaries are exposed to the risk of increase in inflation index on March 31, 2022. A portion of the loans, financings and debentures as well as the pension fund liabilities are adjusted using the IPCA (Expanded National Customer Price). The revenues are also adjusted using the IPCA and IGP-M index, mitigating part of the Company risk exposure. This table presents the Company's net exposure to inflation index:

Exposure to increase in inflation	Mar. 31, 2022	Dec. 31, 2021
Assets		
Concession financial assets related to Distribution infrastructure - IPCA (1)	815,310	718,115
Receivable from Minas Gerais state government (AFAC) – IGPM (Note 10 and 29)	13,366	13,366
Concession Grant Fee – IPCA (Note 13)	2,850,967	2,792,201
	3,679,643	**3,523,682**
Liabilities		
Loans, financing and debentures – IPCA and IGP-DI (Note 21)	(3,665,978)	(4,321,906)
Debt with pension fund (Forluz) – IPCA (Note 23)	(356,538)	(384,513)
Deficit of pension plan (Forluz) – IPCA (Note 23)	(532,901)	(538,934)
	(4,555,417)	**(5,245,353)**
Net liabilities exposed	**(875,774)**	**(1,721,671)**

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

Sensitivity analysis

In relation to the most significant risk of reduction in inflation index, reflecting the consideration that the Company has more assets than liabilities indexed to inflation indexes,

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the Company estimates that, in a probable scenario, at March 31, 2023 the IPCA inflation index will be 5.90% and the IGPM inflation index will be 14.77%. The Company has prepared a sensitivity analysis of the effects on its net income arising from a increase in inflation of 25% and 50% in relation to the 'probable' scenario.

Risk: increase in inflation index	Mar. 31, 2022	Mar. 31, 2023		
	Amount Book value	'Probable' scenario IPCA 5.90% IGPM 14.77%	'Possible' scenario (25%) IPCA 7.38% IGPM 18.46%	'Remote' scenario (50%) IPCA 8.85% IGPM 22.16%
Assets				
Concession financial assets related to Distribution infrastructure – IPCA (1)	779,037	825,000	836,530	847,982
Concession financial assets related to Gas Distribution infrastructure – IGPM	36,273	41,631	42,969	44,311
Accounts receivable from Minas Gerais state government (AFAC) – IGPM index (Note 10 and 29)	13,366	15,340	15,833	16,328
Concession Grant Fee – IPCA (Note 13)	2,850,967	3,019,174	3,061,368	3,103,278
	3,679,643	**3,901,145**	**3,956,700**	**4,011,899**
Liabilities				
Loans, financing and debentures – IPCA and IGP-DI (Note 21)	(3,665,978)	(3,882,271)	(3,936,527)	(3,990,417)
Debt agreed with pension fund (Forluz) – IPCA (Note 23)	(356,538)	(377,574)	(382,851)	(388,092)
Deficit of pension plan (Forluz) (Note 23)	(532,901)	(564,342)	(572,229)	(580,063)
	(4,555,417)	**(4,824,187)**	**(4,891,607)**	**(4,958,572)**
Net liabilities exposed	**(875,774)**	**(923,042)**	**(934,907)**	**(946,673)**
Net effect of fluctuation in IPCA and IGP–M indexes		**(47,268)**	**(59,133)**	**(70,899)**

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

Liquidity risk

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

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

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

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

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

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Any reduction in the Company and subsidiaries ratings could result in a reduction of its ability to obtain new financing and could also make refinancing of debts not yet due more difficult or more costly. In this situation, any financing or refinancing of the Company's debt could have higher interest rates or might require compliance with more onerous covenants, which could additionally cause restrictions to the operations of the business.

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

Consolidated	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at interest rates:						
- loating rates						
Loans, financing and debentures	59,916	372,184	1,283,996	9,549,635	911,395	12,177,126
Onerous concessions	349	687	2,971	13,732	16,074	33,813
Debt with pension plan (Forluz) (Note 23)	14,262	28,603	131,750	228,350	-	402,965
Deficit of the pension plan (Forluz) (Note 23)	6,278	12,687	58,332	338,510	467,738	883,545
	80,805	**414,161**	**1,477,049**	**10,130,227**	**1,395,207**	**13,497,449**
- Fixed rate						
Suppliers	1,986,604	256,728	-	-	-	2,243,332
	2,067,409	**670,889**	**1,477,049**	**10,130,227**	**1,395,207**	**15,740,781**

Parent company	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at interest rates:						
- Floating rates						
Loans, financing and debentures	-	-	61,458	-	-	61,458
Debt with pension plan (Forluz) (Note 23)	702	1,408	6,485	11,237	-	19,832
Deficit of the pension plan (Forluz) (Note 23)	309	624	2,870	16,655	23,013	43,471
	1,011	**2,032**	**70,813**	**27,892**	**23,013**	**124,761**
- Fixed rate						
Suppliers	83,849	104	-	-	-	83,953
	84,860	**2,136**	**70,813**	**27,892**	**23,013**	**208,714**

Credit risk

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

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

The provision for expected credit losses of accounts receivable recorded on March 31, 2022, considered to be adequate in relation to the credits in arrears receivable by the Company and its subsidiaries was R$834,839.

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

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This Policy assesses and scales the credit risks of the institutions, the liquidity risk systemic risk related to macroeconomic and regulatory conditions, the market risk of the investment portfolio and the Treasury operational risk.

All investments are made in financial securities that have fixed-income characteristics, always indexed to the CDI rate, and may be of public or private capital as well as financial or non-financial entities. The Company does not carry out any transactions in variable income securities or that would bring volatility risk into its interim financial information.

As a management instrument, the Company and its subsidiaries divide the investment of its funds into direct purchases of securities (own portfolio) and investment funds. The investment funds invest the funds exclusively in fixed income products, having companies of the Group as the only unit holders. They obey the same policy adopted in the investments for the Company's directly held own portfolio.

The minimum requirements for concession of credit to financial institutions are centered on three items:

1. Minimum Brazilian long-term rating of 'BBB' (bra), 'brBBB' or 'Baa2' by any of the agencies: Fitch Ratings, Moody's or Standard & Poor's.
2. Equity greater than R$800 million.
3. Basel ratio one percentage point above the minimum set by the Brazilian Central Bank.

The quality of the financial institutions' credit portfolio is another indicator that is monitored and may result in reduction of the institution's limit.

Banks that exceed these thresholds are classified in three groups, in accordance with their equity value, plus a specific segment comprising those whose credit risk is associated only with federal government, and within this classification, limits of concentration by group and by institution are set:

Group	Equity	Limit per bank (% of equity) (1) (2)			
		AAA	AA	A	BBB
Federal Risk	-	10%	10%	10%	10%
A1	Equal or over R$10 billion	9%	8%	7%	6%
A2	Between R$5 billion and R$10 billion	8%	7%	6%	5%
A3	Between R$2 billion and R$5 billion	7%	6%	5%	4%
A4	Between R$800 million and R$2 billion	6%	5%	4%	-

1. The percentage assigned to each bank depends on individual assessment of indicators, e.g., liquidity, and quality of the credit portfolio.
2. When the institution has different ratings from different risk rating agencies, the rating that is most favorable for the institution is taken into account.

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

1. No bank may have more than 30% of the Group's portfolio.
2. The banks in the 'Federal risk', 'A1' and 'A2' groups must concentrate at least 50% of the total of the funds available, comprising investments held in the Investment Funds and in the own portfolio, excluding public securities.

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

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

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

Impacts of the war in Ukraine

The company's assessment on the risks and potential impacts of the war in Ukraine is presented in Note 1d.

