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**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2022 AND DECEMBER 31, 2021**  
**ASSETS**  
**(In thousands of Brazilian Reais)**

	Note	Jun. 30, 2022	Dec. 31, 2021
<b>CURRENT</b>			
Cash and cash equivalents	4	788,847	198,694
Marketable securities	5	580,523	342,243
Receivables from customers, traders and concession holders	6	2,822,406	3,021,976
Concession holders - Transport of energy	6	277,473	264,910
Recoverable taxes	7	1,513,515	1,907,198
Income tax and social contribution tax credits	8a	196,553	45,363
Inventories		24,874	29,963
Public lighting contribution		198,737	233,315
Reimbursement of tariff subsidies payments	10	90,963	287,420
Low-income subsidy		50,269	46,540
Concession financial assets	11	1,315,658	1,221,433
Others		394,286	161,923
<b>TOTAL CURRENT</b>		<b>8,254,104</b>	<b>7,760,978</b>
<b>NON-CURRENT</b>			
Marketable Securities	5	7,562	69,125
Deferred Income tax and social contribution tax	8b	2,208,825	1,656,651
Recoverable taxes	7	934,329	1,197,692
Income tax and social contribution tax recoverable	8a	72,211	68,967
Escrow deposits	9	633,898	619,772
Concession holders - Transport of energy	6	46,624	48,148
Others credits		13,101	13,352
Concession financial assets	11	948,513	1,609,844
Contract assets	12	2,127,660	1,926,652
Intangible assets	13	9,800,404	9,449,638
Leasing - right of use assets	14	150,896	176,809
<b>TOTAL NON-CURRENT</b>		<b>16,944,023</b>	<b>16,836,650</b>
<b>TOTAL ASSETS</b>		<b>25,198,127</b>	<b>24,597,628</b>

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

**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2022 AND DECEMBER 31, 2021**  
**LIABILITIES**  
**(In thousands of Brazilian Reais)**

	Note	Jun. 30, 2022	Dec. 31, 2021
<b>CURRENT</b>			
Loans, financing and debentures	17	856,258	875,254
Suppliers	15	1,578,718	2,019,994
Taxes payable	16	202,035	226,823
Payroll and related charges		171,696	141,428
Regulatory charges	18	403,543	499,178
Employees' and managers' profit shares		68,234	87,116
Post-employment obligations	19	258,999	244,559
Public lighting contribution		291,511	357,106
Credits of energy injected		310,622	236,000
Sector financial liabilities	11	-	51,359
Interest on equity, and dividends, payable	25	986,795	916,961
PIS/Pasep and Cofins taxes to be refunded to customers	16	2,579,363	704,025
Lease liabilities	14	30,109	49,261
Others		261,002	250,829
<b>TOTAL CURRENT</b>		<b>7,998,885</b>	<b>6,659,893</b>
<b>NON-CURRENT</b>			
Loans, financing and debentures	17	3,939,029	3,371,907
Provisions	20	2,641,239	1,203,590
Post-employment obligations	19	3,974,206	3,928,836
Regulatory charges	18	48,300	197,457
Concession financial liabilities	11	270,951	-
PIS/Pasep and Cofins taxes to be refunded to customers	16	33,384	2,132,289
Lease liabilities	14	137,305	141,751
Others		19,232	19,239
<b>TOTAL NON-CURRENT</b>		<b>11,063,646</b>	<b>10,995,069</b>
<b>TOTAL LIABILITIES</b>		<b>19,062,531</b>	<b>17,654,962</b>
<b>EQUITY</b>			
	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 (losses)		(807,070)	-
<b>TOTAL EQUITY</b>		<b>6,135,596</b>	<b>6,942,666</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>25,198,127</b>	<b>24,597,628</b>

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

**STATEMENTS OF INCOME**  
**FOR THE SIX-MONTH PERIODS ENDED AS OF JUNE 30, 2022 AND 2021**  
**(In thousands of Brazilian Reais, except earnings per share)**

	Note	Jan to Jun, 2022	Jan to Jun, 2021
Revenue	22	9,679,436	9,463,013
<b>OPERATING COSTS</b>			
<b>COST OF ENERGY</b>			
Energy purchased for resale	23	(4,235,694)	(4,523,541)
Charges for use of the national grid		<u>(1,468,393)</u>	<u>(1,485,726)</u>
		(5,704,087)	(6,009,267)
<b>OTHER COSTS</b>			
Personnel	23	(311,115)	(351,266)
Materials		(18,347)	(23,929)
Outsourced services		(497,870)	(548,013)
Amortization		(307,641)	(287,081)
Operating provisions, net	23d	(95,540)	(16,424)
Infrastructure construction cost	23d	(1,405,106)	-
Others		<u>(1,112,782)</u>	<u>(719,519)</u>
		(16,223)	(31,119)
<b>TOTAL COST</b>		<b>(9,468,711)</b>	<b>(7,986,618)</b>
<b>GROSS PROFIT</b>		<b>210,725</b>	<b>1,476,395</b>
<b>OPERATING EXPENSES</b>			
Selling expenses	23		
General and administrative expenses		(133,709)	(36,389)
Other operating expenses, net		<u>(377,314)</u>	<u>(194,864)</u>
		<b>(312,845)</b>	<b>(239,385)</b>
		(823,868)	(470,638)
<b>Operating income before financial revenue (expenses) and taxes</b>			
Finance income		(613,143)	1,005,757
Finance expenses	24	<u>405,157</u>	<u>292,851</u>
<b>Income before income tax and social contribution tax</b>	<b>24</b>	<b>(712,741)</b>	<b>(282,393)</b>
		<b>(920,727)</b>	<b>1,016,215</b>
Current income tax and social contribution tax	8c	<u>(155,798)</u>	<u>(296,920)</u>
<b>Deferred income tax and social contribution tax</b>	<b>8c</b>	<b>552,174</b>	<b>20,498</b>
Net income (loss) for the period		<u>(524,351)</u>	<u>739,793</u>

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

**STATEMENTS OF INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED AS OF JUNE 30, 2022 AND 2021**  
 (In thousands of Brazilian Reais, except earnings per share)

	Note	Apr to Jun, 2022	Apr to Jun, 2021
Revenue	22	4,931,119	4,801,038
<b>OPERATING COSTS</b>			
<b>COST OF ENERGY</b>			
Energy purchased for resale	23	(2,257,209)	(2,375,202)
Charges for use of the national grid		(579,441)	(720,452)
		(2,836,650)	(3,095,654)
<b>OTHER COSTS</b>			
Personnel	23	(172,912)	(201,032)
Materials		(10,060)	(16,212)
Outsourced services		(248,554)	(301,446)
Amortization		(155,707)	(144,284)
Provisions for contingencies, net		(36,073)	(31,490)
Operating provisions, net		(1,405,106)	-
Infrastructure construction cost		(683,279)	(398,218)
Others		(7,901)	(23,450)
		(2,719,592)	(1,116,132)
<b>TOTAL COST</b>		<b>(5,556,242)</b>	<b>(4,211,786)</b>
<b>GROSS PROFIT</b>		<b>(625,123)</b>	<b>589,252</b>
<b>OPERATING EXPENSES</b>			
Selling expenses	23	(89,450)	7,789
General and administrative expenses		(206,731)	(49,160)
Other operating expenses, net		(170,993)	(123,170)
		(467,174)	(164,541)
<b>Operating income before financial revenue (expenses) and taxes</b>		<b>(1,092,297)</b>	<b>424,711</b>
Finance income	24	218,830	185,337
Finance expenses	24	(551,217)	(135,424)
<b>Income before income tax and social contribution tax</b>		<b>(1,424,684)</b>	<b>474,624</b>
Current income tax and social contribution tax	8c	-	(130,237)
Deferred income tax and social contribution tax	8c	524,406	3,254
<b>Net income (loss) for the period</b>		<b>(900,278)</b>	<b>347,641</b>
Basic and diluted earnings (losses) per shares, R\$	21	(0.38)	0.15

