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Av. Barbacena, 1200 – Santo Agostinho – 30190-131 Belo Horizonte, MG – Brazil – Fax (+55-31) 3506-5026 – Tel.: (+55-31) 3506-5024

STATEMENTS OF FINANCIAL POSITION

AS OF MARCH 31, 2022 AND DECEMBER 31, 2021

ASSETS
(In thousands of Brazilian Reais)

	Note	Mar. 31, 2022	Dec. 31, 2021
CURRENT			
Cash and cash equivalents	4	346,463	198,694
Marketable securities	5	2,308	342,243
Receivables from customers, traders and concession holders	6	3,243,730	3,021,976
Concession holders - Transport of energy	6	269,116	264,910
Recoverable taxes	7	1,836,335	1,907,198
Income tax and social contribution tax credits	8a	40,740	45,363
Inventories		26,761	29,963
Public lighting contribution		247,283	233,315
Reimbursement of tariff subsidies payments	10	97,703	287,420
Low-income subsidy		47,801	46,540
Concession financial assets	11	1,048,458	1,221,433
Others		219,339	161,923
TOTAL CURRENT		**7,426,037**	**7,760,978**
NON-CURRENT			
Marketable Securities	5	296	69,125
Deferred Income tax and social contribution tax	8a	1,684,419	1,656,651
Recoverable taxes	7	925,040	1,197,692
Income tax and social contribution tax recoverable	8a	70,419	68,967
Escrow deposits	9	618,225	619,772
Concession holders - Transport of energy	6	48,130	48,148
Others credits		18,789	13,352
Concession financial assets	11	1,180,126	1,609,844
Contract assets	12	1,999,762	1,926,652
Intangible assets	13	9,566,016	9,449,638
Leasing - right of use assets	14	164,486	176,809
TOTAL NON-CURRENT		**16,275,708**	**16,836,650**
TOTAL ASSETS		**23,701,745**	**24,597,628**

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	Mar. 31, 2022	Dec. 31, 2021
CURRENT			
Loans, financing and debentures	17	856,461	875,254
Suppliers	15	1,578,913	2,019,994
Taxes payable	16	263,710	226,823
Payroll and related charges		131,604	141,428
Regulatory charges	18	387,752	499,178
Employees' and managers' profit shares		111,115	87,116
Post-employment obligations	19	248,639	244,559
Public lighting contribution		376,412	357,106
Loan contract with related parties		100,791	-
Sector financial liabilities	11	1,466	51,359
Interest on equity, and dividends, payable	25	1,027,849	916,961
PIS/Pasep and Cofins taxes to be refunded to customers	16	267,307	704,025
Lease liabilities	14	39,807	49,261
Others		499,408	486,829
TOTAL CURRENT		**5,891,234**	**6,659,893**
NON-CURRENT			
Loans, financing and debentures	17	3,016,414	3,371,907
Provisions	20	1,229,175	1,203,590
Post-employment obligations	19	3,957,227	3,928,836
Regulatory charges	18	75,785	197,457
PIS/Pasep and Cofins taxes to be refunded to customers	16	2,184,324	2,132,289
Lease liabilities	14	140,211	141,751
Others		19,239	19,239
TOTAL NON-CURRENT		**10,622,375**	**10,995,069**
TOTAL LIABILITIES		**16,513,609**	**17,654,962**
EQUITY	21		
Share capital		5,371,998	5,371,998
Profit reserves		3,404,039	3,404,039
Valuation adjustments		(1,833,371)	(1,833,371)
Retained earnings		245,470	-
TOTAL EQUITY		**7,188,136**	**6,942,666**
TOTAL LIABILITIES AND EQUITY		**23,701,745**	**24,597,628**

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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	Jan to Mar, 2022	Jan to Mar, 2021
Revenue	22	**4,748,317**	**4,661,975**
OPERATING COSTS			
COST OF ENERGY AND GAS	23		
Energy purchased for resale		(1,978,485)	(2,148,339)
Charges for use of the national grid		(888,952)	(765,274)
		(2,867,437)	(2,913,613)
OTHER COSTS	23		
Personnel		(138,203)	(150,234)
Materials		(8,287)	(7,717)
Outsourced services		(249,316)	(246,567)
Amortization		(151,934)	(142,797)
Operating provisions, net	23d	(59,467)	15,066
Infrastructure construction cost		(429,503)	(321,301)
Others		(8,322)	(7,669)
		(1,045,032)	(861,219)
TOTAL COST		**(3,912,469)**	**(3,774,832)**
GROSS PROFIT		**835,848**	**887,143**
OPERATING EXPENSES	23		
Selling expenses		(44,259)	(44,178)
General and administrative expenses		(170,583)	(145,704)
Other operating expenses, net		(141,852)	(116,215)
		(356,694)	**(306,097)**
Operating income before finance revenue (expenses) and taxes		**479,154**	**581,046**
Finance income	24	186,956	126,899
Finance expenses	24	(162,153)	(166,354)
Income before income tax and social contribution tax		**503,957**	**541,591**
Current income tax and social contribution tax	8c	(155,798)	(166,683)
Deferred income tax and social contribution tax	8c	27,768	17,244
Net income for the period		**375,927**	**392,152**
Basic and diluted earnings per shares, R$	21	0.16	0.17

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STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

(In thousands of Brazilian Reais)

	Jan to Mar, 2022	Jan to Mar, 2021
Net income for the period	375,927	392,152
COMPREHENSIVE INCOME FOR THE PERIOD	**375,927**	**392,152**

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

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

	Share capital	Profit reserves	Valuation adjustments	Retained earnings	Total equity
BALANCES ON DECEMBER 31, 2020	**5,371,998**	**2,653,670**	**(2,004,037)**	**-**	**6,021,631**
Net income for the period	-	-	-	392,152	392,152
COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**-**	**392,152**	**392,152**
Retained dividends	-	(86,667)	-	-	(86,667)
BALANCES ON MARCH 31, 2021	**5,371,998**	**2,567,003**	**(2,004,037)**	**392,152**	**6,327,116**
BALANCES ON DECEMBER 31, 2021	**5,371,998**	**3,404,039**	**(1,833,371)**	**-**	**6,942,666**
Net income for the period	-	-	-	375,927	375,927
COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**-**	**375,927**	**375,927**
Interest on Equity (R$0.0553 per share)	-	-	-	(130,457)	(130,457)
BALANCES ON MARCH 31, 2022	**5,371,998**	**3,404,039**	**(1,833,371)**	**245,470**	**7,188,136**

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

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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	Jan to Mar, 2022	Jan to Mar, 2021
CASH FLOW FROM OPERATIONS			
Net income for the period		375,927	392,152
Expenses (revenues) not affecting cash and cash equivalents:			
Post-employment obligations	19	112,759	85,210
Depreciation and amortization	13b and 14a	175,375	164,257
Operating provisions	23d	105,437	18,112
Provision for impairment of contract assets	12	(7,053)	-
Write-off of net residual value of unrecoverable Concession financial assets and Intangible assets	11a and 13b	7,394	7,987
Refunded of PIS/Pasep and Cofins over ICMS credits to customers - realization	22	(436,718)	(178,373)
Financial interest and inflation adjustment		79,220	142,933
Adjustment to expectation of contractual cash flow from the concession	11a	(19,732)	(10,906)
Amortization of transaction cost of loans and financings	17	432	468
CVA (Parcel A Compensation) Account and Other Financial Components in tariff adjustment	22	700,107	(338,907)
Deferred income tax and social contribution tax	8b	(27,768)	(17,244)
		1,065,380	**265,689**
Increase (decrease) in assets			
Receivables from customers, traders and concession holders		(266,013)	14,586
Concession holders - Transport of energy		(4,188)	(29,494)
Recoverable taxes		12,998	47,017
Income tax and social contribution tax recoverable		(7,557)	(4,177)
Escrow deposits		10,248	(46,254)
Public lighting contribution		(13,968)	1,901
Reimbursement of tariff subsidies		189,717	-
Low-income subsidy		(1,261)	18
Others		(61,362)	(12,012)
		(141,386)	**(28,415)**
Increase (decrease) in liabilities			
Suppliers		(466,304)	(370,389)
Taxes payable		256,871	240,179
Income tax and social contribution tax payable		155,798	166,683
Payroll and related charges		(9,824)	(14,433)
Public lighting contribution		19,306	(36,026)
Regulatory charges	18	(233,098)	(13,904)
Post-employment obligations	19	(80,288)	(71,967)
Provisions	20	(33,882)	(25,591)
Employees' and managers' profit sharing		23,999	16,116
Others		20,343	26,541
		(347,079)	**(82,791)**
Cash from operating activities		**576,915**	**154,483**
Interest paid on loans, financings and debentures	17	(88,106)	(87,469)
Interest paid in leasing contracts	14	(270)	(240)
NET CASH FROM OPERATING ACTIVITIES		**488,539**	**66,774**
CASH FLOW IN INVESTMENT ACTIVITIES			
Marketable securities - cash investments		408,764	1,001,685
Intangible assets	13	(14,073)	(6,494)
Contract assets	12	(407,900)	(308,695)
NET CASH FLOW USED IN INVESTMENT ACTIVITIES		**(13,209)**	**686,496**
CASH FLOW IN FINANCING ACTIVITIES			
Lease liabilities paid	14b	(14,992)	(13,600)
Loans, financings and debentures, paid	17	(412,569)	(707,335)
Loan contract with related parties		100,000	-
NET USED IN FINANCIAL ACTIVITIES		**(327,561)**	**(720,935)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		**147,769**	**32,335**
Cash and cash equivalents at beginning of the period	4	198,694	659,045
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	**346,463**	**691,380**

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

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STATEMENTS OF ADDED VALUE

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

(In thousands of Brazilian Reais)

	Jan to Mar, 2022		Jan to Mar, 2021	
REVENUES				
Sales of energy and services	7,117,256		6,849,104	
Distribution construction revenue	429,503		321,301	
Adjustment to expectation of reimbursement of distribution concession financial assets	19,732		10,906	
Other revenues	-		636	
Provision for expected credit losses of accounts receivable	(44,259)		(44,178)	
	7,522,232		**7,137,769**	
INPUTS ACQUIRED FROM THIRD PARTIES				
Energy purchased for resale	(2,122,658)		(2,327,191)	
Charges for use of national grid	(979,562)		(843,277)	
Outsourced services	(473,845)		(427,839)	
Materials	(258,932)		(182,867)	
Other operating costs	(83,156)		(20,059)	
	(3,918,153)		**(3,801,233)**	
GROSS VALUE ADDED	**3,604,079**		**3,336,536**	
RETENTIONS				
Depreciation and amortization	(175,375)		(164,257)	
NET ADDED VALUE PRODUCED BY THE COMPANY	**3,428,704**		**3,172,279**	
ADDED VALUE RECEIVED BY TRANSFER				
Financial revenues	186,956		126,899	
ADDED VALUE TO BE DISTRIBUTED	**3,615,660**		**3,299,178**	
DISTRIBUTION OF ADDED VALUE				
		%		%
Employees	**324,448**	**8.97**	**288,175**	**8.73**
Direct remuneration	183,063	5.06	180,131	5.46
Post-employment obligations and Other benefits	129,803	3.59	96,998	2.94
FGTS fund	11,582	0.32	11,046	0.33
Taxes	**2,743,433**	**75.87**	**2,444,252**	**74.09**
Federal	1,168,133	32.31	1,039,294	31.50
State	1,572,610	43.49	1,402,759	42.52
Municipal	2,690	0.07	2,199	0.07
Remuneration of external capital	**171,852**	**4.75**	**174,599**	**5.29**
Interest	169,683	4.69	172,466	5.23
Rentals	2,169	0.06	2,133	0.06
Remuneration of own capital	**375,927**	**10.41**	**392,152**	**11.89**
Interest on Equity	130,457	3.61	86,667	2.63
Retained earnings	245,470	6.80	305,485	9.26
	3,615,660	**100.00**	**3,299,178**	**100.00**

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

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NOTES TO THE 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

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

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

The Company has a concession area of 567,478 km², comprising approximately 97% of the Brazilian state of Minas Gerais, serving 8,906,766 customers, on March 31, 2022 (data not reviewed by external auditors).