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

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

Risk of continuity of the concession

The risk to continuity of the distribution concession arises from the Fifth Amendment to the concession agreement entered into for 30 years, with the Mining and Energy Ministry, effective as of January 1, 2016, as provided for in Law No. 12,783/13. The extension introduced changes to the present contract, conditional upon compliance by the distributor with new criteria for quality, and for economic and financial sustainability.

The extension is conditional on compliance with indicators contained in the contract itself, which aim to guarantee quality of the service provided and economic and financial sustainability of the Company. These are determinant for actual continuation of the concession in the first five years of the contract, since non-compliance with them in two consecutive years, or in the fifth year, results in cancellation of the concession.

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Also, as from the sixth calendar year after signature of the contract, non-compliance with the quality criteria for three consecutive years, or the minimum parameters for economic/financial sustainability for two consecutive years, results in opening of proceedings for termination of the concession.

The efficiency criteria for continuity of supply and for economic and for financial management, required to maintain the distribution concession, were met in the period ended March 31, 2022.

Hydrological risk

The greater part of the energy sold by the Company's subsidiaries is generated by hydroelectric plants. A prolonged period of drought can result in lower water volumes in the reservoirs of these plants, which can lead to an increase in the cost of acquisition of energy, due to replacement by thermoelectric generation, or reduction of revenues due to reduction in consumption caused by implementation of wide-ranging programs for saving of energy. Prolongation of the generation of energy using the thermal plants could pressure costs of acquisition of supply for the distributors, causing a greater need for cash, and could result in future increases in tariffs.

The Company continuously monitors the position of its energy balance and the risk position of power purchase contracting, in order to ensure that transactions are consistent with its objectives and corporate strategy.

Risk of debt early maturity

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

On March, 31, 2022, the Company and its subsidiaries were in compliant with all the financial covenants requiring half-yearly and annual compliance. More details in Note 22.

Capital management

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

	Consolidated		Parent company	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Total liabilities	30,394,764	32,584,043	3,456,143	3,163,043
(–) Cash and cash equivalents	(1,409,372)	(825,208)	(124,386)	(26,692)
(–) Restricted cash	(29,697)	(19,195)	(4)	(7)
Net liabilities	**28,955,695**	**31,739,640**	**3,331,753**	**3,136,344**
Total equity	**20,672,628**	**19,461,765**	**20,666,993**	**19,456,411**
Net liabilities / equity	**1.40**	**1.63**	**0.16**	**0.16**

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31. OPERATING SEGMENTS

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

Since 2021, the segment information is disclosed separately into the following 5 reportable segments:

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

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

Trading: Comprise commercialization of energy and provision of related services. As per Note 25(g), in third quarter of 2021 the Company began the process of segregation of the commercialization business, with partial transfer from Cemig GT to the Company. There was no change in the Company’s corporate strategy of serving the market with the purpose of energy delivery to its clients.

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

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

Transfer of energy from the generation activity to the trading activity comprises a transaction between segments, since it consists of obtaining of revenue from the sale of energy generated, and costs for purchase of energy to be traded – these are measured at sale prices estimated in accordance with criteria based on the Company’s model for management of these businesses, using market prices as a reference.

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INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD ENDED MARCH 31, 2022									
ACCOUNT/DESCRIPTION	ENERGY				INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING	DISTRIBUTION					
NET REVENUE	**700,034**	**307,556**	**1,420,645**	**4,748,317**	**784,355**	**7,960,907**	**-**	**(113,459)**	**7,847,448**
COST OF ENERGY AND GAS	**(55,673)**	**(70)**	**(1,148,156)**	**(2,867,437)**	**(563,781)**	**(4,635,117)**	**-**	**99,422**	**(4,535,695)**
OPERATING COSTS AND EXPENSES (3)									
Personnel	(34,203)	(31,576)	(5,198)	(200,016)	(32,574)	(303,567)	-	-	(303,567)
Employees and managers' profit sharing	(3,776)	(3,850)	(630)	(23,999)	(4,895)	(37,150)	-	-	(37,150)
Post-employment obligations	(14,838)	(10,316)	(2,332)	(103,809)	(22,185)	(153,480)	-	-	(153,480)
Materials, outsourced services and other expenses (revenues)	(43,065)	(17,990)	(2,095)	(370,640)	(10,887)	(444,677)	-	14,098	(430,579)
Depreciation and amortization	(81,875)	(1)	(3)	(175,375)	(26,655)	(283,909)	-	-	(283,909)
Operating provisions and impairment	(9,114)	(4,822)	(866)	(98,385)	(50,143)	(163,330)	-	-	(163,330)
Construction costs	-	(50,696)	-	(429,503)	(11,063)	(491,262)	-	-	(491,262)
Total cost of operation	**(186,871)**	**(119,251)**	**(11,124)**	**(1,401,727)**	**(158,401)**	**(1,877,374)**	**-**	**14,098**	**(1,863,277)**
OPERATING COSTS AND EXPENSES	**(242,544)**	**(119,321)**	**(1,159,280)**	**(4,269,164)**	**(722,182)**	**(6,512,491)**	**-**	**113,520**	**(6,398,972)**
Equity in earnings of unconsolidated investees, net	56,475	-	-	-	127,953	184,428	-	-	184,428
OPERATING RESULT BEFORE FINANCE AND TAX RESULT	**513,965**	**188,235**	**261,365**	**479,153**	**190,125**	**1,632,843**	**-**	**61**	**1,632,904**
Finance income and expenses, net	121,741	71,502	10,344	24,803	85,773	314,163	-	-	314,163
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	**635,706**	**259,737**	**271,709**	**503,956**	**275,898**	**1,947,006**	**-**	**61**	**1,947,067**
Income tax and social contribution tax	(167,973)	(83,333)	(95,335)	(128,030)	(16,825)	(491,496)	-	-	(491,496)
NET INCOME FOR THE PERIOD	**467,733**	**176,404**	**176,374**	**375,926**	**259,073**	**1,455,510**	**-**	**61**	**1,455,571**
Equity holders of the parent	467,733	176,404	176,374	375,926	258,691	1,455,128	-	61	1,455,189
Non-controlling interests	-	-	-	-	382	382	-	-	382

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

INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD ENDED MARCH 31, 2021									
ACCOUNT/DESCRIPTION	ENERGY				INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING	DISTRIBUTION					
NET REVENUE	**737,997**	**226,450**	**1,380,435**	**4,661,974**	**580,061**	**7,586,917**	**(374,384)**	**(101,792)**	**7,110,741**
COST OF ENERGY AND GAS	**(141,367)**	**(49)**	**(1,262,728)**	**(2,913,613)**	**(387,525)**	**(4,705,282)**	**374,384**	**88,947**	**(4,241,951)**
OPERATING COSTS AND EXPENSES									
Personnel	(33,768)	(27,188)	(5,227)	(212,509)	(26,656)	(305,348)	-	(2,106)	(307,454)
Employees' and managers' profit sharing	(3,110)	(2,757)	(542)	(20,097)	(3,008)	(29,514)	-	-	(29,514)
Post-employment obligations	(9,791)	(8,837)	(1,701)	(71,897)	(14,457)	(106,683)	-	-	(106,683)
Materials, outsourced services and other expenses (revenues)	(40,975)	(24,350)	(2,639)	(359,142)	(22,751)	(449,857)	-	9,573	(440,284)
Depreciation and amortization	(46,846)	(823)	(136)	(164,258)	(26,492)	(238,555)	-	124	(238,431)
Operating provisions and impairment	(16,289)	(3,145)	584	(18,112)	7,504	(29,458)	-	5,254	(24,204)
Construction costs	-	(19,065)	-	(321,301)	(8,009)	(348,375)	-	-	(348,375)
Total cost of operation	**(150,779)**	**(86,165)**	**(9,661)**	**(1,167,316)**	**(93,869)**	**(1,507,790)**	**-**	**12,845**	**(1,494,945)**
OPERATING COSTS AND EXPENSES	**(292,146)**	**(86,214)**	**(1,272,389)**	**(4,080,929)**	**(481,394)**	**(6,213,072)**	**374,384**	**101,792**	**(5,736,896)**
Periodic tariff review, net	-	5,816	-	-	-	5,816	-	-	5,816
Gain from the sale of non-current asset held for sale	-	-	-	-	108,550	108,550	-	-	108,550
Equity in earnings of unconsolidated investees, net	62,645	-	-	-	56,042	118,687	-	-	118,687
OPERATING RESULT BEFORE FINANCE AND TAX RESULT	**508,496**	**146,052**	**108,046**	**581,045**	**263,259**	**1,606,898**	**-**	**-**	**1,606,898**
Finance income and expense, net	(432,234)	(217,394)	2,945	(39,455)	(579,082)	(1,265,220)	-	-	(1,265,220)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAX	**76,262**	**(71,342)**	**110,991**	**541,590**	**(315,823)**	**341,678**	**-**	**-**	**341,678**