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

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021  
(In thousands of Brazilian Reais)**

	Jan to Jun, 2022	Jan to Jun, 2021
Net income (loss) for the period	(524,351)	739,793
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(524,351)</b>	<b>739,793</b>

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

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021  
(In thousands of Brazilian Reais)**

	Apr to Jun, 2022	Apr to Jun, 2021
Net income (loss) for the period	(900,278)	347,641
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(900,278)</b>	<b>347,641</b>

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

**STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021  
(In thousands of Brazilian Reais, except where otherwise stated)**

	Share capital	Profit reserves	Valuation adjustments	Retained earnings	Total equity
<b>BALANCES ON DECEMBER 31, 2020</b>	<b>5,371,998</b>	<b>2,653,670</b>	<b>(2,004,037)</b>	-	<b>6,021,631</b>
Net income for the period	-	-	-	739,793	739,793
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	<b>739,793</b>	<b>739,793</b>
Interest on Equity (R\$0.0772 per share)	-	-	-	(182,086)	(182,086)
<b>BALANCES ON JUNE 30, 2021</b>	<b>5,371,998</b>	<b>2,653,670</b>	<b>(2,004,037)</b>	<b>557,707</b>	<b>6,579,338</b>
<b>BALANCES ON DECEMBER 31, 2021</b>	<b>5,371,998</b>	<b>3,404,039</b>	<b>(1,833,371)</b>	-	<b>6,942,666</b>
Loss for the period	-	-	-	(524,351)	(524,351)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	<b>(524,351)</b>	<b>(524,351)</b>
Interest on Equity (R\$0.1198 per share)	-	-	-	(282,719)	(282,719)
<b>BALANCES ON JUNE 30, 2022</b>	<b>5,371,998</b>	<b>3,404,039</b>	<b>(1,833,371)</b>	<b>(807,070)</b>	<b>6,135,596</b>

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021**  
**(In thousands of Brazilian Reais)**

	Note	Jan to Jun, 2022	Jan to Jun, 2021
<b>CASH FLOW FROM OPERATIONS</b>			
Net income for the period		(524,351)	739,793
Expenses (revenues) not affecting cash and cash equivalents:			
Post-employment obligations	19	225,518	170,420
Depreciation and amortization	13b and 14a	354,256	330,129
Operating provisions	23d	1,649,267	41,813
Provision for impairment of contract assets	12	(7,053)	(3,722)
Write-off of net residual value of unrecoverable Concession financial assets and Intangible assets	11a and 13b	10,309	12,787
Refunded of PIS/Pasep and Cofins over ICMS credits to customers - realization	22	(935,491)	(430,911)
Financial interest and inflation adjustment		538,523	219,156
Adjustment to expectation of contractual cash flow from the concession	11a	(38,762)	(20,025)
Amortization of transaction cost of loans and financings	17	874	904
CVA and other financial components in tariff adjustments	22	972,040	(792,651)
Deferred income tax and social contribution tax	8a	(552,174)	(20,498)
		<u>1,692,956</u>	<u>247,195</u>
<b>Increase (decrease) in assets</b>			
Receivables from customers, traders and concession holders		65,861	(24,391)
Concession holders - Transport of energy		(11,039)	(4,096)
CVA (Parcel A items Compensation) Account and Other financial components in tariff adjustments		190,658	-
Recoverable taxes	7	170,438	(21,644)
Income tax and social contribution tax recoverable		(15,177)	(11,566)
Escrow deposits		5,833	(45,568)
Public lighting contribution		34,578	(17,731)
Reimbursement of tariff subsidies	10	196,457	635
Low-income subsidy		(3,729)	342
Others		(241,935)	(18,264)
		<u>391,945</u>	<u>(142,283)</u>
<b>Increase (decrease) in liabilities</b>			
Suppliers		(473,489)	(21,950)
Taxes payable		443,452	460,059
Income tax and social contribution tax payable		155,798	296,920
Payroll and related charges		30,268	22,446
Public lighting contribution		(65,595)	(22,601)
Regulatory charges	18	(244,792)	67,197
Post-employment obligations	19	(165,708)	(143,841)
Provisions	20	(62,997)	(47,139)
Employees' and managers' profit sharing		(18,882)	(33,158)
Others		103,173	101,227
		<u>(298,772)</u>	<u>679,160</u>
<b>Cash from operating activities</b>		<b>1,786,129</b>	<b>784,072</b>
Interest paid on loans, financings and debentures	17	(160,970)	(141,502)
Interest paid in leasing contracts	14	(937)	(833)
<b>NET CASH GENERATED IN OPERATING ACTIVITIES</b>		<b>1,624,222</b>	<b>641,737</b>
<b>CASH FLOW IN INVESTMENT ACTIVITIES</b>			
Marketable securities - cash investments	5	(176,717)	1,109,045
Intangible assets	13	(26,207)	(13,450)
Contract assets	12	(1,070,325)	(694,187)
<b>NET CASH FLOW USED IN INVESTMENT ACTIVITIES</b>		<b>(1,273,249)</b>	<b>401,408</b>
<b>CASH FLOW IN FINANCING ACTIVITIES</b>			
Loans, financings and debentures obtained, net	17	987,575	-
Lease liabilities paid	14b	(29,525)	(26,725)
Loans, financings and debentures, paid	17	(548,393)	(851,980)
Interest on capital and dividends paid		(170,477)	(242,744)
<b>NET GENERATED IN FINANCIAL ACTIVITIES</b>		<b>239,180</b>	<b>(1,121,449)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD</b>		<b>590,153</b>	<b>(78,304)</b>
Cash and cash equivalents at beginning of the period	4	198,694	659,045
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>788,847</b>	<b>580,741</b>

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



**STATEMENTS OF ADDED VALUE**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021**  
**(In thousands of Brazilian Reais)**

	Jan to Jun, 2022		Jan to Jun, 2021	
<b>REVENUES</b>				
Sales of energy and services	14,549,997		13,821,097	
Distribution construction revenue	1,112,782		719,519	
Adjustment to expectation of reimbursement of distribution concession financial assets	38,762		20,025	
Other revenues	-		4,636	
Provision for expected credit losses of accounts receivable	(133,709)		(36,389)	
	<u>15,567,832</u>		<u>14,528,888</u>	
<b>INPUTS ACQUIRED FROM THIRD PARTIES</b>				
Energy purchased for resale	(4,549,599)		(4,902,137)	
Charges for use of national grid	(1,618,064)		(1,637,163)	
Outsourced services	(1,044,929)		(881,492)	
Materials	(687,342)		(410,160)	
Other operating costs	(1,584,128)		(108,930)	
	<u>(9,484,062)</u>		<u>(7,939,882)</u>	
<b>GROSS VALUE ADDED</b>	<b>6,083,770</b>		<b>6,589,006</b>	
<b>RETENTIONS</b>				
Depreciation and amortization	(354,256)		(330,129)	
<b>NET ADDED VALUE PRODUCED BY THE COMPANY</b>	<b>5,729,514</b>		<b>6,258,877</b>	
<b>ADDED VALUE RECEIVED BY TRANSFER</b>				
Financial revenues	417,156		307,570	
<b>ADDED VALUE TO BE DISTRIBUTED</b>	<b>6,146,670</b>		<b>6,566,447</b>	
<b>DISTRIBUTION OF ADDED VALUE</b>				
		%		%
<b>Employees</b>	<b>698,834</b>	<b>11.36</b>	<b>605,956</b>	<b>9.23</b>
Direct remuneration	374,610	6.09	351,579	5.35
Post-employment obligations and Other benefits	264,509	4.30	203,264	3.10
FGTS fund	22,780	0.37	22,044	0.34
Programmed Voluntary Retirement Plan ('PDVP')	36,935	0.60	29,069	0.44
<b>Taxes</b>	<b>5,237,957</b>	<b>85.22</b>	<b>4,923,060</b>	<b>74.97</b>
Federal	2,234,285	36.35	2,141,617	32.61
State	3,000,188	48.81	2,778,288	42.31
Municipal	3,484	0.06	3,155	0.05
<b>Remuneration of external capital</b>	<b>734,230</b>	<b>11.95</b>	<b>297,638</b>	<b>4.53</b>
Interest	728,991	11.86	294,331	4.48
Rentals	5,239	0.09	3,307	0.05
<b>Remuneration of own capital</b>	<b>(524,351)</b>	<b>(8.53)</b>	<b>739,793</b>	<b>11.27</b>
Interest on Equity	282,719	4.60	182,086	2.77
Retained earnings (losses)	(807,070)	(13.13)	557,707	8.50
	<u>6,146,670</u>	<u>100.00</u>	<u>6,566,447</u>	<u>100.00</u>

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

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

## **1. OPERATING CONTEXT**

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

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

The Company has a concession area of 567,478 km<sup>2</sup>, comprising approximately 97% of the Brazilian state of Minas Gerais, serving 8,926,466 customers, on June 30, 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.