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

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

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1.1. Covid-19

General context

On March 11, 2020, the World Health Organization 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, demanding the developing measures to handle the economic crisis and reduce any possible effect.

Also, in connection with 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 dissemination, 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; 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, with gradual return 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 benefit the public, 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 dissemination.

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 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:

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- 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 adopted mitigated the effects of the economic crisis on collection of receivables. Aneel Resolutions 928 and 936 extended the rule on suspension of supply of energy to the low-income sub-category of residential users, and certain other consumers until September 30, 2021;
- 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 26;

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 of pandemic are not expected.

1.2. 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.

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In the first quarter of 2022 the Company 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, 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 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.

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

Number of the Notes		Title of the Notes
Dec. 31, 2021	Mar. 31, 2022	
1	1	Operational context
2	2	Basis of preparation
3	-	Concessions
4	3	Operational segments
5	4	Cash and cash equivalents
6	5	Marketable securities
7	6	Customers and traders; Concession holders (power transport)
8	7	Recoverable taxes
9	8	Income tax and social contribution tax
10	9	Escrow deposits
11	10	Reimbursement of tariff subsidies
12	11	Concession financial assets and liabilities
13	12	Contract assets
14	13	Intangible assets
15	14	Leasing - Right of Use
16	15	Suppliers
17	16	Taxes and amounts reimbursement to customers
18	17	Loans, financings and debentures
19	18	Regulatory charges
20	19	Post-employment obligations
21	20	Provisions
22	21	Equity and remuneration to shareholders
23	22	Revenue
24	23	Operating costs and expenses
25	24	Financial revenue and expenses
26	25	Related party transactions
27	26	Financial instruments and risk management
28	-	Insurance
29	-	Contractual obligations
30	27	Transactions not involving cash
31	28	Risks related to compliance with laws and regulations
32	29	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
3	Concessions
28	Insurance
29	Contractual obligations

3. OPERATING SEGMENTS

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

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4. CASH AND CASH EQUIVALENTS

	Mar. 31, 2022	Dec. 31, 2021
Bank accounts	48,404	104,930
Cash investments		
Bank certificates of deposit (1)	297,620	77,814
Overnight (2)	439	15,950
	298,059	**93,764**
	346,463	**198,694**

(1) *Bank Certificates of Deposit* (*Certificados de Depósito Bancário*, or CBDs), accrued interest at 70% 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 has 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, or to be used in the acquisition of other assets with better return to replenish the portfolio.

Note 26 provides information in relation to the exposure of the Company to interest rate risks, and a sensitivity analysis of their effects on financial assets and liabilities.

5. MARKETABLE SECURITIES

	Mar. 31, 2022	Dec. 31, 2021
Bank certificates of deposit (1)	24	19,689
Financial Notes (LFs) - banks (2)	1,406	345,714
Treasury Financial Notes (LFTs) (3)	328	34,937
Debentures (4)	49	4,862
Others	797	6,166
	2,604	**411,368**
Current asset	**2,308**	**342,243**
Non-current asset	**296**	**69,125**

(1) Bank Certificates of Deposit (Certificados de Depósito Bancário, or CBDs), 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), according to the transaction.

(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 + 1.00% to 114.28% of the CDI rate on March 31, 2022 (TR + 1.00% to 109.00% of the CDI rate on December 31, 2021).

Note 25 provides a classification of these marketable securities. Investments in marketable securities of related parties are shown in Note 26.

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6. RECEIVABLES FROM CUSTOMERS, TRADERS AND CONCESSION HOLDERS

Customer type	Balances not yet due		Balances past due			Total	
	Billed energy	Not yet billed energy	Up to 90 days	91 to 360 days	More than 360 days	Mar. 30, 2022	Dec. 31, 2021
Residential	874,951	292,584	514,828	311,202	64,722	2,058,287	1,871,570
Industrial	32,196	66,667	17,743	12,540	134,463	263,609	261,341
Commercial, services and others	369,831	170,400	128,137	77,859	132,838	879,065	765,846
Rural	125,129	51,719	56,714	54,648	21,201	309,411	349,398
Public authorities	149,959	32,730	5,835	1,782	21,582	211,888	236,355
Public lighting	19,712	701	144	624	(761)	20,420	22,320
Public services	58,631	41,678	2,207	4,143	27,653	134,312	124,974
Subtotal - customers	**1,630,409**	**656,479**	**725,608**	**462,798**	**401,698**	**3,876,992**	**3,631,804**
Concession holders - Transport of energy	64,563	241,887	12,685	8,464	75,209	402,808	400,817
Energy in spot market - supply	-	-	55,390	-	913	56,303	77,284
Provision for doubtful receivables	(158,193)	(11,737)	(80,449)	(63,465)	(461,283)	(775,127)	(774,871)
	1,536,779	**886,629**	**713,234**	**407,797**	**16,537**	**3,560,976**	**3,335,034**
Current							
Receivables from customers, traders and concession holders						**3,243,730**	**3,021,976**
Concession holders - Transport of energy						**269,116**	**264,910**
Non-current							
Concession holders - Transport of energy						**48,130**	**48,148**

The Company exposure to credit risk related to customers and traders is provided in Note 26. The transactions involving related parties is provided in Note 25.

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:

	Mar. 31, 2022	Dec. 31, 2021
Residential	220,314	217,594
Industrial	137,926	141,009
Commercial, services and others	215,948	212,464
Rural	30,978	32,795
Public authorities	44,347	44,993
Public lighting	1,453	988
Public services	38,600	37,269
Concession holders - Transport of energy	85,561	87,759
	775,127	**774,871**

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 in 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 The Company 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 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:

Balance on December 31, 2021	**774,871**
Additions, net (Note 23)	44,259
Disposals	(44,003)
Balance on March 31, 2022	**775,127**

7. RECOVERABLE TAXES

	Mar. 31, 2022	Dec. 31, 2021
Current		
ICMS tax recoverable	66,530	77,705
COFINS tax (a) (b)	1,454,122	1,502,006
PIS-PASEP taxes (a) (b)	315,296	327,075
Others	387	412
	1,836,335	**1,907,198**
Non-current		
ICMS tax recoverable (b)	328,990	312,339
COFINS tax (a)	489,727	727,425
PIS-PASP taxes (a)	106,323	157,928
	925,040	**1,197,692**
	2,761,375	**3,104,890**

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 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 PIS/Pasep and Cofins credit recorded corresponds the amount of these taxes over ICMS paid in the period of July 2003 to May 2019.

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 the Company.

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The Company is recovering tax credits by offsetting the amount receivable against amounts federal taxes payable on a monthly basis, starting on May 2020, 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$22,539 in the PIS/Pasep and Cofins recoverable amount, referring to the periods in which the Company exclued 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. For more information about credits to be refunded to customers, see Note 16.

On March 31, 2022 the Company recorded in current asset and non-current asset the amounts of R$1,767,580 and R$596,049, 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$299,893 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.

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8. 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.

	Mar. 31, 2022	Dec. 31, 2021
Income tax	73,296	37,388
Social contribution tax	37,863	76,942
	111,159	**114,330**
Current	**40,740**	**45,363**
Non-current	**70,419**	**68,967**

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 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 has not filed actions relating to this subject, and thus will not receive any retrospectively benefit from the decision taken by the court.

b) Deferred income and social contribution taxes

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

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Temporary differences of income tax and social contribution tax	Mar. 31, 2022	Dec. 31, 2021
Deferred tax assets		
Post-employment obligations	1,342,578	1,324,647
Doubtful receivables	293,097	292,275
Impairment	20,154	22,552
Provisions for contingencies	358,142	350,522
Administrative tax	4,782	4,875
Provision for profit shares	37,779	29,620
Others	7,481	7,029
	2,064,013	**2,031,520**
Deferred tax liabilities		
Adjustment to expectation of cash flow - Concession assets	(212,407)	(207,940)
Borrowing costs capitalized	(165,121)	(164,716)
Funding cost	(2,066)	(2,213)
	(379,594)	**(374,869)**
Total deferred tax, net	**1,684,419**	**1,656,651**

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

Balance on December 31, 2021	**1,656,651**
Effects allocated to income statements	27,768
Balance on March 31, 2022	**1,684,419**

The deferred income tax and social contribution liabilities balances were offset against the corresponding assets balances.

c) 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:

	Mar. 31, 2022	Dec. 31, 2021
Profit before income tax and social contribution tax	**503,957**	**541,591**
Nominal rate	34%	34%
Income tax and social contribution tax - nominal expense	**(171,345)**	**(184,141)**
Tax effects applicable to:		
Interest on equity and dividends payable	44,355	29,467
Tax incentives	13,433	9,323
Non-deductible contributions and donations	(1,474)	(342)
Non-deductible penalties	(12,407)	(3,639)
Others	(592)	(107)
	(128,030)	**(149,439)**
Effective rate	25.40%	27.59%
Current tax	**(155,798)**	**(166,683)**
Deferred tax	**27,768**	**17,244**

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9. ESCROW DEPOSITS

	Mar. 31, 2022	Dec. 31, 2021
Labor Claims	**208,146**	**215,540**
Tax contingencies		
Income tax on Interest on Equity	11,614	11,486
Income tax and Social Security contribution on 'Anuênio' employee indemnity (1)	209,835	207,863
JCP in the Income tax and Social Security contribution calculation base (2)	81,479	81,479
Others	47,502	43,995
	350,430	**344,823**
Others		
Regulatory	29,796	29,425
Third party	5,871	5,696
Customer relations	5,956	6,230
Court embargo	12,569	13,008
Others	5,457	5,050
	59,649	**59,409**
	618,225	**619,772**

(1) More details in Note 20 - Provisions under the section relating to the 'Anuênio indemnity'.
(2) More details in Note 20 - Provisions - Interest on Equity (JCP).

10. 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, are 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 continuity and security in the supply of electricity to the country. Consumers who reduced consumption in the months of September to December 2021, so that the sum of their electricity consumption in the months was between 10% and 20% less than in the same period 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 comsumption 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 the first quarter of 2022, the amount recognized as subsidies revenues 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) in current assets.