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INFORMATION BY SEGMENT AS OF AND FOR THE PERIOD ENDED MARCH 31, 2021									
ACCOUNT/DESCRIPTION	ENERGY				INVESTEES	TOTAL	INTER SEGMENT TRANSACTIONS (1)	RECONCILIATION (2) (3)	TOTAL
	GENERATION	TRANSMISSION	TRADING	DISTRIBUTION					
Income tax and social contribution tax	14,951	23,491	(35,307)	(149,439)	226,977	80,673	-	-	80,673
NET INCOME (LOSS) FOR THE PERIOD	**91,213**	**(47,851)**	**75,684**	**392,151**	**(88,846)**	**422,351**	-	-	**422,351**
Equity holders of the parent	**91,213**	**(47,851)**	**75,684**	**392,151**	**(89,165)**	**422,032**	-	-	**422,032**
Non-controlling interests	-	-	-	-	**319**	**319**	-	-	**319**

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

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

32. ASSETS CLASSIFIED AS HELD FOR SALE

Cemig GT's interest in Renova disposal process

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

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

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

Conclusion of the sale transaction

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

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The Company is concluding its assessment of the accounting effects of this transaction, which will be recognized in May 2022.

Renova for in-court supervised reorganization

On March 31, 2022, Renova had a negative net working capital of R$98,552, accumulated losses of R$4,029,606, negative shareholders' equity (equity deficit liabilities) of R$721,426 and losses, in the period, of R$66,106.

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

Considering the non-existence of any legal or constructive obligations to the investee, the Company has concluded that the granted of in-court supervised reorganization filed by Renova and approved by the court and the transactions occurred in the year ended on December 31, 2021 does not have any additional impact in its interim financial information and does not affect the sale's plan of its equity interest in the investee.

The principal events in Renova's in Court-supervised reorganization have been as follows:

- On October 25, 2019 the Company signed Debtor in Possession (DIP) loan agreements in the total amount of R$36.5 million. The funds of these loans were guaranteed by fiduciary assignment of the equity interests held in a company holding wind generation project assets owned by Renova, with approximate value of R$60 million. On June 30, 2020 was recognized an impairment of the loan granted, in the amount of R$37.4 million. Under the agreement for purchase of shares in Renova, the Cemig GT assumed an obligation not to execute the amount under this loan, made after the proceedings of in court supervised reorganization had begun, until disposal of the Independent Productive Unit (UPI) SF 120, the company owning the Mina de Ouro project.

- On September 21, 2020, Renova approved the proposal made by the Company for suspension of the obligations in the PPA signed between them, as amended from time to time, for incentive-bearing wind power which were linked to phase A of the Alto Sertão III Wind Complex. The suspension will remain in effect until the beginning of the commercial operation of the facilities aimed at the Free Market, planned for December 2022.
- On December 18, 2020, the in court-supervised reorganization Plans filed by Renova were approved by the General Meeting of Creditors (AGC) and ratified by the recovery court on the same day.
- On May 06, 2021 and August 23, 2021, the first and second capital increase of Renova were approved, corresponding to the capitalization of credits, in accordance with the terms of the court supervised reorganization plan, not accompanied by the Company, which also did not request the conversion of its credits into equity. On November 11, 2021 the third 'window' agreed for increase in Renova's capital, specified in the in

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court supervised reorganization Plan, terminated. This resulted in aggregate credits of not more than R$15 million. Because of these events the equity interest held by the Company in the common share of Renova reduced from 36.23%, on March 31, 2021 to 13.80% on December 31, 2021.

- On November 24, 2021 the competitive proceeding for disposal of the UPI Enerbrás was ratified, with Vinci Energia Fundo de Investimento em Participações em Infraestrutura being declared the winner, through its subsidiary V2i Energia S.A, for the amount of R$265.8 million, with completion subject to precedent conditions that are usual in the market.
- On December 1, 2021, sale of Renova's entire equity interest in the UPI Brasil PCH to the other shareholders of Brasil PCH S.A. (BSB Energética S.A and Eletroriver S.A, exercising their right of first refusal under the Shareholders' Agreement) was concluded, in the terms specified in the Tender Offer and in the in court-supervised reorganization Plan of the Renova Group. The funds received in the transaction, in the amount of R$1,100,000, were used for early settlement of the Debtor in Possession (DIP) loan contracted by its subsidiary Chipley SP Participação S.A., with co-obligation by Renova and Renova Participações S.A., with Quadra Gestão de Recursos S.A.
- On January 27, 2022, Renova accepted the proposal presented by AES GF1 HOLDING S.A., under a share purchase agreement for sale of certain assets and rights of the Cordilheira dos Ventos complex, comprising the projects Facheiro II, Facheiro III and Labocó, in the State of Rio Grande do Norte, with potential for development of wind generation capacity of 305 MW. The agreement included the right to an earn-out if the generation capacity built in the areas comprising the project turns out to be higher than 305 MW. The transaction is subject to certain conditions precedent, including holding of a competitive proceeding for the disposal of the Cordilheira dos Ventos UPI, under the in court supervised reorganization Proceedings, with AES as First Proposer (i.e. of a 'Stalking Horse' offer), with the right to match any offer made by third parties interested in the acquisition. On March 15, 2022, this process was ratified by the Judge of the second Bankruptcies and Supervised Reorganization Court of the Central legal district of São Paulo, with AES GF1, Holding S.A. being declared the winner, for the amount of R$42 million.

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33. NON-CASH TRANSACTIONS

On periods ended on March 31, 2022 and 2021, the Company and its subsidiaries had the following non-cash transactions, which are not reflected in the Cash flow statement:

- Capitalized financial costs of R$8,524 from January to March, 2022 (R$6,538 from January to March, 2021);
- Lease addition in the amount of R$197 from January to March, 2022 (R$1,488 from January to March, 2021).

34. PARLIAMENTARY COMMITTEE OF INQUIRY (‘CPI’)

On June 17, 2021, the Legislative Assembly of Minas Gerais has established a Parliamentary Committee of Inquiry (‘CPI’) to investigate management acts of Cemig since 2019. At an ordinary meeting held on June 24, 2021, the Legislative Assembly of the State of Minas Gerais appointed the members of the CPI. The CPI was entitled to investigate the facts underlying the application for its creation, for 120 calendar days from appointment of its Chair and Vice-chair. This period was extended, on October 26, 2021, for 60 days.

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

Additionally, in relation to the processes of contracting, the Company carries out regular audits. At present there is an examination in progress in one of these: based on the results identified to date, no material impacts have been identified neither on the interim financial information for the period ending March 31, 2022, nor on financial statements for prior years. The Company expects that the procedures will be concluded in the second quarter of 2022.