### **1.1 Acceptance of the Hydrological Scarcity Account conditions**

On May 03, 2022, Aneel determined the values of the funds in the Water Scarcity Account regarding the amounts requested by distribution agents through their Terms of Acceptance of the Provisions of Decree 10,939, of 2022, under the Normative Resolution (ReN) 1,008 of 2002.

The Cemig Distribuição S.A. ("Cemig D") requested the ceiling amount of the funds in the first passthrough under the Decree, relating to the Program for Voluntary Consumption Reduction (Programa de Incentivo à Redução Voluntária de Consumo), and also to importation of energy authorized by the Chamber of Hydroenergetic Management Exceptional Rules (Câmara de Regras Excepcionais para Gestão Hidroenergética - "CREG"), for July and August 2021, totaling R\$190,658, received on May 9, 2022.

The distributors that joined the terms of the Decree relinquished to: (i) request to suspend or reduce energy acquired through purchase power agreement as a result of any reduction in consumption occurring until December 2022; (ii) declare dividends or interest on equity exceeding 25% of their net profit, adjusted for the Legal Reserve and

Contingency Reserve, in case of intra-sector delinquency; and (iii) the right to challenge, either in court or in an arbitration tribunal, the conditions set by the Degree.

Under Normative Resolution (ReN) 10,008/2002, the amounts transferred to each distribution agent shall be reverted into negative financial components until the tariff adjustment process of 2024, duly updated by Selic rate, with neutrality assured.

## **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 August 12, 2022.

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

Number of the Notes		Title of the Notes
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

## 2.3. New accounting standards, interpretation or amendments of accounting standards, applied for the first time in 2022

The changes to IAS 37 (*Provisions, Contingent liabilities and Contingent assets*) and IAS 16 (*Property, Plant and Equipment*), in effect for annual reporting periods beginning on or after January 1, 2022, have no impact on the Company interim accounting information.

## 3. OPERATING SEGMENTS

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

## 4. CASH AND CASH EQUIVALENTS

	Jun. 30, 2022	Dec. 31, 2021
Bank accounts	39,142	104,930
Cash investments		
Bank certificates of deposit (1)	608,372	77,814
Automatic applications - Overnight (2)	141,333	15,950
	<b>749,705</b>	<b>93,764</b>
	<b>788,847</b>	<b>198,694</b>

- (1) *Bank Certificates of Deposit (Certificados de Depósito Bancário, or CBDs)*, accrued interest at 80% 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 June 30, 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 12.89% to 13.14% on June 30, 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

	Jun. 30, 2022	Dec. 31, 2021
Bank certificates of deposit (1)	135,325	19,689
Financial Notes (LFs) - banks (2)	355,057	345,714
Treasury Financial Notes (LFTs) (3)	86,689	34,937
Debentures (4)	10,001	4,862
Others	1,013	6,166
	<b>588,085</b>	<b>411,368</b>
<b>Current asset</b>	<b>580,523</b>	<b>342,243</b>
<b>Non-current asset</b>	<b>7,562</b>	<b>69,125</b>

- (1) *Bank Certificates of Deposit (Certificados de Depósito Bancário, or CBDs)*, accrued interest at 103% to 112% of the CDI Rate (Interbank Rate for Interbank Certificates of Deposit or *Certificados de Depósito Inter-bancário - CDIs*) published by the Custody and Settlement Chamber (*Câmara de Custódia e Liquidação, or Cetip*) on June 30, 2022 (107.24% of the CDI Rate 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 104.94% to 130% of the CDI rate on June 30, 2022 (105% to 130% of the CDI rate 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 13.14% to 13.50% on June 30, 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 114.83% of the CDI rate on June 30, 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.

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

Customer type	Balances not yet due		Balances past due			Total	
	Billed energy	Not yet billed energy	Up to 90 days	91 to 360 days	More than 360 days	Jun. 30, 2022	Dec. 31, 2021
Residential	742,795	259,190	410,980	356,241	67,624	1,836,830	1,871,570
Industrial	27,769	63,592	16,756	13,467	134,576	256,160	261,341
Commercial, services and others	291,848	153,085	115,035	97,563	138,443	795,974	765,846
Rural	127,382	78,849	51,232	47,489	21,853	326,805	349,398
Public authorities	108,425	29,658	3,239	1,093	19,601	162,016	236,355
Public lighting	13,105	509	422	383	1,009	15,428	22,320
Public services	50,965	41,492	3,313	4,268	28,351	128,389	124,974
<b>Subtotal - customers</b>	<b>1,362,289</b>	<b>626,375</b>	<b>600,977</b>	<b>520,504</b>	<b>411,457</b>	<b>3,521,602</b>	<b>3,631,804</b>
Concession holders - Transport of energy	67,431	245,425	10,463	7,713	77,402	408,434	400,817
Energy in spot market - supply	-	-	31,193	2,727	913	34,833	77,284
Provision for doubtful receivables	(147,759)	(10,956)	(81,861)	(110,968)	(466,822)	(818,366)	(774,871)
	<b>1,281,961</b>	<b>860,844</b>	<b>560,772</b>	<b>419,976</b>	<b>22,950</b>	<b>3,146,503</b>	<b>3,335,034</b>
<b>Current</b>							
Receivables from customers, traders and concession holders						2,822,406	3,021,976
Concession holders - Transport of energy						277,473	264,910
<b>Non-current</b>							
Concession holders - Transport of energy						46,624	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:

	Jun. 30, 2022	Dec. 31, 2021
Residential	247,575	217,594
Industrial	139,772	141,009
Commercial, services and others	229,980	212,464
Rural	37,342	32,795
Public authorities	39,861	44,993
Public lighting	1,480	988
Public services	38,021	37,269
Concession holders - Transport of energy	84,335	87,759
	<b>818,366</b>	<b>774,871</b>

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 June 30, 2021, offsetting began in April 2021. Until June 30, 2022, 15 (fifteen) out of 21 (twenty-one) installments, in the amount of R\$10,584 each were offset, remaining outstanding R\$63,504, presented in the Public Authority line, column balances not yet due, since there is an agreement for its receipt. 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:

<b>Balance on December 31, 2021</b>	<b>774,871</b>
Additions, net (Note 23)	133,709
Disposals	(90,214)
<b>Balance on June 30, 2022</b>	<b>818,366</b>

Based on the opinions of its legal advisers, the Company had constituted a liability for the portion of the tax credits corresponding to the period of the last 10 years (from June 2009 to May 2019), net of PIS, Pasep and Cofins taxes on the gain from monetary updating.

On June 7, 2022, the lower house of Brazil's Congress approved Draft Law 1280/22, which amended Law 9427/96 as to reimbursement of amounts of tax paid in excess by providers of public energy service. This draft law specified that 100% of the tax credits related to undue charging of PIS, Pasep and Cofins taxes on amounts of ICMS tax should be paid to the clients of energy distributors, without the limitation of the 10-year period referred to above.