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11. CONCESSION FINANCIAL ASSETS AND LIABILITIES

Concession financial assets	Mar. 31, 2022	Dec. 31, 2021
Financial assets related to infrastructure (a)	779,037	683,729
CVA (Parcel A Compensation) Account and Other Financial Components in tariff-setting (b)	1,449,547	2,147,548
	2,228,584	**2,831,277**
Current asset	**1,048,458**	**1,221,433**
Non-current asset	**1,180,126**	**1,609,844**

SECTOR FINANCIAL LIABILITIES	Mar. 31, 2022	Dec. 31, 2021
Amounts receivable from Parcel A (CVA) and Other Financial Components (b)	(51,359)	(231,322)
Current liabilities	**(51,359)**	**(231,322)**

a) Financial assets related to infrastructure

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

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

Balance on December 31, 2021	**683,729**
Transfers of contract assets (Note 12)	76,203
Disposals	(627)
Adjustment of expectation of cash flow from the concession financial assets	19,732
Balance on March 31, 2022	**779,037**

b) 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 extinction of the concession, for any reason, the Concession-granting power must include, in the total of the reimbursement, the remaining balances (assets and liabilities) of any shortfall in payment or reimbursement through the tariff. The balances on the CVA (*Compensation for Variation of Parcel A items*) Account, the account for Neutrality of Sector Charges, and *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 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:

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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 asset	-	1,048,458	1,048,458	988,850	2,397,151	3,386,001
Non-current asset	-	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	1,144,892	1,534,440
Other financial components						
Over contracting of supply (1)	(27,026)	313,729	286,703	(67,566)	225,237	157,671
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 - 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 periods 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 nº 2,508 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 consumers of the amounts that were invoiced to them but received by Cemig from the Covid Account in 2020. These amounts are being returned to consumers in the tariff process of 2021, duly updated by the Selic rate, with guarantee of neutrality.

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

Balance on December 31, 2021	**2,096,189**
Net constitution of financial assets	(738,288)
Assets realized	38,181
Updating - Selic rate (Note 24)	51,999
Balance on March 31, 2022	**1,448,081**

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12. CONCESSION CONTRACT ASSETS

Under IFRS 15 / CPC 47 - Revenue from contracts with customers, assets recognized in counterpart to concession infrastructure revenue for assets still under construction are posted initially as contract assets, measured at acquisition cost, including borrowing costs. After the assets start operation, the performance obligation related to construction having been concluded, the assets are split between financial assets and intangible assets.

Changes in concession contract assets are as follows:

Balance on December 31, 2021	**1.926.652**
Additions	415.430
Transfers to financial assets (Note 11)	(76.203)
Transfers to intangible assets (Note 13)	(273.170)
Reversal impairment (1)	7.053
Balance on March 31, 2022	**1.999.762**

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

The amount of additions in the period ended March 31, 2022 were R$415,430 and includes the amount of R$7,530 under the heading capitalized borrowing costs (R$6,112 in the same period of 2021), as presented in Note 17.

The Company does not have any contract asset with indefinite useful life.

13. INTANGIBLE ASSETS

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

a) Balance composition

	Mar. 31, 2022			Dec. 31, 2021		
	Historic cost	Accumulated amortization	Amount, net	Historic cost	Accumulated amortization	Amount, net
Assets of concession	**23,316,835**	**(10,666,167)**	**12,650,668**	**22,935,008**	**(10,473,515)**	**12,461,493**
(-) 'Special obligations'	(4,890,806)	1,658,368	(3,232,438)	(4,773,952)	1,613,335	(3,160,617)
Net concession assets	**18,426,029**	**(9,007,799)**	**9,418,230**	**18,161,056**	**(8,860,180)**	**9,300,876**
Intangible assets in progress	147,786	-	147,786	148,762	-	148,762
Total intangible assets	**18,573,815**	**(9,007,799)**	**9,566,016**	**18,309,818**	**(8,860,180)**	**9,449,638**

b) Changes in intangible assets

Balance on December 31, 2021	**9,449,638**
Additions	14,073
Settled	(6,767)
Transfers of contract assets (Note 12)	273,170
Amortization	(164,098)
Balance on March 31, 2022	**9,566,016**

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

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

The average annual and amortization rate of assets linked to the distribution concession is 4.10%, which is representes by activity as follows:

Distribution	Administration
3.91%	15.64%

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

c) Special obligations

The balance of intangible assets is reduced by the obligations linked to the concession, which comprise the following:

Obligations Linked to the Concession	Mar. 31, 2022	Dec. 31, 2021
Customer Financial Participation (1)	(4,352,669)	(4,246,489)
Participation of the Union, States and Municipalities (2)	(555,173)	(546,171)
Universalization of the Public Electricity Service	(306,081)	(306,080)
Others, Exceeding Demand and Surplus Reactives	(284,200)	(287,957)
Engergy Efficiency Program (PEE)	(95,552)	(95,552)
Donations and Grants For Investments in the Service Granted	(4,071)	(4,071)
Research and Development	(5,671)	(5,115)
(-) Accumulated Amortization	1,658,368	1,613,335
Total	**(3,945,049)**	**(3,878,100)**

Allocation	Mar. 31, 2022	Dec. 31, 2021
Infrastructure under construction - Contract Asset	(712,611)	(717,483)
Infrastructure - Intangible in Service	(3,232,438)	(3,160,617)
Total	**(3,945,049)**	**(3,878,100)**

(1) Contributions by consumers: these are the participation of outside parties in works for supply of electricity, as governed by specific regulations.

(2) The contributions of the federal government, states and municipalities refer to the participation of these bodies in works for supply of electricity. In this line, the participation of municipalities is the most significant (59% of the total): these are usually works relating to extension and modification of distribution networks that are not made universally available.

The amortization rate of the linked obligations is the average rate for the activity into which the asset was incorporated. The annual average is 4.10%, which breaks down by activity as follows:

Distribution	Administration
3.91%	15.64%

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14. LEASING TRANSACTIONS

The Company recognized a right of use asset 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 buildings used as administrative headquarters;
- Leasing of commercial vehicles used in operations.

The Company has 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 period of three month 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 revised the methodology for discount rates estimation, which is now based on the risk-free rate adjusted to the reality of the Company, with a view to more appropriately reflecting its credit risk, and the economic conditions on the date of the contracting, as follows:

	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 and 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 - from August to December, 2021		
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 - from January to March, 2022		
Up to five years	6.24	0.51
Six to ten years	6.42	0.53
Eleven to fifteen years	6.50	0.54
Sixteen to thirty years	6.50	0.54

(1) Each month 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.

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a) Right of use

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.

Changes in the right of use asset are as follows:

	Real estate property	Vehicles	Total
BALANCES ON DECEMBER 31, 2021	**148,401**	**28,408**	**176,809**
Settled (ended contracts)	(96)	-	(96)
Addition	197	-	197
Amortization (1)	(1,924)	(9,478)	(11,402)
Remeasurement	(1,022)	-	(1,022)
Balance on March 31, 2022	**145,556**	**18,930**	**164,486**

(1) Amortization of the Right of Use recognized in the Income Statement is net of use of the credits of PIS/Pasep and Cofins taxes on payments of rentals, in the amount of R$125 from January to March, 2022 (R$111 from January to March, 2021).

b) Lease liabilities

The liability for lease agreements is measured at the present value of the lease payments required to be made over the lease term, discounted at the Company's marginal borrowing interest rate. The carrying amount of lease liabilities is remeasured if there are modifications that shall be accounted for as a remeasurement of the lease.

Changes in the lease liabilities are as follows:

Balance on December 31, 2021	**191,012**
Addition	197
Settled (ended contracts)	(101)
Interest incurred (1)	5,194
Leasing paid	(14,992)
Interest in leasing contracts paid	(270)
Remeasurement	(1,022)
Balance on March 31, 2022	**180,018**
Current liabilities	**39,807**
Non-current liabilities	**140,211**

(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$1,325 on December 2021 (R$1,420 in the same period of 2020).

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

Cash flow	Nominal	Adjusted to present value
Consideration for the leasing	488,737	180,018
Potential PIS/Pasep and Cofins	42,088	14,032

The Company, in measuring and remeasuring of its lease liability and for right of use, 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).

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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:

2022	35,956
2023	22,007
2024	21,826
2025	21,703
2026	21,548
2027 to 2047	365,697
Undiscounted values	**488,737**
Embedded interest	(308,719)
Lease liabilities	**180,018**

15. SUPPLIERS

	Mar. 31, 2022	Dec. 31, 2021
Energy on spot market - CCEE	178,339	122,384
Charges for use of energy network (1)	176,855	181,586
Energy purchased for resale	570,792	999,008
Itaipu Binacional	301,909	331,118
Materials and services	351,018	385,898
	1,578,913	**2,019,994**

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

16. TAXES PAYABLE AND AMOUNTS TO BE REFUNDED TO CUSTOMERS

	Mar. 31, 2022	Dec. 31, 2021
Taxes and contributions		
Current		
ICMS	107,699	80,087
Cofins	74,716	67,996
PIS/Pasep	16,110	14,595
INSS	22,661	23,259
ISSQN	12,201	11,106
Income tax on Interest on Equity	19,569	17,968
Others	10,754	11,812
	263,710	**226,823**
Amounts to be restituted to customers		
Current		
PIS/Pasep anf Cofins	267,307	704,025
Non Current		
PIS/Pasep anf Cofins	2,184,324	2,132,289
	2,451,631	**2,836,314**

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 Note 8 (a) of this interim financial information. Until March 2022, a total of R$2,020,032, has been reimbursed to customers (R$1,583,314 until December 2021).

The Company 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.

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The Company begun 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 8b of the interim financial information. See Note 11b of this interim financial information for more information on the Company 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.

17. LOANS, FINANCING AND DEBENTURES

Financing source	Mar. 31, 2022						Dec. 31, 2021
	Principal maturity	Annual Financial cost (%)	Currency	Current	Non-current	Total	Total
Brazilian currency							
Eletrobrás	2023	UFIR + 6 to 8.00%	R$	3,247	1,572	4,819	5,647
Debt in Brazilian currency				**3,247**	**1,572**	**4,819**	**5,647**
Total of loans and financings				**3,247**	**1,572**	**4,819**	**5,647**
Debentures - 3rd Issue, 3nd Series (1)	2025	IPCA + 5.10%	R$	286,083	562,153	848,236	1,147,465
Debentures - 7th Issue, 1th Series (1)	2024	CDI + 0.454%	R$	546,569	675,000	1,221,569	1,355,933
Debentures - 7th Issue, 2th Series (1)	2026	IPCA + 4.10%	R$	21,331	1,797,186	1,818,517	1,759,628
(-) Discount on the issuance of debentures (2)				-	(14,188)	(14,188)	(15,002)
(-) Transaction costs				(769)	(5,309)	(6,078)	(6,510)
Total, debentures				**853,214**	**3,014,842**	**3,868,056**	**4,241,514**
Overall total				**856,461**	**3,016,414**	**3,872,875**	**4,247,161**

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

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

	2022	2023	2024	2025	2026	Total
Indexers						
IPCA (1)	26,339	281,075	281,078	1,179,669	898,592	2,666,753
UFIR/RGR (2)	2,436	2,383	-	-	-	4,819
CDI (3)	411,569	540,000	270,000	-	-	1,221,569
Total, governed by indexers	**440,344**	**823,458**	**551,078**	**1,179,669**	**898,592**	**3,893,141**
(-) Transaction costs	(496)	(769)	(439)	(2,241)	(2,133)	(6,078)
(-) Discount	-	-	-	(7,094)	(7,094)	(14,188)
Overall total	**439,848**	**822,689**	**550,639**	**1,170,334**	**889,365**	**3,872,875**

(1) Expanded National Customer Price (IPCA) Index;
(2) Fiscal Reference Unit (Ufir / RGR);
(3) CDI: Interbank Rate for Certificates of Deposit.