On February 18, 2022 the CPI approved its final report, to be submitted to the Public Attorneys’ Office of Minas Gerais State, and other public control bodies, for assessment of what further submissions of it should be made. So far there are not known to be any potential accusations that might take place by reason of the results indicated by the CPI.

The Company reaffirm that all the actions taken by the present management aimed to preserve the shareholders’ equity of the Company and ensure improvement in the offer of energy services to its clients, rigorously following the relevant legislation.

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35. SUBSEQUENT EVENTS

Acceptance of the Hydrological Scarcity Account conditions

On May 03, 2022, Aneel specified the values of the funds in the Hydrological Scarcity Account referring to the amounts requested by concession holders through their Terms of Acceptance of the Provisions of Decree 10939, of 2022, in the terms of Normative Resolution (ReN) 1008 of 2002.

Cemig D requested the ceiling amount of the funds in the first passthrough under the Decree, relating to the Program to Encourage Voluntary Reduction of Consumption (*Programa de Incentivo à Redução Voluntária de Consumo*), and also to importation of energy authorized by the Committee on Exceptional Rules for Hydroenergetic Management (*Câmara de Regras Excepcionais para Gestão Hidroenergética* – "CREG").

The Company also requested full access to the funds to be made available by the Hydrological Scarcity Account for costs relating to the balance on the Flag Tariff Centralizing Account for the period of April 2022 – which will be ratified in up to five days after publication of the Dispatch that sets the related amount. The passthrough of the fixed revenue relating to May through December 2022 from the Simplified Competitive Procedure (*Procedimento Competitivo Simplificado* – PCS) of 2021, the costs of which will be covered by the Hydrological Scarcity Account, will take place by a decision of Aneel, based on the amounts transacted and settled by the CCE.

The distributors that accepted the terms of the Decree waved the following rights: (i) the right to request suspension or reduction of the volumes of electricity acquired through electricity purchase contracts as a result of any reduction in consumption occurring up to December 2022; (ii) the right to distribute more than 25% of net profit, adjusted for the Legal and Contingency reserves, as payment of dividends and interest on Equity, in the event of default on any intra-sector obligation; and (iii) the right to challenge, in the courts or in arbitration, the conditions set by the Degree.

Under Normative Resolution (ReN) 1008/2002, the amounts transferred to each distributor are reverted as negative financial components up to the tariff adjustment process of 2024, fully updated by the Selic rate, with neutrality assured.

2022 Programmed Voluntary Retirement Plan ('PDVP')

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

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Up to the date of conclusion of this interim financial information, a total of 120 of the Company's employees had accepted and joined the program.

Share purchase agreement for acquisition of SPCs owning photovoltaic plants

On April 07, 2022, Cemig SIM entered into a purchase and sale agreement of shares and other covenants for the acquisition of 49% of the equity interest of six specific purpose companies, held by *G2 Energia e Empreendimentos Imobiliários Ltda.* and by *Apolo Empreendimentos e Energia Ltda,* for an estimated total amount of R$ 37,166, wich is subject to the price adjustment methods established in the agreement. The specific purpose comanies are owners of six photovoltaic plants in the shared distributed minigeneration mode, with total generation capacity of 18.5MWp, as follows:

	Plant	Power (MWp)	Estimated amount of transaction, R$ '000
G2 OLARIA 1 ENERGIA S.A.	Olaria 1	3.25MWp	6,529
G2 OLARIA 2 ENERGIA S.A.,	Olaria 2	3.25MWp	6,529
G2 CAMPO LINDO 1 ENERGIA S.A.	Campo Lindo 1	3.25MWp	6,529
G2 CAMPO LINDO 2 ENERGIA S.A.	Campo Lindo 2	3.25MWp	6,529
APOLO 1 SPE EMPREENDIMENTOS E ENERGIA S.A.	Apolo 1	2.75MWp	5,525
APOLO 2 SPE EMPREENDIMENTOS E ENERGIA S.A.	Apolo 2	2.75MWp	5,525
Total		**18.5MWp**	**37,166**

The plants, located in Lavras, Minas Gerais State, are in full operation, and together will serve approximately 1,800 clients in the low-voltage residential, commercial and industrial markets, providing reduction of emissions totaling 1,700 tons of CO_2 per year.

These transactions arise from exercise of share purchase options granted to Cemig SIM under the related Terms and Principles of Operation, the by-laws and the Stockholders' Agreement (Term Sheet), signed in November 2020. Completion of the transaction and conclusion of the purchase and sale of shares in each one of the SPCs is subject to approval by the Brazilian anti-trust authority CADE (*Conselho Administrativo de Defesa Econômica*).

Conclusion of the Tariff Review for piped natural gas distribution service

On April 28, 2022, The Minas Gerais State economic development department (*Secretaria de Desenvolvimento Econômico do Estado de Minas Gerais* – SEDE/MG), the state's body responsible for regulation and ratifying of tariffs for piped gas distribution service, published conclusion of its Review of Tariffs for piped natural gas distribution service, with the following effects, approved by SEDE Resolution 21: Cost of Capital: 8.71% p.a.; Requested revenue for the 2022–2026 cycle: average margin R$ 0.6626m^3, and ordinary average tariff repositioning index of –10.05% on the margins in effect since February 2022; and the new tariff structure for supply by Gasmig.

Its effects are backdated to February 2022, and the differences between the margins approved and those in effect will be captured by the offsetting account from February 1, 2022 and the date of ratification of the tariff adjustment with the margins approved by this Resolution.

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

Net income for the period

In the first quarter of 2022, Cemig reports profit of R$1,455,571, compared to R$422,351 in the same period in 2021. The variation reflects the exchange rate variation gains on the debt in foreign currency (Eurobonds), and loss on the corresponding hedge instrument, totaling a net gain of R$254,795 (net of taxes) in the first quarter of 2022, compared to a negative (expense) item of R$619,244 (net of taxes) in the same period in 2021.

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

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

Cemig's consolidated adjusted Ebitda, with the removal of non-recurrent items, higher in 15.68% on first quarter of 2022 compared to the same period of 2021, whereas the adjusted Ebitda margin higher from 23.31% to 24.43%. Consolidated Ebitda higher 3.87% on first quarter of 2022 compared to the same period of 2021, whereas the Ebitda margin was 25.95% on first quarter of 2021 to 24.43% on the same period of 2022.

EBITDA - R$'000	Jan to Mar 2021	Jan to Mar 2020 (Restated)	Charge %
Net income for the period	1,455,571	422,351	244.64%
+ Income tax and Social Contribution tax	491,496	(80,673)	-
+ Net financial revenue (expenses)	(314,163)	1,265,220	-
+ Depreciation and amortization	283,909	238,431	19.07
= Ebitda according to "CVM Instruction 527" (1)	**1,916,813**	**1,845,329**	**3.87**
Non-recurrent items			
+ Non-controlling interests	(382)	(319)	(19.75)
+ Gain from the sale of non-current asset held for sale	-	(108,550)	-
+ Reversal of tax provisions	-	(78,688)	-
Ebitda Adjusted (2)	**1,916,431**	**1,657,772**	**15.60**

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

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

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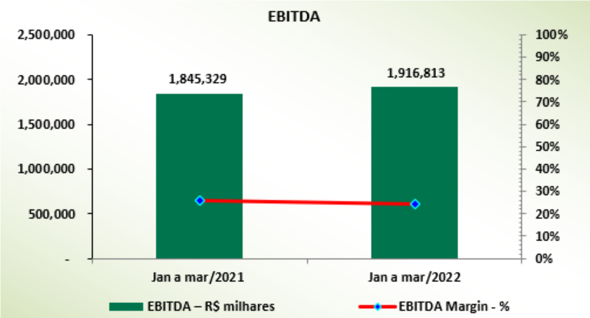

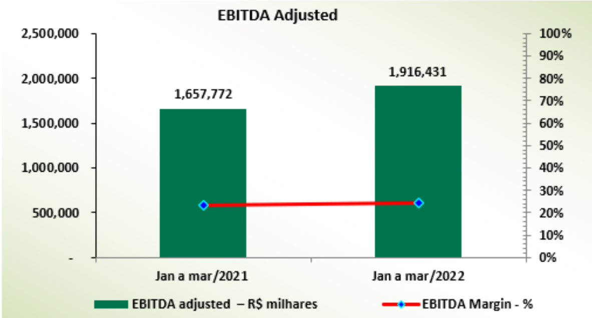

The higher Ebitda in the first quarter of 2022, compared to in the same period of 2021, mainly reflects net revenue 10.36% higher, partially offset by operational costs, excluding depreciation and amortization, 11.21% higher.