On June 21, 2022, Aneel took the effects of this law - which was still a draft law, awaiting only presidential signature to take effect - into account in the Company's annual tariff adjustment. On June 27, the draft law was converted into Law 14385/22, and the Company posted a complementary amount in liabilities, as per Explanatory Notes 16 and 20.

The Company's management awaits regulation of the Law by Aneel, and is assessing possible future actions related to this matter with its legal advisers.

On June 30, 2022 the Company recorded in current asset and non-current asset the amounts of R\$1,419,268 and R\$560,282, 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 semester of 2022, credits of PIS/Pasep and Cofins taxes were offset against payable federal taxes in the amount of R\$823,148 (R\$695,019 in the first semester of 2021).

## 7. RECOVERABLE TAXES

	Jun. 30, 2022	Dec. 31, 2021
<b>Current</b>		
ICMS tax recoverable	90,403	77,705
COFINS tax (a)	1,167,983	1,502,006
PIS-PASEP taxes (a)	253,165	327,075
Others	1,964	412
	<b>1,513,515</b>	<b>1,907,198</b>
<b>Non-current</b>		
ICMS tax recoverable	374,047	312,339
COFINS tax (a)	460,340	727,425
PIS-PASP taxes (a)	99,942	157,928
	<b>934,329</b>	<b>1,197,692</b>
	<b>2,447,844</b>	<b>3,104,890</b>

### 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.

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 excluded the ICMS tax paid from these taxes basis of calculation, instead of the ICMS tax stated on invoices.

Based on the opinion of its legal advisers, the Company had constituted a liability for the portion of the tax credits corresponding to the period of the last 10 years (from June 2009 to May 2019), net of PIS, Pasep and Cofins taxes on the gain from monetary updating.

On June 7, 2022, the lower house of Brazil's Congress approved Draft Law 1280/22, which amended Law 9427/96 as to reimbursement of amounts of tax paid in excess by providers of public energy service. This draft law specified that 100% of the tax credits related to undue charging of PIS, Pasep and Cofins taxes on amounts of ICMS tax should be paid to the clients of energy distributors, without the limitation of the 10-year period referred to above.



On June 21, 2022, Aneel considered the bill effects in the Company's annual tariff adjustment, on the grounds that it was only awaiting presidential assent to take effect. On June 27, the bill was converted into Law 14,385/22, and the Company made a allowance, posting a additional amount in liabilities, as per Explanatory Notes 20 and 24.

The Company's management awaits the Law regulation by Aneel, and is assessing possible future actions related to this matter with its legal advisers.

On June 30, 2022, the Company recorded the amount of R\$1,419,268 in current assets and R\$560,282 in non-current assets referring to credits of PIS/Pasep and Cofins taxes updated by Selic until the date of their effective offset.

In the first semester of 2022, credits of PIS/Pasep and Cofins taxes were offset against federal taxes payable in the amount of R\$823,148 (R\$695,019 in the same period in 2021).

## 8. INCOME AND SOCIAL CONTRIBUTION TAXES

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

	Jun. 30, 2022	Dec. 31, 2021
Income tax	185,427	37,388
Social contribution tax	83,337	76,942
	<b>268,764</b>	<b>114,330</b>
<b>Current</b>	<b>196,553</b>	<b>45,363</b>
<b>Non-current</b>	<b>72,211</b>	<b>68,967</b>

### b) Deferred income and social contribution taxes

Temporary differences of income tax and social contribution tax	Jun. 30, 2022	Dec. 31, 2021
<b>Deferred tax assets</b>		
Tax loss / negative basis	33,783	-
Post-employment obligations	1,358,572	1,324,647
Doubtful receivables	312,706	292,275
Impairment	20,154	22,552
Provisions for contingencies	359,007	350,522
Administrative tax	4,688	4,875
Provision for profit shares	23,200	29,620
Others	7,545	7,029
	<b>2,597,391</b>	<b>2,031,520</b>
<b>Deferred tax liabilities</b>		
Adjustment to expectation of cash flow - Concession assets	(216,625)	(207,940)
Borrowing costs capitalized	(165,928)	(164,716)
Transaction cost	(6,013)	(2,213)
	<b>(388,566)</b>	<b>(374,869)</b>
<b>Total deferred tax, net</b>	<b>2,208,825</b>	<b>1,656,651</b>

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

<b>Balance on December 31, 2021</b>	<b>1,656,651</b>
Effects allocated to income statements	552,174
<b>Balance on June 30, 2022</b>	<b>2,208,825</b>

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

	Jan to Jun, 2022	Jan to Jun, 2021
Profit before income tax and social contribution tax	(920,727)	1,016,215
Nominal rate	34%	34%
Income tax and social contribution tax - nominal expense	313,047	(345,513)
<b>Tax effects applicable to:</b>		
Interest on equity and dividends payable	96,124	61,909
Tax incentives	13,433	19,509
Non-deductible contributions and donations	(2,658)	(1,624)
Non-deductible penalties	(21,560)	(10,145)
Others	(2,010)	(558)
	<b>396,376</b>	<b>(276,422)</b>
<b>Effective rate</b>	<b>(43.05%)</b>	<b>27.20%</b>
<b>Current tax</b>	<b>(155,798)</b>	<b>(296,920)</b>
<b>Deferred tax</b>	<b>552,174</b>	<b>20,498</b>

	Apr to Jun, 2022	Apr to Jun, 2021
Profit before income tax and social contribution tax	(1,424,684)	474,624
Nominal rate	34%	34%
Income tax and social contribution tax - nominal expense	484,393	(161,372)
<b>Tax effects applicable to:</b>		
Interest on equity and dividends payable	51,769	32,442
Tax incentives	-	10,186
Non-deductible contributions and donations	(1,184)	(1,282)
Non-deductible penalties	(9,153)	(6,506)
Others	(1,418)	(451)
	<b>524,407</b>	<b>(126,983)</b>
<b>Effective rate</b>	<b>(36.81%)</b>	<b>26.75%</b>
<b>Current income and social contribution taxes</b>	<b>-</b>	<b>(130,237)</b>
<b>Deferred income and social contribution taxes</b>	<b>524,406</b>	<b>3,254</b>

## 9. ESCROW DEPOSITS

	Jun. 30, 2022	Dec. 31, 2021
Labor Claims	207,816	215,540
<b>Tax contingencies</b>		
Income tax on Interest on Equity	11,773	11,486
Income tax and Social Security contribution on 'Anuênio' employee indemnity (1)	212,270	207,863
JCP in the Income tax and Social Security contribution calculation base (2)	85,832	81,479
Others	52,526	43,995
	<b>362,401</b>	<b>344,823</b>
<b>Others</b>		
Regulatory	30,251	29,425
Third party	6,101	5,696
Customer relations	6,867	6,230
Court embargo	9,101	13,008
Patrimonial	5,406	555
Others	5,955	4,495
	<b>63,681</b>	<b>59,409</b>
	<b>633,898</b>	<b>619,772</b>

(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 amount appropriated as revenue for subsidies under this bonus was R\$205,439. Part of this amount was reimbursed during the first semester of 2022 through settlement in the CCEE in connection with the terms

specified in Aneel Dispatch 397/2022. On June 30, 2022 the Company still has the amount of R\$15,722 to receive, recognized in current assets.

In the first semester of 2022, the amount recognized as subsidies revenues was R\$485,093 (R\$494,424 on June 30, 2021). Of such amounts, Cemig D has a receivable of R\$75,189 (R\$81,981 on December 31, 2021) in current assets.