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

Currency	Accumulated change in 1Q22 (%)	Accumulated change 1Q21 (%)	Indexer	Accumulated change in 1Q22 (%)	Accumulated change 1Q21 (%)
US dollar	(15.10)	9.63	IPCA	3.20	2.05
			CDI	2.39	0.48

Changes in loans, financing and debentures are as follows:

Balance on December 31, 2021	**4,247,161**
Monetary variation	62,189
Financial charges provisioned	63,768
Amortization of transaction cost	432
Financial charges paid	(88,106)
Amortization of financing	(412,569)
Balance on March 31, 2022	**3,872,875**

Borrowing costs, capitalized

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

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

	Jan to Mar, 2022	Jan to Mar, 2021
Costs of loans, financings and debentures	63,768	47,261
Financing costs on intangible assets and contract assets (1) (Notes 12 and 13)	(7,530)	(6,112)
Net effect in Profit or loss	**56,238**	**41,149**

(1) The average capitalization rate p.a. on March 31, 2022 was 12.59% (7.95% on March 31, 2021).

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

Guarantees

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

Promissory notes and Sureties	3,020,144
Receivables	847,912
Shares	4,588
Unsecured	231
TOTAL	**3,872,875**

Restrictive covenants

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

The Company has contract with financial covenants as follows:

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

(1) 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.

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

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18. REGULATORY CHARGES

	Mar. 31, 2022	Dec. 31, 2021
Liabilities		
Energy Efficiency Program (EEP)	254,025	237,426
Research and development (R&D)	96,194	89,947
Energy System Expansion Research	2,818	3,677
National Scientific and Technological Development Fund	5,920	7,638
Energy Development Account (CDE)	46,557	46,557
CDE on R&D	1,776	2,291
CDE on PEE	3,552	4,583
Global Reversion Reserve (RGR)	24,545	24,545
Emergency capacity charge	26,325	26,325
Aneel inspection charge	1,809	1,809
Customer charges - Tariff flags	16	251,837
	463,537	**696,635**
Current liabilities	**387,752**	**499,178**
Non-current liabilities	**75,785**	**197,457**

(1) Refers to the amount transferred from the R&D account, which will be paid as CDE over R&D, in accordance with Aneel Dispatch 904 of March 30, 2021.

(2) Charging of the 'CDE Covid Account' began in May 2021, as ratified by Dispatch 939 of April 5, 2021, under Normative Resolution 885 of June 23, 2020.

19. POST-EMPLOYMENT OBLIGATIONS

Changes in net liabilities were as follows:

	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total
Net liabilities on December 31, 2021	**1,623,608**	**2,503,024**	**46,763**	**4,173,395**
Expense recognized in statement of income	43,257	68,216	1,286	112,759
Contributions paid	(44,797)	(34,825)	(666)	(80,288)
Net liabilities on March 31, 2022	**1,622,068**	**2,536,415**	**47,383**	**4,205,866**
			Mar. 31, 2022	**Dec. 31, 2021**
Current liabilities			**244,559**	**213,283**
Non-current liabilities			**3,928,836**	**4,433,298**

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

The amounts reported as 'Expense recognized in the Statement of income' refer to the costs of post-employment obligations, in amount of R$102,587 (R$71,897 on March 31, 2021), plus the finance expenses and monetary updating on the debt with Forluz, in the amounts of R$10,172 (R$13,313 on March 31, 2021).

Debt with the pension fund (Forluz)

On March 31, 2022, the Company has recognized an obligation for past actuarial deficits relating to the pension fund in the amount of R$258,312 (R$278,580 on December 31, 2021). This amount has been recognized as an obligation payable by the Company, 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

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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 e 2017. On March 31, 2022 the total amount payable by Cemig as a result of the Plan A deficit is R$386,672 (R$390,458 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 until 2031 for the 2015 and 2016 deficits, in the amount of R$252,441, and up to 2033 for the 2017 deficit, in the amount of R$134,231. 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.

On December of 2020, in accordance with the applicable legislation, Forluz proposed to Cemig a new Debt Assumption Instrument to be signed, if approved, by Forluz, 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 to cover the deficit, without considering parity of contribution, is R$116,228, through 166 monthly installments. The remuneration interest rate applicable to the outstanding balance is 6% per year, plus the effect of the IPCA. If the plan reaches actuarial balance before the full period of amortization of the debt, the Company will not be required to pay the remaining installments and the contract will be extinguished.

The Company acknowledged 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 payments of R$7,235 (R$4,914 on December 31, 2021) in consignment to 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 probability of loss have been assessed as 'possible', due to the action still being at the knowledge phase, and there are being no decisions on the merit. Also, the application by Forluz for emergency writ was refused.

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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 cost of the life insurance policy, 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$309,013, and R$58,860.

On February 2, 2022 the Association of Retired Energy Workers and Pension Holders of Cemig and its Subsidiaries ("*Associação dos Eletricitários Aposentados e Pensionistas da Cemig e Subsidiárias - AEA/MG*") filled on the court an 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.

20. PROVISIONS

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

Claims in which the Company is a defendant

The Company 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 prabability of loss are assessed as 'probable' (i.e. an outflow of funds to settle the obligation will be necessary), as follows:

	Dec. 31, 2021	Additions	Reversals	Settled	Mar. 31, 2022
Labor	293,731	27,308	-	(20,807)	300,232
Civil					
Customer relations	31,015	7,774	-	(6,177)	32,612
Other civil actions	36,127	1,839	(462)	(1,839)	35,665
	67,142	**9,613**	**(462)**	**(8,016)**	**68,277**
Tax	797,442	21,680	-	(4,521)	814,601
Regulatory	32,545	882	-	(107)	33,320
Others	12,730	852	(406)	(431)	12,745
Total	**1,203,590**	**60,335**	**(868)**	**(33,882)**	**1,229,175**

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The Company's 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 timing of any cash outflows, or any possibility of reimbursements. The Company's believes that any disbursements in excess of the amounts provisioned, when the respective claims are completed, will not significantly affect the Company's result of operations or financial position.

The main provisions and contingent liabilities are provided below, including the best estimates of expected future disbursements for their settlement:

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'.

Labor claims

The Company is involved in several 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, several 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.

The aggregate amount of the contingency is approximately R$1,233,618 (R$1,279,002 on December 31, 2021), of which R$300,232 (R$293,731 on December 31, 2021) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

Customers claims

The Company is involved in several 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$151,816 (R$148,911 on December 31, 2021), of which R$32,612 (R$31,015 on December 31, 2021) has been recorded - this being the probable estimate for funds needed to settle these disputes.

Other civil proceedings

The Company is involved in several 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$396,803 (R$376,357 at December 31, 2021), of which R$35,665 (R$36,127 at December 31, 2021) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

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Tax

Social Security contributions on profit sharing payments

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

The amount of the contingencies is approximately R$905,333 (R$886,365 on December 31, 2021), of which R$806,408 (R$789,576 on December 31, 2021) has been provisioned, this being the estimate of the probable amount of funds to settle these disputes. The significant change in the amount of contingencies is due, among other factors, to a judgment given in favor of the Company in one of the administrative cases relating to social security contributions, for the period January to October 2010, which resulted in cancellations of tax debits, according to calculations made by the tax authority (Receita Federal).

Other tax claims

The Company is involved in numerous administrative and judicial claims actions relating to taxes, including, among other matters, subjects relating to the Urban Property Tax (Imposto sobre a Propriedade Territorial Urbana, or IPTU); the Social Integration Program (Programa de Integração Social, or PIS-Pasep) and the Contribution to Finance Social Security (Contribuição para o Financiamento da Seguridade Social, or Cofins). The aggregate amount of the contingency is approximately R$129,532 (R$120,923 on December 31, 2021), of which R$8,193 (R$7,866 on December 31, 2021) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

Regulatory

The Company is involved in numerous administrative and judicial proceedings, challenging, principally: alleged violation of targets for continuity indicators in retail supply of energy and 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$325,178 (R$311,883 on December 31, 2021), of which R$33,320 (R$32,545 on December 31, 2021) has been recorded as provision - the amount estimated as probably necessary for settlement of these disputes.

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Other legal actions in the normal course of business

'*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

The Company is 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$264,646 (R$250,436 on December 31, 2021), of which R$11,903 (R$11,920 on December 31, 2021), the amount estimated as probably necessary for settlement of these disputes.

Contingent liabilities - loss assessed as 'possible'.

Taxes and others contributions

The Company is 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 paid an indemnity to its employees, totaling R$127,058, in exchange for rights to future payments (referred to as the Anuênio) for time of service, which would otherwise be incorporated, in the future, into salaries. The Company did not pay income tax 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$209,835 (R$207,863 on December 31, 2021). The updated amount of the contingency is R$219,109 (R$216,064 on December 31, 2021) and based on the arguments above, management has classified the probability of loss as 'possible'.

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Social Security contributions

The Brazilian federal tax authority (Secretaria da Receita Federal) has filed administrative proceedings related to several matters: employee profit sharing; the Workers' Food Program (Programa de Alimentação do Trabalhador, or PAT); education benefit; food benefit; Special Additional Retirement payment; overtime payments; hazardous occupation payments; matters related to Sest/Senat (transport workers' support programs), and fines for non-compliance with accessory obligations. The Company has presented defenses and await judgment. The amount of the contingency is approximately R$103,633 (R$101,475 on December 31, 2021). Management has classified the probability of loss as 'possible', also taking into account assessment of the probability of loss in the judicial sphere, (the claims mentioned are in the administrative sphere), based on the evaluation of the claims and the related case law.

Non-homologation of offsetting of tax credit

The federal tax authority did not ratify the Company's declared offsetting, in Corporate income tax returns, of carry-forwards and undue or excess payment of federal taxes - IRPJ, CSLL, PIS/Pasep and Cofins - identified by official tax deposit receipts ('DARFs' and 'DCTFs'). The Company is contesting the non-homologation of the amounts offset. The amount of the contingency is R$90,551 (R$88,563 on December 31, 2020), and the probability of loss was classified as 'possible', since the relevant requirements of the National Tax Code (CTN) have been complied with.

The Social Contribution tax on net income (CSLL)

The federal tax authority issued a tax assessment against the Company for the years of 2012 and 2013, alleging undue non-addition, or deduction, of amounts relating to the following items in calculating the Social Contribution tax on net income: (i) taxes with liability suspended; (ii) donations and sponsorship (Law 8,313/91), and (iii) fines for several alleged infringements. The amount of this contingency is R$318,838 (R$309,008 on December 31, 2021). The Company has classified the probability of loss as 'possible', in accordance with the analysis of the case law on the subject.

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 (R$60,079 on December 31, 2021), and the probability of loss were assessed as 'possible', based on analysis of current judgments by the Brazilian courts on the theme.