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

Revenue from supply of energy

Revenue from supply of energy in the first quarter of 2022 was R$8,304,056, 19.45% higher than the same period in 2021 (R$6,951,837).

Final customers

Revenue from energy sold to final customers from January to March 2022 was R$7,413,509, or 18.14% higher than the figure in the same period of 2021, R$6,275,015.

Cemig's energy market

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

This table details Cemig's market and the changes in sales of energy by customer category, comparing the period from January to March 2022 to the same period in 2021:

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Revenue from supply of energy

	Jan to Mar, 2022			Jan to Mar, 2021			Charge %	
	MWh (2)	R$	Average price billed (R$/MWh) (1)	MWh (2)	R$	Average price billed (R$/MWh) (1)	MWh	R$
Residential	2,841,768	3,115,806	1,096.43	2,875,007	2,659,585	925.07	**(1.16)**	**17.15**
Industrial	4,158,420	1,393,200	335.03	3,801,715	1,210,151	318.32	**9.38**	**15.13**
Commercial, Services and Others	2,276,420	1,743,177	765.75	2,105,940	1,320,731	627.15	**8.10**	**31.99**
Rural	545,936	489,779	897.14	844,374	534,815	633.39	**(35.34)**	**(8.42)**
Public authorities	204,191	179,314	878.17	186,717	137,104	734.29	**9.36**	**30.79**
Public lighting	285,011	167,372	587.25	355,356	211,955	596.46	**(19.80)**	**(21.03)**
Public services	339,958	246,977	726.49	347,115	194,880	561.43	**(2.06)**	**26.73**
Subtotal	**10,651,704**	**7,335,625**	**688.68**	**10,516,224**	**6,269,221**	**596.15**	**1.29**	**17.01**
Own consumption	9,854	-	-	8,560	-	-	**15.12**	**-**
Unbilled retail supply, net	-	77,884	-	-	5,794	-		**1.244.22**
	10,661,558	**7,413,509**	**695.35**	**10,524,784**	**6,275,015**	**596.21**	**1.30**	**18.14**
Wholesale supply to other concession holders (3)	3,155,649	866,323	274.53	2,716,110	750,541	276.33	16.18	**15.43**
Wholesale supply not yet invoiced, net	-	24,224	-	-	(73,719)	-	-	**(132.86)**
Total	**13,817,207**	**8,304,056**	**600.99**	**13,240,894**	**6,951,837**	**525.03**	**4.35**	**19.45**

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

The following factors that contributed significantly to the decreased of 4.35% on the volume of energy sold are:

- Volume of energy sold to the *Industrial* and *Commercial* consumer categories 8.92% higher year-on-year, due mainly to new energy sale contracts come into effect with supply starting in January 2022. However, the result also reflects volume of electricity billed to the *Commercial, services and other* consumer category, mainly reflecting the increase of approximately 21% in the number of consumers included in this category, many of them transferred from the Rural and Public services categories in accordance with Aneel Normative Resolution (ReN) 901/2020). This resolution reorganized the categorization of clients who had not provided their re-registration and proof that their activity generates the tariff benefit involved.
- Volume of electricity billed to the Public authorities user category 9.36% higher, mainly reflecting the return to in-presence activities in schools and public bodies, and also due to the increase in the number of consumers in this category, as a result of the migration of clients from the Public service and Rural categories to this category, in obedience to Aneel Normative Resolution (ReN) 901/2020.
- Higher average price of electricity bills, mainly due to activation of the water scarcity ('Flag') tariff, which was in effect from September 2021 to April 2022. The 'Flag Tariff' system was created in response to Brazil's worst rainfall for the last 91 years – between October 2020 and April 2021 – which caused an increase in the expense on generation of electricity from thermoelectric plants.

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Revenue from Use of Distribution Systems (the TUSD charge – free customers)

This is revenue from charging Free Customers the Tariff for Use of the Distribution System (TUSD), on the volume of energy distributed. On January to March 2022, this was R$859,444, compared to R$836,735 in the same period of 2021 - increase of 2%.

CVA and Other financial components in tariff adjustments

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

In the first quarter of 2022 this represented a expenses of R$700,107, whereas in the same period in 2021 it produced a gain of R$338,907. The change mainly reflects activation of the water scarcity 'Flag' tariff, in the first quarter of 2022, which compares with activation of the 'Yellow' Flag tariff in the first quarter of 2021 – and also the lower cost of purchase of electricity in the regulatory environment.

For further details, see Note 13.

Transmission concession revenue

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

The main variations in revenue are presented below:

- This infrastructure operation and maintenance revenue was R$83,787 in the first quarter of 202, compared to R$89,162 in the same period of 2021, 6.03% reduction;
- The revenues posted for construction, strengthening and enhancement of infrastructure totaled R$68,395 in the first quarter of 2022, compared to R$22,451 in the same period of 2021, 204.64% higher. This mainly reflects a higher volume of realization in the portfolio of transmission investment projects, in line with the corresponding increase in construction cost; and
- Revenues from financial remuneration of transmission contract assets were 22.06% higher, at R$191,945 in the first quarter of 2022, compared to R$157,255 in the same period of 2021 – mainly reflecting the higher IPCA inflation index (the basis for the

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remuneration of Contract 006/97) – which was 3.20% in the first quarter of 2022, compared to 2.05% in the same period of 2021. We also highlight the effects of Ratifying Resolution (ReH) 2,852/2021, which defined the financial components for Concession Contract 006/97. The debtor balance of this component was recalculated, including the remuneration of the cost of capital at the recognized rate of Cost of Own Capital, which replaced the weighted average Regulatory Cost of Capital, for the period from June 2017 to June 2020, and the new amounts of the component for the cycles of 2020-2021 and 2025-2026, taking into account the 'reprofiling' of the payments under the terms of the Aneel Resolution.

More details in Note 14.

Revenue from supply of gas

The Company reports revenue from supply of gas totaling R$959,969 in the first quarter of 2022, compared to R$705,185 in the same period of 2021 – 36.13% higher YoY. This basically reflects; adjustment of the margin on natural gas by the IGPM inflation index; and the increase of 16.51% in the number of consumers in the first quarter of 2022, compared to the same period of 2021.

Construction revenue

The construction and infrastructure revenues of the distribution segment totaled R$429,503 in the first quarter of 2022, compared to R$321,301 in the same period of 2021. This increase mainly was due to execution of a larger percentage of the Company's investment plan budget in relation to the compared period, especially in distribution, directed to urban service, and upgrading of networks; energy metering, and 'bullet-proofing of revenues'; and also, in sub-transmission, expansion and digitalization of high voltage infrastructure.

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

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

Other operating revenues

The other operating revenues line for the Company and its subsidiaries in the first quarter of 2022 totaled R$501,358, compared to R$412,862 in the same period of 2021 – 21.43% higher. See Note 26 for a breakdown of other operating revenues.

Taxes and regulatory charges reported as Deductions from revenue

The taxes and charges that are recorded as deductions from operating revenue totaled R$3,534,478 in the first quarter of 2022, or 13.17% more than the same period of 2021 (R$3,123,277).