## 11. CONCESSION FINANCIAL ASSETS AND LIABILITIES

Concession financial assets	Jun. 30, 2022	Dec. 31, 2021
Financial assets related to infrastructure (a)	948,513	683,729
CVA (Parcel A Compensation) Account and Other Financial Components in tariff-setting (b)	1,315,658	2,147,548
	<b>2,264,171</b>	<b>2,831,277</b>
Current asset	1,315,658	1,221,433
Non-current asset	948,513	1,609,844

Sector Financial liabilities	Jun. 30, 2022	Dec. 31, 2021
Amounts receivable from Parcel A (CVA) and Other Financial Components (b)	(270,951)	(51,359)
Current liabilities	-	(51,359)
Non-current liabilities	(270,951)	-

### 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)	226,860
Transfers of intangible assets (Note 13)	13
Disposals	(851)
Adjustment of expectation of cash flow from the concession financial assets	38,762
Balance on June 30, 2022	<b>948,513</b>

### 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:

Balance sheet	Jun. 30, 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
<b>Assets</b>	<b>1,151,399</b>	<b>164,259</b>	<b>1,315,658</b>	<b>988,850</b>	<b>4,133,064</b>	<b>5,121,914</b>
Current asset	1,151,399	164,259	1,315,658	988,850	2,397,151	3,386,001
Non-current asset	-	-	-	-	1,735,913	1,735,913
<b>Liabilities</b>	<b>-</b>	<b>(270,951)</b>	<b>(270,951)</b>	<b>(1,040,209)</b>	<b>(1,985,516)</b>	<b>(3,025,725)</b>
Current liabilities	-	-	-	(1,040,209)	(1,175,718)	(2,215,927)
Non-current liabilities	-	(270,951)	(270,951)	-	(809,798)	(809,798)
<b>Total current, net</b>	<b>1,151,399</b>	<b>164,259</b>	<b>1,315,658</b>	<b>(51,359)</b>	<b>1,221,433</b>	<b>1,170,074</b>
<b>Total non-current, net</b>	<b>-</b>	<b>(270,951)</b>	<b>(270,951)</b>	<b>-</b>	<b>926,115</b>	<b>926,115</b>
<b>Total, net</b>	<b>1,151,399</b>	<b>(106,692)</b>	<b>1,044,707</b>	<b>(51,359)</b>	<b>2,147,548</b>	<b>2,096,189</b>

Financial components	Jun. 30, 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
<b>Items of 'Parcel A'</b>						
Energy Development Account (CDE) quota	299,633	116,658	416,291	23,593	(90,715)	(67,122)
Tariff for use of transmission facilities of grid participants	74,982	1,810	76,792	145,817	97,203	243,020
Tariff for transport of Itaipu supply	(5,265)	(3,116)	(8,381)	13,172	(972)	12,200
Alternative power source program (Proinfa)	86,100	-	86,100	11,427	18,664	30,091
ESS/EER System Service/Energy Charges	793,473	104,040	897,513	30,948	953,014	983,962
Energy purchased for resale	461,623	(981,476)	(519,853)	389,548	1,144,892	1,534,440
<b>Other financial components</b>						
Over contracting of supply (1)	89,356	334,228	423,584	(67,566)	225,237	157,671
Neutrality of Parcel A	(71,903)	210,140	138,237	24,269	73,081	97,350
Billing return - Covid Account (2)	-	-	-	(371,350)	-	(371,350)
Other financial items	(519,143)	123,216	(395,927)	(230,046)	(225,769)	(455,815)
Excess demand and reactive power	(57,457)	(12,192)	(69,649)	(21,171)	(47,087)	(68,258)
<b>TOTAL</b>	<b>1,151,399</b>	<b>(106,692)</b>	<b>1,044,707</b>	<b>(51,359)</b>	<b>2,147,548</b>	<b>2,096,189</b>

- (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\$202,539 on June 30, 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 customers of the amounts that were invoiced to them but received by Cemig from the Covid Account in 2020. These amounts were returned to customers 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:

<b>Balance on December 31, 2021</b>	<b>2,096,189</b>
Net constitution of financial assets	(904,142)
Assets realized	(67,898)
(-) Proceeds from loan - Water scarcity account	(190,658)
Updating - Selic rate (Note 24)	111,216
<b>Balance on June 30, 2022</b>	<b>1,044,707</b>

## The Annual Tariff Adjustment

On June 22, 2022, after an extension of the previous tariffs for 25 days while decision at the federal level on measures for tariff mitigation were expected, Aneel ratified the result of the Cemig D's Annual Tariff Adjustment, to be in effect until May 27, 2023, with average effect on customers of 8.80% - its components included average increases of 14.31% for high-voltage customers, and of 6.23% for customers connected at low voltage. For residential customers served at low voltage, the average increase was 5.22%. This result arises from: (i) variation of 3.89% in the Portion B costs (manageable costs), due to the IPCA inflation index over the 12 prior months, and (ii) direct pass-throughs within the tariff, which had an impact of 4.91%, but which had no economic effect for the Cemig D, not affecting its profitability, relating to the following items: (a) increase of 4.78% in non-manageable costs (Portion A), mainly related to purchase of energy supply, regulatory charges and transmission charges, including the reducing effect of the R\$409,920 inclusion in pass-throughs from the CDE (Energy Development Account) arising from the process of capitalization of Eletrobras; (b) reduction of 9.32%, referring to the financial components of the current process, in which an important element is inclusion of R\$2,810,830 referring to the PIS/Pasep and Cofins taxes credits reimbursement, which generated a negative variation in the tariff of 15.20%; and (c) an effect of 9.45% relating to the financial components of the previous process withdrawal. For more information on the PIS/Pasep and Cofins taxes credits, see Explanatory Note 16.

## 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:

<b>Balance on December 31, 2021</b>	<b>1,926,652</b>
Additions	1,086,575
Transfers to financial assets (Note 11)	(226,860)
Transfers to intangible assets (Note 13)	(665,760)
Reversal impairment (1)	7,053
<b>Balance on June 30, 2022</b>	<b>2,127,660</b>

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

The amount of additions in the period ended June 30, 2022 were R\$1,086,575 and includes the amount of R\$16,250 under the heading capitalized borrowing costs (R\$11,938 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

	Jun. 30, 2022			Dec. 31, 2021		
	Historic cost	Accumulated amortization	Amount, net	Historic cost	Accumulated amortization	Amount, net
Assets of concession	23,860,221	(10,858,664)	13,001,557	22,935,008	(10,473,515)	12,461,493
(-) 'Special obligations' (c)	(5,045,966)	1,704,751	(3,341,215)	(4,773,952)	1,613,335	(3,160,617)
<b>Net concession assets</b>	<b>18,814,255</b>	<b>(9,153,913)</b>	<b>9,660,342</b>	<b>18,161,056</b>	<b>(8,860,180)</b>	<b>9,300,876</b>
Intangible assets in progress	140,062	-	140,062	148,762	-	148,762
<b>Total intangible assets</b>	<b>18,954,317</b>	<b>(9,153,913)</b>	<b>9,800,404</b>	<b>18,309,818</b>	<b>(8,860,180)</b>	<b>9,449,638</b>

#### b) Changes in intangible assets

<b>Balance on December 31, 2021</b>	<b>9,449,638</b>
Additions	26,207
Settled	(9,458)
Transfers of contract assets (Note 12)	665,760
Transfers to financial assets (Note 11)	(13)
Amortization	(331,730)
<b>Balance on June 30, 2022</b>	<b>9,800,404</b>

Among the realized additions in the first semester of 2022 and 2021, there were no changes in financial charges.