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

On August of 2021 the Brazilian tax authority (Receita Federal do Brasil) issued two infringement notices relating to calculation of the PIS, Pasep and Cofins taxes, for tax triggering events from August 2016 and December 2017, alleging insufficiency of payment of these contributions on the basis of supposed undue posting as credits of the expenses on the 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); the Company has classified the probability of loss as ‘possible’, due to the scarcity of case law on the subject.

Regulatory matters

Public Lighting Contribution (CIP)

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

The Company believes it has 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 is estimated at R$45,200 (R$43,312 on December 31, 2021).

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 probability of loss as ‘possible’ due of the documentation received and the nature of the action.

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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 the Company to pay twice the amount paid in excess by customers. A decision was given in favor of the plaintiffs, but the Company and the grantor (Aneel) have filed an interlocutory appeal and await judgment. The amount of the contingency is approximately R$427,814 (R$413,375 on December 31, 2021). The Company has classified the probability of loss as 'possible' due to other favorable decisions on this matter.

Other contingent liabilities

Contractual imbalance

The Company 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). The Company has classified the probability of loss as 'possible', after analysis of the case law on this subject.

21. EQUITY AND REMUNERATION TO SHAREHOLDERS

a) Share capital

On March 31, 2022 and December 31, 2021, the Company's issued and outstanding share capital is R$5,371,998, represented by 2,359,113,452 nominal common shares, fully subscribed, without nominal value, wholly owned by Cemig (Companhia Energética de Minas Gerais).

b) Earnings per share

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

	Jan to Mar, 2022	Jan to Mar, 2021
Total number of shares	2,359,113,452	2,359,113,452
Net income for the period	375,927	392,152
Basic and diluted earnings per common share (R$)	**0.16**	**0.17**

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

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c) Dividends

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

On March 22, 2022, the Board of Directors approved declaration of Interest on Equity, to be included in the amount of mandatory minimum dividend of 2022, in the amount of R$130,457, witch Income tax withheld at source of 15% being deducted at source, in accordance with the current legislation.

22. 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 client 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 with.

The revenue of the Company is as follows:

	Jan to Mar, 2022	Jan to Mar, 2021
Revenue from supply of energy - captive customers, in Cemig's concession area (a)	5,993,356	5,074,888
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization (*)	436,718	178,373
Revenue from use of the energy distribution systems (TUSD) - free customers (b)	868,131	842,555
CVA, and Other financial components in tariff increases (c)	(700,107)	338,907
Distribution construction revenue (d)	429,503	321,301
Adjustment to expectation from reimbursement of distribution concession financial assets (e)	19,732	10,906
Fine for violation of continuity indicator	(31,894)	(30,569)
Transactions in energy on the CCEE	(51,684)	57,197
Mechanism for the sale of surplus (f)	138,994	-
Other operating revenues (g)	463,742	387,753
Taxes and charges reported as deductions from revenue (h)	(2,818,174)	(2,519,336)
	4,748,317	**4,661,975**

(*) For more information, see Note 8a of this interim financial information.

a) Revenue from supply of energy

These revenues are recognized upon delivery of supply, based on the tariff specified in the contractual terms and approved by the grantor, or in effect in the market, as when billed. Unbilled supply of energy, from the period between the last billing and the end of each month, is estimated based on the volume of energy delivered but not yet billed.

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This table shows supply of energy by type of customer:

	MWh (*)		R$	
	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Residential	2,841,768	2,875,007	3,115,808	2,659,586
Industrial	368,760	430,303	344,268	315,126
Commercial, services and others	1,148,033	1,106,513	1,462,294	1,107,130
Rural	540,836	837,407	487,744	532,951
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	**5,728,557**	**6,138,418**	**6,003,777**	**5,158,732**
Own consumption	9,854	8,560	-	-
Wholesale supply to other concession holders	-	-	12,794	913
Unbilled revenue	-	-	(23,215)	(84,757)
Total	**5,738,411**	**6,146,978**	**5,993,356**	**5,074,888**

(*) Data not reviewed by external auditors.

b) Revenue from use of network - Free Customers

A significant part of the large industrial customers in the concession area of Cemig D have the status of ‘Free Clients’. Most of them are buying their supply from Cemig’s generation and transmission company, Cemig GT. Thus, the act of making the distribution electricity network available to these clients is recognized at the fair value of the consideration, calculated according to the tariff for use of the distribution network (TUSD), set by the grantor.

The total amount of energy transported, in MWh, is as follows:

	MWh (*)	
	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 services	262	651
Public authorities	610	-
Concessionaires	63,562	72,117
Total	**5,445,842**	**5,431,567**

(*) Data not reviewed 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 Company and the cost actually incurred. The amounts recognized arise from balances recorded in the current period, homologated or to be homologated in tariff adjustment processes. For more information see Note 11b of this interim financial information.

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d) Distribution construction revenue

Construction revenue corresponds to the performance obligation to build the infrastructure which becomes the investment in concession assets made by the Company in the year. Recognition of this revenue is directly related to the expenditure incurred on the addition of the contracted assets. Considering that the regulatory model does not provide for specific remuneration for construction or improvement of the infrastructure of the concession; that constructions and improvements are substantially executed through outsourced parties, and that all construction revenues is related to the construction of the infrastructure of the energy distribution services, Company's management concluded that construction contract revenue has zero profit margin.

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

Revenue from monetary updating of the Regulatory Remuneration Asset Base.

f) Transactions in the Surpluses Sales Mechanism (MVE)

Revenue from transactions under the Surplus Sales Mechanism (MVE) refers to the sale of power surpluses by distributor. The MVE is an instrument regulated by Aneel enabling distributors to sell overcontracted supply - supply in excess of what turns out to be their need to meet demand from captive consumers.

g) Other operating revenues

	Jan to Mar, 2022	Jan to Mar, 2021
Charged service	4,294	3,982
Other services	6,822	5,279
Low income Subsidies	72,360	65,246
Other Subsidies (1)	316,546	266,321
Rental and leasing	63,381	46,757
Others	339	168
	463,742	**387,753**

(1) Includes the revenue recognized for the tariff subsidies applied to users of the distribution system, in the amount of R245,942 on March 31, 2022 (R$247,847 on March 31, 2021). Includes the subsidies for sources that are subject to incentive, rural, irrigators, public services and the generation sources that are subject to the incentive; and also includes the tariff flag revenue in the amount of R$76,089 on March 31, 2022 (R$18,474 on March 31, 2021), recognized because of the creditor position assumed by the Company in CCRBT; and reversal in amount of R$5,485, from january to March of 2022, of the revenue recognized in December 2021, relating to the Program to Encourage Voluntary Reduction of Electricity Consumption.

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h) Deductions on revenue

	Jan to Mar, 2022	Jan to Mar, 2021
Taxes on revenue		
ICMS	1,572,175	1,401,754
PIS/Pasep	88,234	88,470
Cofins	406,435	407,500
ISSQN	298	260
	2,067,142	**1,897,984**
Charges to the customer		
Engergy Efficiency Program (PEE)	16,219	25,422
Energy Development Account (CDE)	954,744	613,479
Research and Development (R&D)	5,975	10,169
National Scientific and Technological Development Fund (FNDCT)	8,536	10,169
Energy System Expansion Research (EPE of MME)	4,268	5,084
Customer charges - the ‘Flag Tariff’ system	(251,821)	(48,020)
CDE on R&D	2,561	-
CDE on PEE	5,122	-
Energy Services Inspection Charge	5,428	5,049
	751,032	**621,352**
	2,818,174	**2,519,336**

23. OPERATING COSTS AND EXPENSES

The composition of the Company's operating costs and expenses is as follows:

	Jan to Mar, 2022	Jan to Mar, 2021
Personnel	200,016	212,509
Employees’ and managers’ profit shares	23,999	20,097
Post-employment obligations	102,587	71,897
Materials	16,261	15,521
Outsourced services (a)	323,630	299,855
Energy purchased for resale (b)	1,978,485	2,148,339
Amortization (Note 13b)	164,098	155,054
Amortization of Right of Use - Leasing (Note 14)	11,277	9,203
Operating provisions (c)	105,437	18,112
Charges for use of the national grid and other charges of the grid	888,952	765,274
Construction infrastructure costs (d)	429,503	321,301
Other operating expenses, net (e)	24,918	43,767
	4,269,163	**4,080,929**

a) Outsourced services

	Jan to Mar, 2022	Jan to Mar, 2021
Meter reading and bill delivery	29,670	31,174
Maintenance and conservation of electrical facilities and equipment	132,414	116,401
Communication	35,915	39,620
Building conservation and cleaning	9,850	10,901
Cleaning of power line pathways	15,624	23,166
Disconnection and reconnection	21,229	16,007
Tree pruning	9,389	10,805
Costs of proceedings	4,049	3,350
Maintenance and conservation of furniture and utensils	1,902	2,002
Information technology	33,702	20,352
Contracted labor	1,577	1,122
Accommodation and meals	1,999	2,074
Security services	2,333	1,183
Maintenance and conservation of vehicles	536	454
Costs of printing and legal publications	3,776	2,216
Consultancy	2,115	2,574
Inspection of customer units	7,897	5,602
Others	9,653	10,852
	323,630	**299,855**

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b) Energy purchased for resale

	Jan to Mar, 2022	Jan to Mar, 2021
Supply from Itaipu Binacional	394,055	487,525
Physical guarantee quota contracts	226,116	212,487
Quotas for Angra I and II nuclear plants	89,298	61,144
Spot market	63,807	-
'Bilateral' contracts	110,083	84,987
Energy acquired in Regulated Market auctions	634,296	1,130,524
Proinfa	151,414	95,500
Distributed generation ('Geração distribuída')	453,589	255,024
PIS/Pasep and Cofins credits	(144,173)	(178,852)
	1,978,485	**2,148,339**

c) Operating provision (reversals)

	Jan to Mar, 2022	Jan to Mar, 2021
Estimated losses on doubtful accounts receivables (Note 6) (1)	44,259	44,178
Estimated losses on other accounts receivable (2)	1,711	(11,000)
Contingency provisions (reversals) (Note 20)		
Labor claims	27,308	8,258
Civil	9,151	9,667
Tax	21,680	(32,938)
Regulatory	882	(1,126)
Others	446	1,073
	59,467	**(15,066)**
	105,437	**18,112**

(1) Expected loss 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). These amounts are presented in the income statement as other operating expenses.

d) Construction infrastructure costs

	Jan to Mar, 2022	Jan to Mar, 2021
Personnel	28,080	13,244
Materials	242,671	167,346
Outsourced services	147,870	126,440
Financial charges	7,530	6,112
Renting	783	499
Taxes and charges	230	1,311
Other	2,339	6,349
	429,503	**321,301**

e) Other operating expenses, net

	Jan to Mar, 2022	Jan to Mar, 2021
Leasing and rentals (1)	759	1,024
Advertising	597	115
Subsidies and donations	4,337	1,007
CCEE annual charge	808	824
Insurance	2,361	2,702
Forluz - Administrative running cost	5,861	5,512
Net loss (gain) on deactivation and disposal of assets	1,003	11,798
Collection agents	20,311	20,918
Taxes and charges	3,321	2,952
Provision (reversal) for recoverable amount	(7,053)	-
Other expenses (reversal)	(7,387)	(3,085)
	24,918	**43,767**

(1) Company has operational leasing contracts relating, mainly, to vehicles and buildings used in its operational activities. Their amounts are not material in relation to the total costs of the Company. In relation to this, there are remaining leasing arrangements and rentals that do not qualify for recognition under CPC 06/IFRS 16.