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The Energy Development Account – CDE

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

CDE charges in the first quarter of 2022 totaled R$1,009,297, 44.55% more than in the same period of 2021 (R$674,869). This mainly reflects the start of charging of the 'Covid Account CDE' in May 2021.

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

Other taxes and charges on revenue

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

Operating costs and expenses (excluding financial income/expenses)

Operating costs and expenses totaled R$6,398,972 in the first quarter of 2022, or 11.54% more than the same period of 2021 (R$5,736,896). See more on the breakdown of Operating costs and expenses in Note 27.

The following paragraphs comment on the main variations:

Post-employment obligations

The impact of the post-employment obligations of the Company on operational profit in the first quarter of 2022 was an expense of R$153,480, compared to an expense of R$106,683 in the same period of 2021, representing an increase of 43.87%. This variation mainly relates to the increase in the discount rate, and in the expectation for inflation, which increased the projection of costs of post-retirement liabilities for 2022.

Outsourced services

Outsourced services expenses in the first quarter of 2022 were R$380,996, 11.26% more than in the same period of 2021 (R$342,434), mainly due to the following factors:

- expenses on information technology 74.46% higher: R$44,070 in the first quarter of 2022 compared to R$25,261 in the same period of 2021. This increase reflects new contracts and investments made in information security in 2022.

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- expenses on maintenance and conservation of electrical facilities and equipment 15.41% higher, at R$143,160 in the first quarter of 2022, compared to R$124,042 in the same period of 2021. This reflects resumption of the services, after the energy supply suspension due to default was once again allowed for certain classes of customers.

Energy purchased for resale

The expense on energy purchased for resale in the first quarter of 2022 was R$3,103,382, or 0.15% more than in the same period of 2021 (R$3,108,114). The difference is mainly:

- expense on supply of power from Itaipu 19.17% lower, at R$ 394,055 in the first quarter of 2022, compared to R$ 487,525 in the same period of 2021, mainly reflecting: (i) reduction of the price of supply from Itaipu from R$ 28.07/kW to R$ 24.73/kW, in turn reflecting (ii) fall in the dollar exchange rate from R$5.55/US$ in the first quarter of 2021 to R$5.09/US$ in the first quarter of 2022.
- expenses on supply acquired at auction 43.89% decrease: at R$625,633 from January to March 2022, compared to R$1,122,835 in the same period of 2021. The lower figure mainly reflects lower dispatching of thermal plants in CCEAR availability agreements, and the fact that as from January the Company began to have more assignments than receipts of energy through the MCSD (Surpluses and Deficits Compensation Mechanism), which has been generating revenues instead of expense.
- the above reductions were partially offset by the increase expenses on distributed generation ('geração distribuída') of 77.86%, R$453,589 from January to March 2022, compared to R$255,024 in the same period of 2021. This reflects the higher number of generation units installed (133,282 on March 2022, compared to 75,651 on March 2021) and the higher volume of energy injected into the grid (630,952 MWh from January to March 2022, compared to 419,419 MWh in the same period of 2021).
- costs of electricity acquired in the Free Market 18.83% higher, at R$1,230,940 in the first quarter of 2022, compared to R$1,035,843 in the same period of 2021, mainly associated with the transfer of power purchase contracts from Cemig GT to the Company in the third quarter of 2021. For more information, please see Note 26.

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

Charges for use of the transmission network

Charges for use of the transmission network in the first quarter of 2022 totaled R$868,532, compared with R$746,312 in the same period of 2021, an higher of 16.38%.

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

The difference mainly reflects higher costs of the System Services Charge (Encargo de Serviços do Sistema – 'CCEE-ESS'), due to higher volume of dispatching outside the merit order.

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

Operating provisions

Operating provisions in the first quarter of 2022 totaled R$163,330, or 574.81% less than the same period of 2021 (R$24,204). This arises mainly from the following factors:

- change in provisions for the SAAG put option: In the first quarter of 2022 this item was an addition of R$27,427 in provisions, compared to a *reversal* of R$13,167 in the same period of 2021. This change is basically associated with the negative effects on the fair value of Mesa of the decision given against the Company in the arbitration involving SAESA. There is more on the method of calculation of the options in Note 30.
- net additional provisions for tax legal actions, of R$41,170 from January of March 2022 compared to a net reversal of provisions from January of March 2021, of R$29,322. This variation arises mainly from the decision given in favor of the Company in 2021 in one of two administrative proceedings, which resulted in the cancellation of tax debits, according to calculations made by the Federal Tax Authority, with a reversal of the provision.

For further details, please see Note 24.

Construction cost

Infrastructure construction cost in the first quarter of 2022 was R$ 491,262, 41.02% more than in the same period of 2021 (R$ 348,375). The difference is mainly due to execution of a larger part of the company's investment plan budget than in the prior period, especially in distribution, where funds were directed to urban service, and upgrading of networks; energy metering and 'bullet-proofing of revenues'; and also in sub-transmission, in expansion and digitalization of high voltage infrastructure.

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

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Gas purchased for resale

In the first quarter of 2022, the Company recorded an expense of R$563,781 on acquisition of gas, 45.58% more than its comparable expense of R$387,525 in the same period of 2021. This basically reflects the margin on natural gas was readjustment by IGPM inflation index, and the increase in the average cost of gas homologated in 2022.

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

The result of equity method valuation of interests in non-consolidated investees was a gain of R$184,428 in the first quarter of 2022, compared to a gain of R$118,687 in the same period of 2021, 55.39% higher. As a result, mainly, of the negative equity income, of R$9,037, in the investee Madeira Energia S.A. (Santo Antônio power plant) in the first quarter of 2022, referring to updating of the liability corresponding to the Company's equity interest in this company, reflecting the effects of the judgments given in the arbitration proceedings in which SAESA is a party. Negative equity income of R$79,255 was recognized in the first quarter of 2021.

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

Net financial revenue (expenses)

Cemig reports net financial expenses in the first quarter of 2022 of R$314,163, compared to net financial expenses of R$1,265,220 in the same period of 2021. The main factors are:

- Depreciation of the dollar against the real in the first quarter of 2022 of 15.10%, compared to appreciation, of 9.63%, in the same period of 2021, generating a posting of revenues of R$842,700 and expenses of R$750,900, in the first quarters of 2022 and 2021, respectively; and,
- The fair value of the financial instrument contracted to hedge the risks connected with the Eurobonds resulted in a negative item of R$456,647 in the first quarter of 2022, compared with a negative item of R$187,348 in the first quarter of 2021. This results mainly arises from an appreciation in curve of future interest rates.

For a breakdown of financial revenues and expenses please see Note 29.

Income tax and social contribution tax

In the first quarter of 2022, the expense on income tax and the social contribution tax totaled R$491,496, on pre-tax profit of R$1,947,067, an effective rate of 25.24%. In the same period of 2021, the gain on income tax and the social contribution tax was R$80,673, on pre-tax profit of R$341,678 an effective rate of 23.61%.

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

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OTHER INFORMATION THAT THE COMPANY BELIEVES TO BE MATERIAL

Board of Directors

Meetings

The Board of Directors met 4 times up to March 31, 2022, to discuss strategic planning, projects, acquisition of new assets, various investments, and other subjects.

Membership, election and period of office

The present period of office began with the EGM on April 29, 2022, with election by the multiple voting system.

The periods of office of the present members of the Board of Directors expire at the Annual General Meeting of Shareholders to be held in 2024.

Principal responsibilities and duties:

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

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

Qualification and remuneration

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

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

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The Audit Committee

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

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

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

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

Executive Board

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

Members are allowed simultaneously also to hold non-remunerated positions in the management of wholly owned subsidiaries, subsidiaries or affiliates of Cemig, upon decision by the Board of Directors. They are also, obligatorily under the by-laws, members, with the same positions, of the Boards of Directors of Cemig GT (Generation and Transmission) and Cemig D (Distribution).