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

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

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

Distribution	Administration
3.83%	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	Jun. 30, 2022	Dec. 31, 2021
Customer Financial Participation (1)	(4,524,082)	(4,246,489)
Participation of the Union, States and Municipalities (2)	(565,955)	(546,171)
Universalization of the Public Energy Service	(306,080)	(306,080)
Others, Exceeding Demand and Surplus Reactives	(283,728)	(287,957)
Energy Efficiency Program (PEE)	(95,552)	(95,552)
Donations and Grants For Investments in the Service Granted	(4,071)	(4,071)
Research and Development	(6,706)	(5,115)
(-) Accumulated Amortization	1,704,751	1,613,335
<b>Total</b>	<b>(4,081,423)</b>	<b>(3,878,100)</b>

Allocation	Jun. 30, 2022	Dec. 31, 2021
Infrastructure under construction - Contract Asset	(740,208)	(717,483)
Infrastructure - Intangible in Service	(3,341,215)	(3,160,617)
<b>Total</b>	<b>(4,081,423)</b>	<b>(3,878,100)</b>

- (1) Contributions by customers: these are the participation of outside parties in works for supply of energy, 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 energy. 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 4.09%, which breaks down by activity as follows:

Distribution	Administration
3.91%	15.68%

## 14. LEASING TRANSACTIONS

### 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
Balance on December 31, 2021	148,401	28,408	176,809
Settled (ended contracts)	(3,299)	-	(3,299)
Addition	891	-	891
Amortization (1)	(3,831)	(18,944)	(22,775)
Remeasurement	(730)	-	(730)
<b>Balance on June 30, 2022</b>	<b>141,432</b>	<b>9,464</b>	<b>150,896</b>

- (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\$249 from January to June, 2022 (R\$220 from January to June, 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:

<b>Balance on December 31, 2021</b>	<b>191,012</b>
Addition	891
Settled (ended contracts)	(3,498)
Interest incurred (1)	10,201
Leasing paid	(29,525)
Interest in leasing contracts paid	(937)
Remeasurement	(730)
<b>Balance on June 30, 2022</b>	<b>167,414</b>
<b>Current liabilities</b>	<b>30,109</b>
<b>Non-current liabilities</b>	<b>137,305</b>

(1) Financial expenses recognized in the Income Statement are net of incorporation of the credits for PIS/Pasep and Cofins taxes on payments of rentals, in the amount of R\$690 from January to June, 2022 (R\$665 from January to June, 2021).

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	469,172	167,414
Potential PIS/Pasep and Cofins	41,219	13,756

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).

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	20,637
2023	21,828
2024	21,633
2025	21,502
2026	21,347
2027 to 2047	362,225
<b>Undiscounted values</b>	<b>469,172</b>
Embedded interest	(301,758)
<b>Lease liabilities</b>	<b>167,414</b>



## 15. SUPPLIERS

	Jun. 30, 2022	Dec. 31, 2021
Energy on spot market - CCEE	96,091	122,384
Charges for use of energy network (1)	177,451	181,586
Energy purchased for resale (2)	701,250	999,008
Itaipu Binacional	130,697	331,118
Materials and services	473,229	385,898
	<b>1,578,718</b>	<b>2,019,994</b>

- (1) The charges payable by distribution and generation agents for use of the facilities that are components of the national grid are set by an Aneel Resolution.
- (2) The improvement in the hydrological conditions of the system between the two periods enabled the National System Operator (ONS) to cease dispatching outside the merit order, which reduced the charges paid to cover these dispatches and the effects of availability of the generation plants.

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

	Jun. 30, 2022	Dec. 31, 2021
<b>Taxes and contributions</b>		
<b>Current</b>		
ICMS	37,417	80,087
Cofins	77,929	67,996
PIS/Pasep	16,739	14,595
INSS	23,713	23,259
ISSQN	12,934	11,106
Income tax on Interest on Equity	22,839	17,968
Others	10,464	11,812
	<b>202,035</b>	<b>226,823</b>
<b>Amounts to be restituted to customers</b>		
<b>Current</b>		
PIS/Pasep anf Cofins	2,579,363	704,025
<b>Non Current</b>		
PIS/Pasep anf Cofins	33,384	2,132,289
	<b>2,612,747</b>	<b>2,836,314</b>

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\$2,612,747 on June 30, 2022, as detailed in Note 7 (a) of this interim financial information. Until June 2022, a total of R\$2,518,806, has been reimbursed to customers (R\$1,583,314 until December 2021).

Complementary to the liabilities for the portion of the tax credits corresponding to the period of the last 10 years, in June 2022 the Company posted the updated amount of R\$ 624,251 arising from ratification of the Annual Tariff Adjustment of 2022, which took into account the effects of Draft Law 1280/22, converted into Law 14385/22. That law specifies that 100% of the amounts arising from tax charged in excess (arising from the ruling that PIS, Pasep and Cofins taxes could not be charged on amounts of ICMS tax included within energy bills) should be reimbursed to customers. The balance posted is net of PIS, Pasep and Cofins taxes on the finance income arising from monetary updating of the amounts in question.

Further, a provision in the amount of R\$ 1,405,106 was posted for the 100% reimbursement of the tax credit to customers, based on review of management's risk assessment, supported by the opinions of its legal advisers, for the amount in excess of the amount that had been included in the 2022 Annual Tariff Adjustment relating to the

period as from the 11th year, backdated to the date of the final judgment against which there was no further appeal.

The Company began 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.
- On June 22, 2022, Aneel ratified incorporation into the 2022 tariff adjustment, in effect from June 23, 2022 to May 27, 2023, of a negative financial component of R\$ 2,810,830, corresponding to the reimbursements of the PIS, Pasep and Cofins taxes. There are more details on these credits in Explanatory Note 7b. See Note 11.b for more information on the Company's tariff adjustment.

## 17. LOANS, FINANCING AND DEBENTURES

Financing source	Jun. 30, 2022					Dec. 31, 2021	
	Principal maturity	Annual Financial cost (%)	Currency	Current	Non-current	Total	Total
<b>Brazilian currency</b>							
Eletrobrás	2023	UFIR + 6 to 8.00%	R\$	3,231	765	3,996	5,647
<b>Debt in Brazilian currency</b>				3,231	765	3,996	5,647
Debentures - 3rd Issue, 3rd Series (1)	2025	IPCA + 5.10%	R\$	304,968	578,141	883,109	1,147,465
Debentures - 7th Issue, 1th Series (1)	2024	CDI + 0.454%	R\$	545,484	540,000	1,085,484	1,355,933
Debentures - 7th Issue, 2th Series (1)	2026	IPCA + 4.10%	R\$	2,950	1,848,320	1,851,270	1,759,628
Debentures - 8th Issue, 1th Series (1)	2027	CDI+1.35%	R\$	272	500,000	500,272	-
Debentures - 8th Issue, 2th Series (1)	2029	IPCA+6.10%	R\$	118	502,462	502,580	-
(-) Discount on the issuance of debentures (2)				-	(13,740)	(13,740)	(15,002)
(-) Transaction costs				(765)	(16,919)	(17,684)	(6,510)
<b>Total, debentures</b>				<b>853,027</b>	<b>3,938,264</b>	<b>4,791,291</b>	<b>4,241,514</b>
<b>Overall total</b>				<b>856,258</b>	<b>3,939,029</b>	<b>4,795,287</b>	<b>4,247,161</b>

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

### Funding raised

On June 29, 2022, the Company completed settlement of its 8th issue of non-convertible debentures, with surety guarantee, in two Series, for a total of R\$ 1,000,000, which were the subject of a public offer for distribution, with limited efforts, in accordance with CVM regulations.

The following were placed in this restricted offer: (i) 1st Series: 500,000 Debentures, with total amount of R\$ 500,000, remuneration at the CDI Rate +1.35%, and maturity at five years, the proceeds to be allocated to strengthening the Company's cash position; and (ii) 2nd Series: 500,000 Debentures, with total amount of R\$ 500,000, remuneration at the

CDI Rate +6.1052%, and maturity at seven years, the proceeds to be allocated to expenditure on the project to expand energy distribution, as detailed in the issue documents of the Debentures.