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24. FINANCE INCOME AND EXPENSES

	Jan to Mar, 2022	Jan to Mar, 2021
FINANCE INCOME		
Income from financial investments	9,001	13,428
PIS/Pasep and Cofins taxes charged on financial income (1)	(7,910)	(6,310)
Arrears fees on sale of energy	93,124	113,424
Foreign exchange variations - Itaipu Binacional	24,594	-
Monetary variation	859	668
Monetary updating on escrow deposits	8,701	1,553
Monetary variation - CVA (Note 11)	51,999	-
Others	6,588	4,136
	186,956	**126,899**
FINANCE EXPENSES		
Charges on loans, financings and debentures (Note 17)	(56,238)	(41,149)
Amortization of transaction cost (Note 17)	(432)	(468)
Forluz - Monetary variation charges	(10,172)	(13,313)
Foreign exchange variations - loans and financings (Note 17)	-	(881)
Foreign exchange variations - Itaipu Binacional	(629)	(16,963)
Monetary variations - loans, financings and debentures (Note 17)	(62,189)	(70,582)
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS to be restituted (2)	(9,363)	(8,569)
Monetary variation - CVA (Note 11b)	-	(1,541)
R&D and PEE - monetary adjustments	(7,078)	(1,305)
Leasing - Monetary variation (Note 14)	(4,847)	(4,962)
Monetary variation - Others	(5,387)	(3,208)
Others	(5,818)	(3,413)
	(162,153)	**(166,354)**
NET FINANCE INCOME (EXPENSES)	**24,803**	**(39,455)**

(1) Expenses with PIS/Pasep and Cofins are focuses on financial income and interest on equity.

(2) The updating of the tax credits for the court judgment on PIS, Pasep and Cofins on ICMS and the related liability to be refunded to consumers, is presented at net value. With the offsetting of the credits, the liability to be refunded to customers began to exceed the value of the credits to be offset, generating a net financial expense.

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25. RELATED PARTY TRANSACTIONS

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

COMPANY	ASSETS		LIABILITIES		REVENUE		EXPENSES	
	Mar. 31, 2021	Dec. 31, 2020	Mar. 31, 2021	Dec. 31, 2020	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Controlling shareholder								
Minas Gerais State Government								
Current								
Receivables from customers, traders and concession holders (1)	143,217	167,366	-	-	43,360	32,630	-	-
Cemig								
Current								
Cooperation Working Agreement (2)	5,283	-	11,370	11,370	-	-	(5,283)	(5,143)
Transactions in energy (3)	68	72	-	-	-	-	-	-
Interest on Equity and dividends	-	-	1,027,849	916,961	-	-	-	-
Loan contract (4)	-	-	100,791	-	-	-	(1,020)	-
Other related parties								
Cemig Geração e Transmissão								
Current								
Cooperation Working Agreement (2)	229	-	2,362	2,362	-	-	(229)	(1,287)
Transactions with energy (3)	3,040	3,431	24,174	24,067	9,834	6,640	(69,607)	(63,647)
Connection of the distribution facilities to the transmission system (5)	-	-	8,650	8,650	-	-	(19,463)	(17,366)
Aliança Geração								
Current								
Transactions with energy (3)	293	-	11,029	9,857	15,258	10,876	(27,998)	(23,437)
Madeira Energia								
Current								
Transactions with energy (3)	-	-	24,228	24,105	-	-	(53,180)	(50,713)
Norte Energia								
Current								
Transactions with energy (3)	-	-	26,657	26,809	-	-	(58,513)	(55,997)
Baguari Energia								
Current								
Transactions with energy (3)	-	-	977	983	-	-	(2,133)	(2,265)
Taesa								
Current								
Transactions with energy (3)	-	-	8,042	8,483	-	-	(29,807)	(24,500)
Axxiom								
Current								
Provision of services (6)	-	-	82	62	-	-	-	-
Retiro Baixo								
Current								
Transactions with energy (3)	570	570	618	622	1,147	1,392	(1,357)	(1,738)
FIC Pampulha								
Current								
Cash and cash equivalents	439	15,950	-	-	-	-	-	-
Securities	1,510	336,078	-	-	55	22,773	-	-
Non-current								
Securities	296	69,125	-	-	-	-	-	-
Forluz								
Current								
Post-employment obligations (7)	-	-	136,086	130,870	-	-	(43,257)	(30,812)
Supplementary pension contributions - Defined contribution plan (8)	-	-	-	-	-	-	(12,318)	(12,054)
Administrative running costs (9)	-	-	-	-	-	-	(5,861)	(5,512)
Operational leasing (10)	125,708	127,031	17,186	17,186	-	-	(5,680)	(5,523)
Non-current								
Post-employment obligations (7)	-	-	1,485,982	1,492,738	-	-	-	-
Operational leasing (10)	-	-	122,297	122,532	-	-	-	-

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COMPANY	ASSETS		LIABILITIES		REVENUE		EXPENSES	
	Mar. 31, 2021	Dec. 31, 2020	Mar. 31, 2021	Dec. 31, 2020	Jan to Mar, 2022	Jan to Mar, 2021	Jan to Mar, 2022	Jan to Mar, 2021
Cemig Saúde								
Current								
Health Plan and Dental Plan (11)	-	-	133,345	127,015	-	-	(69,502)	(46,486)
Non-current								
Health Plan and Dental Plan (11)	-	-	2,450,453	2,422,772	-	-	-	-

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 R$10,5 million. Until March 31, 2022, twelve installments had been offset;

(2) Technical Cooperation Working Agreement between Cemig, Cemig D and Cemig GT, instituted by Aneel Dispatch 3,208/2016. Principally includes reimbursement of expenses related to sharing of infrastructure, personnel, transport, telecoms and IT;

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

(4) This refers to the loan contract signed on March 2, 2022 between the Company and Cemig (Parent Company) in the amount of R$100 million, to be settled on August 1, 2022, plus interest in the amount of R$5,179 thousands, corresponding to 110% of the CDI rate, with a Promissory Note issued by the Company to the benefit of the Parent Company, as guarantee. The principal will be paid in August 2022, and the interest will be paid monthly until settlement of the principal. The loan agreement had the consent of Aneel;

(5) This refers to the contract for connection of the distribution facilities to the transmission system (CCT);

(6) This refers to a contract for development of management software between the Company and Axxiom Soluções Tecnológicas S.A., instituted in Aneel Dispatch 2,657/2017.

(7) The contracts of Forluz are updated by the Expanded Customer Price Index (Índice Nacional de Preços ao Consumidor Amplo, or IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) and will be amortized up to business year 2024 (more details in Note 19 of this interim financial information);

(8) 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.

(9) 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;

(10) Rental of the Company's administrative head office, in effect up to August 2024 (Júlio Soares building, able to be extended every five years, up to 2034), with annual inflation adjustment by the IPCA index and price reviewed every 60 months. On September 20, 2021 the lease contract was adjusted upward by 9.68%, corresponding to accumulated IPCA inflation over the prior 12 months On April 27, 2021, the Company signed with Forluz a contract amendment due to the transfer of the administratives head offices of the investees Cemig SIM and Gasmig to the Júlio Soares building, reducing Cemig D rent expenses;

(11) Post-employment obligations relating to the employees' health and dental plan (more details in Note 19 of this interim financial information).

Cash investments in FIC Pampulha

The Company 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 are reported as cash and cash equivalent, marketable securities line in current and non-current assets, in proportion to the Company’s participation in the fund, of 0.15%, on March 31, 2022 (18.95% on December 31, 2021).

The funds applied are allocated only in public and private fixed income securities, subject only to credit risk, with several 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 periods ended March 31, 2022 and 2021, are as follows:

	Jan to Mar, 2022	Jan to Mar, 2021
Remuneration	1,857	1,741
Profit sharing	637	398
Pension plans	143	129
Health and dental plans	22	16
Life insurance	4	-
Total (1)	**2,663**	**2,284**

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

26. 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	1,248	1,248	218,822	218,822
Receivables from customers, traders and concession holders (Note 6)	2	3,417,759	3,417,759	3,167,668	3,167,668
Customers - Accounts receivable from Minas Gerais State (Note 6)	2	143,217	143,217	167,366	167,366
Restricted cash	2	7,536	7,536	2,144	2,144
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	97,703	97,703	287,420	287,420
Low-income subsidy	2	47,801	47,801	46,540	46,540
Escrow deposits	2	618,225	618,225	619,772	619,772
		5,783,036	**5,783,036**	**6,657,280**	**6,657,280**
Fair value through profit or loss					
Cash equivalents - cash investments	2	298,059	298,059	93,764	93,764
Marketable securities					
Bank certificates of deposit	2	24	24	19,689	19,689
Treasury Financial Notes (LFTs)	1	328	328	34,937	34,937
Financial Notes - Banks	2	999	999	137,920	137,920
Debentures	2	5	5	-	-
		1,356	1,356	192,546	192,546
Concession financial assets - Distribution infrastructure	3	779,037	779,037	683,729	683,729
		1,078,452	**1,078,452**	**970,039**	**970,039**
		6,861,488	**6,861,488**	**7,627,319**	**7,627,319**
Financial liabilities					
Amortized cost (1)					
Loans, financings and debentures	2	(3,872,875)	(3,872,875)	(4,247,161)	(4,247,161)
Debt with pension fund (Forluz)	2	(258,312)	(258,312)	(278,580)	(278,580)
Deficit of pension fund (Forluz)	2	(386,672)	(386,672)	(390,458)	(390,458)
Sector financial liabilities	3	(1,466)	(1,466)	(51,359)	(51,359)
Suppliers	2	(1,578,913)	(1,578,913)	(2,019,994)	(2,019,994)
Leasing transactions	2	(180,018)	(180,018)	(191,012)	(191,012)
		(6,278,256)	**(6,278,256)**	**(7,178,564)**	**(7,178,564)**

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

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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: distribution system assets are measured at New Replacement Value (*Valor novo de reposição*, or VNR), according to criteria established by the Concession-granting power ('Grantor'), based on fair value of the concession assets in service and which will be revertible at the end of the concession, and on the weighted average cost of capital (WACC) defined by the Grantor, which reflects the concession holder's return on the operations of the concession. The VNR and the WACC are public information disclosed by the Grantor and by Cemig respectively. Changes in concession financial assets are disclosed in Note 11 of this interim financial information.