The period of office of the present Chief Officers expires at the first meeting of the Board of Directors held after the Annual General Meeting of 2024.

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

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

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- Current management of the Company’s business, subject to compliance with the Long-term Strategy, the Multi-year Business Plan, and the Annual Budget, prepared and approved in accordance with these by-laws.
- Authorization of the Company’s capital expenditure projects, signing of agreements or other legal transactions, contracting of loans and financings, and creation of any obligation in the name of the Company, based on an approved Annual Budget, which individually or in aggregate have values less than 1% (one per cent) of the Company’s Shareholders’ equity, including injection of capital into wholly-owned or other subsidiaries, affiliated companies, and the consortia in which the Company participates.
- The Executive Board meets, ordinarily, at least two times per month; and, extraordinarily, whenever called by the Chief Executive Officer or by two Executive Officers with at least two days’ prior notice in writing or by email or other digital medium, such notice not being required if all the Executive Officers are present. The decisions of the Executive Board are taken by vote of the majority of its members, and in the event of a tie the Chief Executive Officer shall have a casting vote.

Audit Board

Meetings

- The Audit Board held four meetings through the firts quarter 2022.

Membership, election and period of office

- We have a permanent Audit Board, made up of five sitting members and their respective substitute members. They are elected by the Annual General Meeting of Shareholders, for periods of office of two years.
- Nominations to the Audit Board must obey the following:

  a) The following two groups of shareholders each have the right to elect one member, in separate votes, in accordance with the applicable legislation: (i) the minority holders of common shares; and (ii) the holders of preferred shares.

  b) The majority of the members must be elected by the Company’s controlling shareholder; at least one must be a public employee, with a permanent employment link to the Public Administration.
- The members of the Audit Board are listed on our website: http://ri.cemig.com.br.

Under the by-laws, the Audit Board has the duties and competencies set by the applicable legislation and, to the extent that they do not conflict with Brazilian legislation, those required by the laws of the countries in which the Company’s shares are listed and traded.

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Qualification and remuneration

The global or individual compensation of the members of the Audit Board is set by the General Meeting of Shareholders which elects it, in accordance with the applicable legislation.

Résumé information on its members is on our website: http://ri.cemig.com.br.

Corporate risk management and internal controls

As a part of Cemig's corporate governance practices, corporate risk management overall objective is to build and maintain a structure capable of providing material information to senior management to support making of decisions, creating and protecting the company's value. The process of risk management enables the risk of the business's objectives to be managed effectively, making it possible to influence and align strategy and performance in all the areas of the company.

Since 2016 Cemig's corporate risk management activity is subordinated to the office of the CEO. In 2019, a separate senior management unit, Compliance, Corporate Risks and Internal Controls, was created, bringing the processes of risk management and internal controls together under a single administration. This change underlines the intention to increase the synergy between these processes, and the independence from other processes – so as to supply senior management with independent information for decision-making, preserving the value of the company.

Thus, in 2021, the Executive Board and the Board of Directors approved the 'Top Risks' corporate risk matrix, for the years 2021/2022, which comprehends business such as Generation, Transmission, Distribution, Trading, Distributed Generation ('Geração Distribuída'), Holding as well as ordinary business risks.

These risks, related to execution of strategy and scenarios, and also risks of conflicts of interest, fraud and corruption are under responsibility of the Chief Officers and they are monitored and reported periodically to the Management.

Each Chief Officer's Department has responsibility for monitoring and managing the Company's exposure to these risks as they relate to execution of strategy and scenarios, and also risks of conflicts of interest, fraud and corruption. The Chief Officers report on this monitoring periodically to senior management.

In 2019, the Company hired an expert consulting firm to support the review of internal control and risk matrix as well as to monitor periodically the execution and sufficiency of controls, analysis of failure/weakness and to support the remediation plans development and execution.

The matrix of internal controls is also revised and approved annually. The Risk Management and Internal Controls Unit tests and monitors the controls design. The internal audit, in its

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turn, monitors independently the internal control practices by testing control effectiveness. The conclusion of this assessment is reported periodically to the Board of Directors, the Audit Board, and the Audit Committee.

The internal controls provide reasonable assurance that errors and frauds that might cause an impact on the performance are detected and prevented, aimed at:

- Operational effectiveness and efficiency
- Reliable financial reporting
- Compliance with laws, regulations and policies.

The controls linked to mitigation of risks associated with preparation and publication of the financial statements are a part of Cemig's Risks and Internal Controls Matrix. The financial statements are issued in accordance with Section 404 of the Sarbanes-Oxley Law and the rules of the US Public Company Accounting Oversight Board (PCAOB), included as part of the annual 20-F Report filed with the US Securities and Exchange Commission (SEC). Cemig obtained the first certification of its internal controls for the year of 2006, filed with the US Securities and Exchange Commission (SEC) on July 23, 2007.

Statement of Ethical Principles and Code of Professional Conduct

On May 11, 2004 Cemig's Board of Directors approved the Statement of Ethical Principles and Code of Professional Conduct, which aims to orient and discipline everyone acting in the name of, or interacting with, Cemig, to ensure ethical behavior at all times, and always in accordance with the law and regulations. The code can be seen at http://ri.cemig.com.br. It was updated in 2018 and in 2019 to comply with the laws n. 12,486/2013 and n. 13,303/2016. Annually, the Company provide training on Statement of Ethical Principles and Code of Professional Conduct for all its employees.

The Ethics Committee

This was created on August 12, 2004 and is responsible for coordinating action in relation to management (interpretation, publicizing, application and updating) of the Statement of Ethical Principles and Code of Professional Conduct, including assessment of and decision on any possible non-compliances with Cemig's Code of Ethics.

The Committee has eight sitting members. It may be contacted through our Ethics Channel – the anonymous reporting channel on the corporate Intranet, or by email, internal or external letter or by an exclusive phone line – these means of communication are widely publicized internally to all staff. These channels enable both reports of adverse activity and also consultations. Reports may result in opening of proceedings to assess any non-compliances with Cemig's Statement of Ethical Principles and Code of Professional Conduct.

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The Ethics Channel

Cemig installed this means of communication, available on the internal corporate Intranet, in December 2006.

Through it the Ethics Committee can receive anonymous reports or accusations that can enable Cemig to detect irregular practices that are contrary to its interest, such as: financial fraud, including adulteration, falsification or suppression of financial, tax or accounting documents; misappropriation of goods or funds; receipt of undue advantages by managers or employees; irregular contracting; and other practices considered to be illegal.

It is one more step in improving Cemig's transparency, compliance with legislation, and alignment with best corporate governance practices. It improves the management of internal controls and dissemination of the ethical culture to Cemig's employees in the cause of optimum compliance by our business.

Anti-fraud Policy

In its business and activities, Cemig does not accept the practice and concealment of acts of fraud or corruption in all its forms. Suspicions and allegations of such acts are rigorously assessed and where proven, apply disciplinary procedures set out in the internal rules of the Company, as well as lawsuits and criminal charges, when applicable.

Thus, in 2012, Cemig consolidated its Anti-Fraud Policy is applicable to all members of the Board of Directors and Fiscal Officers, employees and contractors. The policy underscores the Company's commitment to the Global Compact principles on the subject, particularly the principle of number ten, which deals with combating corruption in all its forms, including extortion and bribery.