Financing source	Entry date	Main maturity	Financial charges annual	Value
<b>Brazilian currency</b>				
Debentures - 8th Issue, 1th Series (1)	June, 2022	2027	CDI + 1.35%	500,000
Debentures - 8th Issue, 2th Series (1)	June, 2022	2029	6.10% of IPCA	500,000
(-) Transaction costs				(12,050)
(-) Discounts (1)				(375)
<b>Total</b>				<b>987,575</b>

(1) Discount on emission of the 2nd Series of the Debentures.

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

	2022	2023	2024	2025	2026	2027 onwards	Total
<b>Indexers</b>							
IPCA (1)	18,960	289,076	289,069	1,213,232	924,160	502,462	3,236,959
UFIR/RGR (2)	1,617	2,379	-	-	-	-	3,996
CDI (3)	275,756	540,000	270,000	-	-	500,000	1,585,756
<b>Total, governed by indexers</b>	<b>296,333</b>	<b>831,455</b>	<b>559,069</b>	<b>1,213,232</b>	<b>924,160</b>	<b>1,002,462</b>	<b>4,826,711</b>
(-) Transaction costs	(337)	(758)	(428)	(2,107)	(2,009)	(12,045)	(17,684)
(-) Discount	-	-	-	(6,683)	(6,683)	(374)	(13,740)
<b>Overall total</b>	<b>295,996</b>	<b>830,697</b>	<b>558,641</b>	<b>1,204,442</b>	<b>915,468</b>	<b>990,043</b>	<b>4,795,287</b>

(1) Expanded National Consumer 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 first semester of 2022 (%)	Accumulated change in first semester of 2021 (%)	Indexer	Accumulated change in first semester of 2022 (%)	Accumulated change in first semester of 2021 (%)
US dólar	(6.14)	(3.74)	IPCA	5.49	3.77
			CDI	5.36	1.26

Currency	Accumulated change in second quarter of 2022 (%)	Accumulated change in second quarter of 2021 (%)	Indexer	Accumulated change in second quarter of 2022 (%)	Accumulated change in second quarter of 2021 (%)
US dólar	10.56	(12.20)	IPCA	2.22	1.68
			CDI	2.86	0.77

Changes in loans, financing and debentures are as follows:

<b>Balance on December 31, 2021</b>	<b>4,247,161</b>
Loans obtained	1,000,000
Transaction costs	(12,050)
Discount on the issuance of debentures	(375)
Fundind raised, net	987,575
Monetary variation	139,778
Financial charges provisioned	129,262
Amortization of transaction cost	874
Financial charges, paid	(160,970)
Amortization of financing	(548,393)
<b>Balance on June 30, 2022</b>	<b>4,795,287</b>

## Borrowing costs, capitalized

Costs of loans directly related to acquisition, construction or production of an asset, that necessarily requires a substantial time to be concluded for the purpose of use or sale are capitalized as part of the cost of the corresponding asset. All other costs of loans are recorded in Expenses in the period in which they are incurred. Borrowing costs include interest and other costs incurred by the Company in relation to loans, 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 Jun, 2022	Jan to Jun, 2021
Costs of loans, financings and debentures	129,262	92,040
Financing costs on intangible assets and contract assets (1) (Notes 12 and 13)	(16,250)	(11,938)
<b>Net effect in Profit or loss</b>	<b>113,012</b>	<b>80,102</b>

(1) The average capitalization rate p.a. on June 30, 2022 was 13.46% (8.01% on June 30, 2021).

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

## Guarantees

The guarantees of the debt balance on loans and financing, on June 30, 2022, were as follows:

Receivables and Sureties	2,918,043
Promissory notes and Sureties	882,815
Receivables	990,433
Shares	3,822
Unsecured	174
<b>TOTAL</b>	<b>4,795,287</b>

## Restrictive covenants

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

The Company has contract with financial covenants as follows:

Security	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 annual

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

Management monitors this index systematically and constantly, so that the condition is met.

## 18. REGULATORY CHARGES

	Jun. 30, 2022	Dec. 31, 2021
<b>Liabilities</b>		
Energy Efficiency Program (EEP)	236,394	237,426
Research and development (R&D)	102,725	89,947
Energy System Expansion Research	2,634	3,677
National Scientific and Technological Development Fund	5,551	7,638
Energy Development Account (CDE)	46,557	46,557
CDE on R&D	1,665	2,291
CDE on PEE	3,330	4,583
Global Reversion Reserve (RGR)	24,545	24,545
Emergency capacity charge	26,325	26,325
Aneel inspection charge	2,101	1,809
Customer charges - Tariff flags	16	251,837
	<b>451,843</b>	<b>696,635</b>
<b>Current liabilities</b>	<b>403,543</b>	<b>499,178</b>
<b>Non-current liabilities</b>	<b>48,300</b>	<b>197,457</b>

- (1) Refers to the amount transferred from the R&D account, which will be paid as CDE over R&D, in accordance with Aneel Dispatch 904 of March 30, 2021.
- (2) Charging of the 'CDE Covid Account' began in May 2021, as ratified by Dispatch 939 of April 5, 2021, under Normative Resolution 885 of June 23, 2020;
- (3) The variation arises from different activation of the Flag Tariffs: the Water Scarcity flag was activated in December 2021, and the 'Green' flag was in effect in June 2022.

## 19. POST-EMPLOYMENT OBLIGATIONS

Changes in net liabilities were as follows:

	Pension plans and retirement supplement plans	Health Plan	Dental Plan	Total
<b>Net liabilities on December 31, 2021</b>	<b>1,623,608</b>	<b>2,503,024</b>	<b>46,763</b>	<b>4,173,395</b>
Expense recognized in statement of income	86,514	136,432	2,572	225,518
Contributions paid	(95,390)	(69,009)	(1,309)	(165,708)
<b>Net liabilities on June 30, 2022</b>	<b>1,614,732</b>	<b>2,570,447</b>	<b>48,026</b>	<b>4,233,205</b>
			<b>Jun. 30, 2022</b>	<b>Dec. 31, 2021</b>
<b>Current liabilities</b>			<b>258,999</b>	<b>244,559</b>
<b>Non-current liabilities</b>			<b>3,974,206</b>	<b>3,928,836</b>

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\$204,832 on June 30, 2022 (R\$145,680 on June 30, 2021), plus the finance expenses and monetary updating on the debt with Forluz, in the amounts of R\$21,933 on June 30, 2022 (R\$24,740 on June 30, 2021).

### 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.

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

On June 30, 2022, the Company has recognized an obligation for past actuarial deficits relating to the pension fund in the amount of R\$238,608 (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 Consumer Price) inflation index (published by the Brazilian Geography and Statistics Institute - IBGE) plus 6% per year. The Company is required to pay this debt even if Forluz has a surplus, thus, the Company maintain recorded the debt in full, and record the effects of monetary updating and interest in finance income in the statement of income.

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

Forluz and the sponsors Cemig, Cemig GT and Cemig D have signed a Debt Assumption Instrument to cover the deficit of Plan A for the years of 2015, 2016 e 2017. On June 30, 2022 the total amount payable by Cemig as a result of the Plan A deficit is R\$387,017 (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\$249,397, and up to 2033 for the 2017 deficit, in the amount of R\$137,620. 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.

## Payments on consignment to Forluz

### *Equation of the deficit of 2019*

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\$8,430 (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.

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.

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

### *Equation of the deficit of 2020*

On March 31, 2022, since the disagreement remained, payment in escrow was begun, with deposit of the first tranche for resolution of the 2020 deficit of Plan A, limited to 50% of the amounts specified in the Plan proposed by Forluz, in obedience to the constitutional rule of parity of contribution. Forluz appealed, exercising its procedural right, on April 18, 2022. The amount deposited by the Company was R\$ 2,598, which will be held in escrow, available to Forluz, by an official bank.

The total amount to be paid by the Company arising from the deficit ascertained in Plan A, without considering contribution parity, is R\$ 182,316, in 158 monthly payments, with

remuneratory interest of 6% per year on the outstanding balance, plus inflation as measured by the IPCA (Expanded National Consumer Price) index. If the plan reaches actuarial balance before the full period of amortization of the contract, the Company is dispensed from payment of the remaining installments and the contract is extinguished.