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

Other financial liabilities: Fair value of its loans, financing and debentures were determined using 126.42% 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 6.00% and CDI + 0.79% to 4.67%, Company believes that their carrying amount is approximated to their fair value.

b) Financial risk management

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

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

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

Exchange rate risk

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

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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				
Suppliers (Itaipu Binacional) (Note 15)	(63,723)	(301,909)	(59,335)	(331,118)
Net liabilities exposed		**(301,909)**		**(331,118)**

Sensitivity analysis

Based on finance information from its financial consultants, the Company estimates that in a probable scenario the variation of the exchange rates of foreign currencies in relation to the Real on March 31, 2023 will be an appreciation of the dollar by 2.37%, to R$4.85. The 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	Mar. 31, 2022	Mar. 31, 2023		
	Book value	'Probable' scenario US$=R$5.10	'Possible' scenario US$= R$6.38	'Remote' scenario US$=R$7.65
US dollar				
Suppliers (Itaipu Binacional) (Note 15)	(301,909)	(309,057)	(386,161)	(463,903)
Net liabilities exposed	**(301,909)**	**(309,057)**	**(386,161)**	**(463,903)**
Net effect of exchange rate fluctuation		**(7,148)**	**(84,252)**	**(161,994)**

Interest rate risk

The Company is exposed to the risk of decrease in Brazilian domestic interest rates on March 31, 2022. This risk arises from the effect of variations in Brazilian interest rates on net financial income comprised by financial revenues from cash investments made by the Company, and also to the financial assets related to the CVA and other financial components, and to the financial expenses associated to loans, financings and debentures in Brazilian currency, and also sectorial financial liabilities.

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

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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 4)	298,059	93,764
Marketable securities (Note 5)	2,604	411,368
CVA and Other financial components in tariffs (Note 11)	1,449,547	2,147,548
	1,750,210	**2,652,680**
Liabilities		
Loans, financings and debentures - CDI rate (Note 17)	(1,221,569)	(1,355,933)
Sector financial liabilities (Note 11)	(1,466)	(51,359)
	(1,223,035)	**(1,407,292)**
Net assets exposed	**527,175**	**1,245,388**

Sensitivity analysis

In relation to the most significant interest rate risk, Company estimates that, in a probable scenario, at March 31, 2023 Selic rates will be 12.25%. 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 13.00%	'Possible' scenario Selic 9.75%	'Remote' scenario Selic 6.50%
Assets				
Cash equivalents - cash investments (Note 4)	298,059	334,571	325,451	316,330
Marketable securities (Note 5)	2,604	2,923	2,843	2,764
CVA and Other financial components in tariffs - Selic rate (Note 11)	1,449,547	1,627,117	1,582,760	1,538,404
	1,750,210	**1,964,611**	**1,911,054**	**1,857,498**
Liabilities				
Loans, financings and debentures - CDI rate (Note 17)	(1,221,569)	(1,371,211)	(1,333,831)	(1,296,451)
Sector financial liabilities (Note 11)	(1,466)	(1,646)	(1,601)	(1,556)
	(1,223,035)	**(1,372,857)**	**(1,335,432)**	**(1,298,007)**
Net assets exposed	**527,175**	**591,754**	**575,622**	**559,491**
Net effect of variation in interest rates		**64,579**	**48,447**	**32,316**

Inflation risk

The Company is 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 or IGP-M index, mitigating part of the Company risk exposure. This table presents the Company's net exposure to inflation index:

Exposure to increase in inflation	Mar. 31, 2022	Dec. 31, 2021
Assets		
Concession financial assets related to infrastructure - IPCA index (Note 11) (*)	779,037	683,729
Receivable from Minas Gerais state government (Debt recognition agreement) - IGPM index (Note 25)	143,217	167,366
	922,254	**851,095**
Liabilities		
Loans, financings and debentures - IPCA index (Note 17)	(2,666,753)	(2,907,093)
Debt agreed with pension fund (Forluz) - IPCA index (Note 19)	(258,312)	(278,580)
Forluz deficit solution plan - IPCA index (Note 19)	(386,672)	(390,458)
	(3,311,737)	**(3,576,131)**
Net liabilities exposed	**(2,389,483)**	**(2,725,036)**

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

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Sensitivity analysis

In relation to the most significant risk of reduction in inflation index, reflecting the consideration that the Company has more assets than liabilities indexed to inflation indexes, the Company estimates that, in a probable scenario, at March 31, 2023 the IPCA inflation index will be 5.90% and the IGPM inflation index will be 6.76%. 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		
	Book value	'Probable' scenario IPCA 5.90% IGPM 6.76%	'Possible' scenario (25%) IPCA 7.38% IGPM 8.45%	Remote' scenario (50%) IPCA 8.85% IGPM 10.14%
Assets				
Concession financial assets related to infrastructure - IPCA index (Note 11) (*)	779,037	825,000	836,530	847,982
Receivable from Minas Gerais state government (Debt recognition agreement) - IGPM index (Note 25)	143,217	152,898	155,319	157,739
	922,254	**977,898**	**991,849**	**1,005,721**
Liabilities				
Loans, financings and debentures - IPCA index (Note 17)	(2,666,753)	(2,824,091)	(2,863,559)	(2,902,761)
Debt agreed with pension fund (Forluz) - IPCA index (Note 19)	(258,312)	(273,552)	(277,375)	(281,173)
Equation of the deficit on Pension Plan (Forluz) - IPCA Index (Note 19)	(386,672)	(409,486)	(415,208)	(420,892)
	(3,311,737)	**(3,507,129)**	**(3,556,142)**	**(3,604,826)**
Net liabilities exposed	**(2,389,483)**	**(2,529,231)**	**(2,564,293)**	**(2,599,105)**
Net effect of variation in IPCA and IGPM indexes		**(139,748)**	**(174,810)**	**(209,622)**

(*) 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 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.

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

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

	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial instruments at (interest rates):						
- Floating rates						
Loans, financings and debentures	56,782	146,543	855,935	3,382,345	-	4,441,605
Debt with pension plan (Forluz)	10,331	20,720	95,438	165,430	-	291,919
Equation of the deficit on Pension Plan (Forluz) - IPCA Index	4,549	9,192	42,261	245,251	338,876	640,129
	71,662	**176,455**	**993,634**	**3,793,026**	**338,876**	**5,373,653**
- Fixed rate						
Suppliers	1,352,343	226,570	-	-	-	1,578,913
	1,424,005	**403,025**	**993,634**	**3,793,026**	**338,876**	**6,952,566**

Credit risk

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

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

The provision for expected credit losses of accounts receivable receivable recorded on March 31, 2022, considered to be adequate in relation to the credits in arrears receivable by the Company and its subidiaries was R$775,127.

Company manages 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 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 (RF)	-	10%	10%	10%	10%
A1	Equal or over R$10 billion	9%	8%	7%	6%
A2	Between R$5 billion and R$10 billion	8%	7%	6%	5%
A3	Between R$2 billion and R$5 billion	7%	6%	5%	4%
A4	Between R$800 million and R$2 billion	6%	5%	4%	-

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

In addition to these points, Cemig, Cemig D's parent company, also establishes two concentration limits:

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

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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 1.1.

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 1.2.

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 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 contracts of Cemig D's concession for 30 years from January 1, 2016, as specified by Law 12,783/13. The extension introduced changes to the present contract, conditional upon compliance by the distributor to the 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.

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

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The efficiency criteria for continuity of supply and for economic and 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 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. The extension of generation through thermoelectric plants can put pressure on the costs of energy acquisition by distributors, which causes a greater need for cash and can generate 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 has 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.

The Company was compliant with all the financial covenants requiring half-yearly and annual compliance. More details in Note 17.

c) Capital management

This table shows comparisons of the Company's net liabilities in the end of period:

	Mar. 31, 2022	Dec. 31, 2021
Total liabilities	16,513,609	17,654,962
Cash and cash equivalents	(346,463)	(198,694)
Marketable securities	(2,308)	(342,243)
Net liabilities	**16,164,838**	**17,114,025**
Total equity	**7,188,136**	**6,942,666**
Net liabilities / equity	**2.25**	**2.47**

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27. NON-CASH TRANSACTIONS

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

- Capitalized financial costs of R$7,530 on the period ended on March 31, 2022 (R$6,112 on March 31, 2021);
- Lease addition in the amount of R$197 on March 31, 2022 (R$1,488 on March 31, 2021).

28. RISKS RELATED TO COMPLIANCE WITH LAWS AND REGULATIONS

Internal procedures for risks related to compliance with law and regulations

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 basically refers to alleged irregularities in public bidding purchasing processes. The investigation is being conducted by a new Special Investigation Committee (Comitê Especial de Investigação - CEI), with support from specialized advisers.

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 matters was identified that might present a significant impact on the interim financial information at March 31, 2022 or on financial statements for prior business years. However, the Company awaits completion of the investigations by the Public Attorneys' Office of Minas Gerais State (MPMG) that are still ongoing and the Brazilian and international authorities, to which the reports were presented, statements of position, to confirm whether any additional procedure will be necessary.

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

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 entitles 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

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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 stockholders' equity of the Company and ensure improvement in the offer of electricity services to its clients, rigorously following the relevant legislation

29. SUBSEQUENT EVENTS

Acceptance of the Hydrological Scarcity Account conditions

On May 3, 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 10,939, of 2022, in the terms of Normative Resolution (ReN) 1,008 of 2022.

The Company 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") for the months of July and August 2021, totaling R$190,658, received on May 9, 2022.

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 CCEE.

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

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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 Decree.

Under Normative Resolution (ReN) 1,008/2022, 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 Program for 2022 (‘the 2022 PDVP’). All the employees are eligible to join the program, except as provided for in the Program, from May 2 to 20, 2022. The program will pay 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.

Up to the date of conclusion of this interim financial information, a total of 103 of the Company’s employees had accepted and joined the program.

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(Figures in R$'000 unless otherwise indicated)

Net income for the period

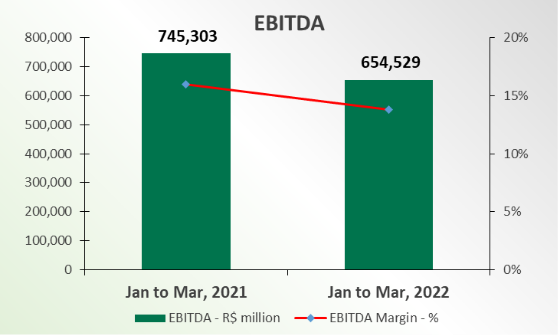
Cemig Distribuição reports net income of R$375,927 from January to March 2022, compared to net income of R$392,152 in the same period of 2021. The following items describe the main variations between the two periods in revenues, costs, expenses and financial items:

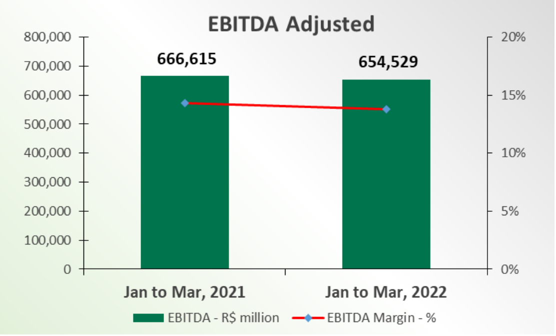
Ebitda (Earnings before interest, tax, depreciation and amortization)

Ebitda - R$'000	Jan to Mar, 2022	Jan to Mar, 2021	Change, %
Net income for the period	375,927	392,152	(4.14)
+ Income tax and Social Contribution tax	128,030	149,439	(14.33)
+ Net financial revenue (expenses)	(24,803)	39,455	-
+ Depreciation and amortization	175,375	164,257	6.77
= Ebitda according to "CVM Instruction 527" (1)	**654,529**	**745,303**	**(12.18)**
+ Reversal of tax provisions	-	(78,688)	-
= Ebitda Adjusted (2)	**654,529**	**666,615**	**(1.81)**

(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.