SHAREHOLDING POSITION OF HOLDERS OF
MORE THAN 5% OF THE VOTING STOCK ON APRIL 30, 2022

	COMMON SHARES	%	PREFERRED SHARES	%	TOTAL SHARES	%
State of Minas Gerais	375,031,302	50.97	17,085	-	375,048,387	17.04
Other entities of Minas Gerais State	30,021	-	22,420,560	1.53	22,450,581	1.02
FIA Dinâmica Energia S.A.	199,360,626	27.09	122,469,954	8.36	321,830,580	14.62
BNDES Participações	82,007,784	11.14	-	-	82,007,784	3.73
BlackRock	-	-	160,323,463	10.94	160,323,463	7.28
Others						
In Brazil	60,148,300	8.18	480,053,102	32.75	540,201,402	24.53
Foreign shareholders	19,269,591	2.62	680,238,900	46.42	699,508,491	31.78
Total	**735,847,624**	**100.00**	**1,465,523,064**	**100.00**	**2,201,370,688**	**100.00**

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CONSOLIDATED SHAREHOLDING POSITION OF THE CONTROLLING SHAREHOLDERS AND MANAGERS, AND FREE FLOAT, ON APRIL 30, 2021

	January to March 2022	
	ON	PN
Controlling shareholder	375,031,302	17,085
Other entities of Minas Gerais State	30,021	22,420,560
Board of Directors	-	111,276
Executive Board	17,806	29,107
Shares in Treasury	102	846,062
Free float	360,768,393	1,442,098,974
TOTAL	**735,847,624**	**1,465,523,064**

Investor Relations

In 2019 we expanded Cemig's exposure to the Brazilian and global capital markets, through strategic actions intended to enable investors and shareholders to make a correct valuation of our businesses and our prospects for growth and addition of value.

We maintain a constant and proactive flow of communication with Cemig's investor market, continually reinforcing our credibility, seeking to increase investors' interest in the Company's shares, and to ensure their satisfaction with our shares as an investment.

Our results are published through presentations transmitted via video webcast and telephone conference calls, with simultaneous translation in English, always with members of the Executive Board present, developing a relationship that is increasingly transparent and in keeping with best corporate government practices.

To serve our shareholders – who are spread over more than 40 countries – and to facilitate optimum coverage of investors, Cemig has been present in and outside Brazil at a very large number of events, including seminars, conferences, investor meetings, congresses, roadshows, and events such as Money Shows; as well as holding phone and video conference calls with analysts, investors and others interested in the capital markets.

In April 2021, we held our 26rd Annual Meeting with the Capital Markets, where market professionals had the opportunity to interact with the Company's directors and principal executives. In 2021 the event was held online, due to the Covid-19 pandemic.

Corporate governance

Our corporate governance model is based on principles of transparency, equity and accountability, focusing on clear definition of the roles and responsibilities of the Board of Directors and the Executive Board in the formulation, approval and execution of policies and guidelines for managing the Company's business.

We seek sustainable development of the Company through balance between the economic, financial, environmental and social aspects of our enterprises, aiming always to improve the

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relationship with shareholders, customers, and employees, the public at large and other stakeholders.

Cemig's preferred and common shares (tickers: CMIG4 and CMIG3 respectively) have been listed at Corporate Governance Level 1 on the São Paulo Stock Exchange since 2001. This classification represents a guarantee to our shareholders of optimum reporting of information, and also that shareholdings are relatively widely dispersed. Because Cemig has ADRs (American Depositary Receipts) listed on the New York Stock Exchange, representing its preferred (PN) shares (ticker CIG) and common (ON) shares (ticker CIG.C), it is also subject to the regulations of the US Securities and Exchange Commission (SEC) and the New York Stock Exchange Listed Company Manual. Our preferred shares have also been listed on the Latibex of the Madrid stock exchange (with ticker XCMIG) since 2002.

On June 11, 2018 an Extraordinary Meeting of Shareholders approved alterations to the Company's bylaws, to maintain best corporate governance practices, and adapt to Law 13,303/2016 (also known as the State Companies Law).

The improvements now formally incorporated in the by-laws include:

- Reduction of the number of members of the Board of Directors from 15 to 9, in line with the IBGC Best Corporate Governance Practices Code, and the Corporate Sustainability Evaluation Manual of the Dow Jones Sustainability Index.
- Creation of the Audit Committee (*Comitê de Auditoria*). The Audit Board (*Conselho Fiscal*) remains in existence.
- The Policy on Eligibility and Evaluation for nomination of a member of the Board of Directors and/or the Executive Board in subsidiary and affiliated companies.
- The Related Party Transactions Policy.
- Formal designation for the Board of Directors to ensure implementation of and supervision of the Company's systems of risks and internal controls.
- Optional power for the Executive Board to expand the technical committees (on which members are career employees), with autonomy to make decisions in specific subjects.
- The CEO now to be responsible for directing compliance and corporate risk management activities.
- Greater emphasis on the Company's control functions: internal audit, compliance, and corporate risk management.

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Adoption of an arbitration chamber for resolution of any disputes between the Company, its shareholders, managers, and/or members of the Audit Board.

* * * * * * * * * * * *

(The original is signed by the following signatories)

Reynaldo Passanezi Filho
Chief Executive Officer

Dimas Costa
Chief Trading Officer

Leonardo George de Magalhães
Chief Finance and Investor Relations Officer

Marney Tadeu Antunes
Chief Distribution Officer

Marco da Camino Ancona Lopez Soligo
Chief Officer Cemigpar

Thadeu Carneiro da Silva
Chief Generation and Transmission Officer

Eduardo Soares
Chief Regulation and Legal

Mário Lúcio Braga
Controller
CRC-MG 47.822

José Guilherme Grigolli Martins
Financial Accounting and Equity Interests Manager
Accountant – CRC-1SP/242.451-O4

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Building a better working world

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

Independent Auditor's Review Report on Quarterly Information - ITR

To the Shareholders and Board of Director of
Companhia Energética de Minas Gerais - CEMIG
Belo Horizonte - MG

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Companhia Energética de Minas Gerais – Cemig (the "Company"), for the quarter ended March 31, 2022, comprising the statement of financial position as at March 31, 2022, and the related statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

The Executive Board is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

Emphasis of matters

Restatement of earnings per share
As described in Note , 25, due to the increase in the number of shares as a result of reserve capitalization, the Company adjusted the earnings per share and respective explanatory notes

for the three-month period ended March 31, 2022, as provided for in NBC TG 41 – Earnings per share (IAS33 – Earnings per share). Our conclusion is not modified in respect to this matter.

Risk regarding the ability of Renova Energia S.A. and Madeira Energia S.A. to continue as a going concern
As described in Note 32 to the individual and consolidated interim financial information, Renova Energia S.A., classified as a non-current asset held for sale in period ended March 31, 2022, has been undergoing an in-court supervised process since 2020. Additionally, as described in Note 15 to the individual and consolidated interim financial information, the Madeira Energia S.A. presents a negative net working capital, and circumstances were identified that demonstrate the need for third parties, the Company and/or other shareholders of this company to provide financial support, and specific circumstances in which shareholders' obligations are established in sha reholders' agreements. These events or conditions, together with other matters described in the referred Notes, indicate the existence of material uncertainty that may raise significant doubt as to the ability of Renova Energia S.A. and Madeira Energia S.A. to continue as a going concern. Our conclusion is not modified in respect of this matter.

Risks relating to compliance with laws and regulations
As mentioned in Notes 15 and 34 to the individual and consolidated interim financial information, the Company and certain investees are being investigated by public authorities. These investigations involve and include some of their other shareholders and certain executives of the Company and of these other shareholders. We are currently unable to foresee developments or potential impacts of these investigation processes conducted by the public authorities on the financial statements of the Company and its subsidiaries. Our conclusion is not modified in respect of this matter.

Other matters
Statements of value added
The above mentioned quarterly information include the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2022, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Belo Horizonte (MG), May 13, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Shirley Nara S. Silva
Accountant CRC-1BA022650/O-0