Cemig D's Ebitda in the first quarter of 2022 was 12.18% lower than its Ebitda in the same period of 2021; and Ebitda margin was 13.78% in the first quarter of 2022, compared to 15.99% in the same period of 2021. Cemig D's Adjusted Ebitda in the first quarter of 2022 was 1.81% lower than its Ebitda in the first quarter of 2021; and Ebitda margin was 13.78% in the first quarter of 2022, compared to 14.30% in the same period of 2021.

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Operational revenue

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

	Jan to Mar, 2022	Jan to Mar, 2021
Revenue from supply of energy - captive customers, in Cemig's concession area	5,993,356	5,074,888
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization	436,718	178,373
Revenue from use of the energy distribution systems (TUSD) - free customers	868,131	842,555
CVA, and Other financial components	(700,107)	338,907
Distribution construction revenue	429,503	321,301
Adjustment to expectation from reimbursement of distribution concession financial assets	19,732	10,906
Fine for violation of service continuity indicator	(31,894)	(30,569)
Transactions in energy on the CCEE	(51,684)	57,197
Mechanism for the sale of surplus	138,994	-
Other operating revenues	463,742	387,753
Deductions on revenue	(2,818,174)	(2,519,336)
	4,748,317	**4,661,975**

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

Total revenue from energy sold to final customers from January to March 2022 was R$5,993,356 - or 18.10% higher than in the same period in 2021 (R$5,074,888). The main factors in this revenue, in the first quarter of 2022, were:

Energy sold by customers class	Jan to Mar, 2022			Jan to Mar, 2021			Change (%)	
	GWh (1)	R$	Average price billed (R$/GWh) (2)	GWh (1)	R$	Average price billed (R$/GWh) (2)	GWh	R$
Residential	2,841,768	3,115,808	1,096.43	2,875,007	2,659,586	925.07	(1.16)	17.15
Industrial	368,760	344,268	933.58	430,303	315,126	732.34	(14.30)	9.25
Commercial, Services and Others	1,148,033	1,462,294	1,273.74	1,106,513	1,107,130	1,000.56	3.75	32.08
Rural	540,836	487,744	901.83	837,407	532,951	636.43	(35.42)	(8.48)
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	**5,728,557**	**6,003,777**	**1,048.04**	**6,138,418**	**5,158,732**	**840.40**	**(6.68)**	**16.38**
Own consumption	9,854	-	-	8,560	-	-	15.12	-
Wholesale supply to other concession holders (3)	-	12,794	-	-	913	-	-	-
Wholesale supply not yet invoiced, net	-	(23,215)	-	-	(84,757)	-	-	-
Total	**5,738,411**	**5,993,356**	**1,044.43**	**6,146,978**	**5,074,888**	**825.59**	**(6.65)**	**18.10**

(1) Information in GWh has not been reviewed by independent auditors.
(2) The calculation of average price does not include revenue from supply not yet billed.
(3) Includes Regulated Market Electricity Sale Contracts (CCEARs) and 'bilateral contracts' with other agentes.

- increase of 3.75% on energy billed to the Commercial and Services category of consumers, mainly reflecting the increase of approximately 21% in the number of consumers in this category, including numerous consumers transferred from the *Rural* and *Public service* categories, in accordance with Aneel Normative Resolution (ReN) 901/2020, which ruled that clients who had not brought their records up to date and proved that their activity qualifies for the tariff benefit should be transferred to *Commercial and Services*;

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- increase of 9.36% on volume of electricity billed to the *Public authorities* user category, 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;
- increase on 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;

Revenue from Use of Distribution Systems - free customers

This is revenue from charging Free Customers the Tariff for Use of the Distribution System (TUSD), on the volume of energy distributed. From January to March 2022 this was R$868,131, compared to R$842,555 in the same period in 2021, an increase of 3.04%.

This difference mainly arises from the Company's annual tariff adjustment of 2021 in effect of 2.40% for free customers, applied from May 28, 2021. Additionally, there was an increase on volume of energy transported in the first quarter of 2022 due to the higher consumption for irrigation by rural consumers, and the migration of commercial consumers to the Free Market, as follows.

	GWh		
	Jan to Mar, 2022	Jan to Mar, 2021	Var %
Industrial	4,935,505	4,982,862	(0.95)
Commercial	433,917	366,150	18.51
Rural	11,986	9,787	22.47
Public services	262	651	(59.75)
Public authorities	610	-	-
Concessionaires	63,562	72,117	(11.86)
Total	**5,445,842**	**5,431,567**	**0.26**

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).

From January to March 2022 an expense of R$700,107 was recognized, compared to a gain of R$338,907 in the same period of 2021. 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 first quarter of 2021 and also the lower cost of purchase of electricity in the regulatory environment

More details in Note 11 of this interim financial information.

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Construction revenue

Infrastructure construction revenue in the first quarter of 2022 was R$429,503 million, compared to R$321,301 in 2021. This increase was mainly due to execution of a larger percentage of the Company's investment plan budget than in the first quarter of 2021, especially in distribution, mainly 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.

Revenue from the mechanism for the sale of energy surplus (MVE)

Revenues from transactions in the Excess Sales Mechanism (Mecanismo de Venda de Excedentes - MVE) totaled R$138,994 from January to March 2022. The MVE is an instrument regulated by Aneel enabling distributors to sell overcontracted supply - i.e. supply in excess of what turns out to be their need to meet demand from captive consumers.

Taxes and regulatory charges reported as Deductions from revenue

The taxes and charges that are recorded as deductions from operating revenue totaled R$2,818,174 from January to March 2022, or 11.86% more than in the same period of 2021 (R$2,519,336). The main factors were:

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, the subsidy for balanced tariff reduction, the low-income consumer subsidy, the coal consumption subsidy, and the Fuels Consumption Account (CCC).

CDE charges from January to March 2022 totaled R$954,744, 55.63% more than in the same period of 2021 (R$613,479). This mainly reflects the start of charging of the 'CDE Covid Account' 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.

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Customer charges - the 'Flag' Tariff system

The 'Flag' tariff bands are activated as a result of low levels of water in the system's reservoirs - tariffs are temporarily increased due to scarcity of rain. The 'Red' band has two levels - Level 1 and Level 2. Level 2 comes into effect when the levels of reservoirs are more critical. Activation of the flag tariffs generates an impact on billing in the subsequent month.

Cemig's balance with the Flag account in the first quarter of 2022 was positive, in the amount of R$251,821, compared to R$48,020 in the same period of 2021 - as a result of activation of the water scarcity flag tariff. This was created in response to the increase in costs of generation arising from the scarcity of water between October 2020 and April 2021 - Brazil's worst rainfall in the previous 91 years. It has been in effect from September 2021 through April 2022.

Other taxes and charges on revenue

The other significant deductions from revenue are 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$4,269,163 from January to March 2022, or 4.61% higher than in in the same period of 2021 (R$4,080,929).

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

Energy purchased for resale

This expense was R$1,978,485 from January to March 2022, 7.91% lower when compared to R$2,148,339 in the same period of 2021. This arises mainly from the following items:

- expenses on supply of power from Itaipu were 19.17% lower, at R$394,055 from January to March 2022, compared to R$487,525 in the same period of 2021, mainly reflecting: the reduction of the price of supply from Itaipu from R$28.07/kW to R$24.73/kW, in turn reflecting 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;

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- expenses on supply acquired at auction were 43.89% lower, at R$634,296 from January to March 2022, compared to R$1,130,524 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; and
- the reductions referred above were partially offset by expenses on distributed generation that were 77.86% higher, at R$453,589 from January to March 2022, compared to R$255,024 in the same period of 2021. This higher figure 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).

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 24c of this interim financial information.

Charges for use of the transmission network

Charges for use of the transmission network from January to March 2022 totaled R$888,952, compared with the same period in 2021 (R$765,274), an higher of 16.16%.

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 Regulator (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.

Operating provisions

Operating provisions from January to March 2022 totaled R$105,437 compared to R$18,112 in the same period of 2021. This main impacts result from the following factors:

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- Net additional provisions for tax legal actions, of R$21,689, from January to March 2022, compared to a net reversal of provisions in the same period of 2021, of R$32,938. 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; and
- Provisions for employment-law legal actions 230.69% higher, at R$27,308 from January to March 2022, compared to R$8,258 in the same period of 2021. This increase arises mainly from recalculation of provisions for employment-law legal actions, in 2021, as a result of the decision by the Federal Supreme Court to change the inflation correction index applied to employment-law legal liabilities.

Net financial revenue (expenses)

Cemig D reports net financial revenue from January to March 2022, of R$24,802, compared to net financial expenses, of R$39,455, in the same period of 2021. The most significant variations in components of Net financial revenue (expenses) between the two years were:

- The gain on monetary adjustment of amounts deposited in escrow with the courts was higher, at R$8,701 from January to March 2022, compared to R$1,553 in the same period of 2021. The change mainly reflects the increase in the indices used for inflation adjustment, especially the Selic Rate;
- The monetary variation on the CVA account was a net gain of R$51,999 from January to March 2022, compared to a net expense of R$1,541 in the same period of 2021. The change mainly reflects a higher balance receivable in the CVA account in 2022, to which inflation adjustment was applied, than in 2021;
- The monetary adjustment expense on loans, financings and debentures was 11.89% lower from January to March 2022, at R$62,189, than in the same period of 2021 (R$70,582). There was a significant difference between inflation as measured by the IPCA index - the main indexor used for updating the Company's debts - in the two periods: it was 3.20% from January to March 2022, compared to 2.05% in the same period of 2021; and
- Borrowing expenses on loans, financings and debentures were 36.67% higher from January to March 2022, at R$56,238, than in the same period of 2021 (R$41,149). This difference mainly reflects the increase in the Selic rate in 2022, compared to the previous year.

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

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Income tax and social contribution tax

From January to March 2022, the expense on income tax and the social contribution tax totaled R$128,030, on pre-tax profit of R$503,957. From January to March 2021, the expense on income tax and the social contribution tax was R$149,439, on pre-tax profit of R$541,591.

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

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

(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 without portfolio

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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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 Management of:
Cemig Distribuição S.A.
Belo Horizonte - MG

Introduction

We have reviewed the accompanying interim financial information, contained in the Quarterly Information Form (ITR) of Cemig Distribuição S.A. ("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 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 interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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).

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Emphasis of matter

Risks relating to compliance with laws and regulations

As mentioned in Note 28 to the interim financial information, the Company and its parent Companhia Energética de Minas Gerais – Cemig are being investigated by public authorities, which involve and include some of their executives. We are currently unable to foresee developments or potential impacts of these investigation processes conducted by the public authorities on the Company's interim financial information. Our conclusion is not modified in respect of this matter.

Other matters

Statement of value added

The above mentioned quarterly information include the statement 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. This statement has been subjected to review procedures performed together with the review of the quarterly information with the objective to conclude whether it is 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 it was not prepared, in all material respects, consistently with the overall 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

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