## 20. PROVISIONS

	Dec 31, 2021	Additions	Reversals	Settled	Jun 30, 2022
<b>Operating provisions</b>					
Credits from PIS/Pasep and Cofins to be refunded to customers (a)	-	1.405.106	-	-	1.405.106
<b>Provisions to contingencies (b)</b>					
Labor	293.731	36.503	(6.662)	(36.504)	287.068
Civil					
Customer relations	31.015	18.915	-	(14.060)	35.870
Other civil actions	36.127	7.379	(462)	(4.687)	38.357
	67.142	26.294	(462)	(18.747)	74.227
Tax	797.442	38.876	-	(255)	836.063
Regulatory	32.545	2.065	(1.671)	(288)	32.651
Others	12.730	7.213	(6.616)	(7.203)	6.124
<b>Total</b>	<b>1.203.590</b>	<b>1.516.057</b>	<b>(15.411)</b>	<b>(62.997)</b>	<b>2.641.239</b>

### a) Operating provisions

On June 27, 2022, Law 14385/22 came into force. It specifies that 100% of the amounts arising from tax charged in excess (arising from the ruling that PIS, Pasep and Cofins taxes could not be charged on amounts of ICMS tax included within energy bills) should be reimbursed to customers. As a result a provision was made in the amount of R\$ 1,405,106, representing the amounts exceeding those included in the 2022 Annual Tariff Adjustment, relating to the periods covered by the expiry of limitation, as from the 11th year, backdated to the date on which final judgment against which there is no further appeal was given in the ICMS action. The balance posted is net of PIS, Pasep and Cofins taxes on the finance income arising from monetary updating of the amounts in question.

The Company's management awaits regulation of the Law by Aneel, and is assessing possible future actions related to this matter with its legal advisers.

### b) Provisions for contingencies

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 probability of loss are assessed as 'probable' (i.e. an outflow of funds to settle the obligation will be necessary), according to the table above.



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\$1,227,039 (R\$1,279,002 on December 31, 2021), of which R\$287,068 (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\$219,475 (R\$148,911 on December 31, 2021), of which R\$35,870 (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\$454,727 (R\$376,357 at December 31, 2021), of which R\$38,357 (R\$36,127 at December 31, 2021) has been recorded - the amount estimated as probably necessary for settlement of these disputes.

## 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\$928,836 (R\$886,365 on December 31, 2021), of which R\$827,266 (R\$789,576 on December 31, 2021) has been provisioned, this being the estimate of the probable amount of funds to settle these disputes.

### *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\$136,035 (R\$120,923 on December 31, 2021), of which R\$8,797 (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\$360,719 (R\$311,883 on December 31, 2021), of which R\$32,651 (R\$32,545 on December 31, 2021) has been recorded as provision - the amount estimated as probably necessary for settlement of these disputes.

## Other legal actions in the normal course of business

### *'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\$456,917 (R\$419,869 on December 31, 2021). Of this total, R\$882 (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\$279,762 (R\$250,436 on December 31, 2021), of which R\$5,242 (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\$ 177,686, in exchange for rights to future payments (referred to as the *Anuênio*) for time of service, which would otherwise be incorporated, in the future, into salaries. The Company did not pay income tax nor social security contributions in relation to the amount paid, because it believed that amounts paid as indemnity are not taxable. However, given the possibility of dispute and to avoid risk of a future penalty payment, the Company filed legal actions for recognition of the right of non-taxation on these *Anuênio* payments, making separate submissions and argument in relation to (a) income tax and (b) the social security contribution, and made escrow payments into court of the amount involved in each component, in the aggregate historic amount of R\$ 121,384. Updated for monetary adjustment, this amount is R\$ 212,270 (R\$ 207,863 at December 31, 2021). In the action relating to applicability of the social security contribution, a court judgment was given that impedes consideration of an appeal to the Federal Supreme Court - thus consideration by the Higher Appeal Court is possible. The chances of loss in this action have been maintained as 'possible', and the entire amount has been paid into court in escrow. For the action relating to income tax, due to its current phase of procedure, the chances of loss have also been maintained as 'possible'.

### *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\$106,306 (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\$92,522 (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\$330,317 (R\$309,008 on December 31, 2021). The Company has evaluated and 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\$63,014 (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.

### *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 June 30, 2022 the amount of the contingency is R\$169,798 (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\$47,558 (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 energy to the customers 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 June 30, 2022 was R\$286,214. The Company has classified the probability of loss as 'possible' due of the documentation received and the nature of the action.

### Tariff increases

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

The Federal Public Attorneys' Office filed a class action against the Company and the grantor (Aneel), to avoid exclusion of customers from classification in the Low-income

residential tariff sub-category, requesting an order for 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\$446,745 (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\$216,184 (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 June 30, 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 Jun, 2022	Jan to Jun, 2021
Total number of shares	2,359,113,452	2,359,113,452
Net income (loss) for the period	(524,351)	739,793
<b>Basic and diluted earnings (losses) per common share (R\$)</b>	<b>(0.22)</b>	<b>0.31</b>

	Apr to Jun, 2022	Apr to Jun, 2021
Total number of shares	2,359,113,452	2,359,113,452
Net income (loss) for the period	(900,278)	347,641
<b>Basic and diluted earnings (losses) per common share (R\$)</b>	<b>(0.38)</b>	<b>0.15</b>

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

### **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 and June 7, 2022, the Board of Directors decided to declare payment of Interest on Equity in the amounts of R\$ 130,457 and R\$ 152,262, respectively, on account of the minimum mandatory dividend for the 2022 business year - with deduction of income tax at 15% at source, in accordance with the legislation.

## 22. REVENUE

The revenue of the Company is as follows:

	Jan to Jun, 2022	Jan to Jun, 2021
Revenue from supply of energy - captive customers, in Cemig's concession area (a)	11,468,771	10,122,765
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization (*)	935,491	430,911
Revenue from use of the energy distribution systems (TUSD) - free customers (b)	1,788,661	1,669,221
Sector financial assets and liabilities (c)	(972,040)	792,651
Distribution construction revenue	1,112,782	719,519
Adjustment to expectation from reimbursement of distribution concession financial assets	38,762	20,025
Fine for violation of continuity indicator	(51,199)	(44,904)
Mechanism for the sale of surplus	205,849	-
Other operating revenues (c)	1,174,464	850,453
Taxes and charges reported as deductions from revenue (d)	(6,022,105)	(5,097,628)
	<b>9,679,436</b>	<b>9,463,013</b>

	Apr to Jun, 2022	Apr to Jun, 2021
Revenue from supply of energy - captive customers, in Cemig's concession area (a)	5,475,415	5,047,877
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization (*)	498,773	252,538
Revenue from use of the energy distribution systems (TUSD) - free customers (b)	920,530	826,666
Sector financial assets and liabilities (c)	(271,933)	453,744
Distribution construction revenue	683,279	398,218
Adjustment to expectation from reimbursement of distribution concession financial assets	19,030	9,119
Fine for violation of continuity indicator	(19,305)	(14,335)
Mechanism for the sale of surplus	66,855	-
Other operating revenues (c)	762,406	405,503
Taxes and charges reported as deductions from revenue (d)	(3,203,931)	(2,578,292)
	<b>4,931,119</b>	<b>4,801,038</b>

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

## a) Revenue from supply of energy

	MWh (*)		R\$	
	Jan to Jun, 2022	Jan to Jun, 2021	Jan to Jun, 2022	Jan to Jun, 2021
Residential	5,609,896	5,641,592	5,839,839	5,280,573
Industrial	768,063	855,836	679,159	624,928
Commercial, services and others	2,321,478	2,102,567	2,821,664	2,149,621
Rural	1,382,247	1,899,390	1,027,348	1,158,436
Public authorities	427,628	358,362	355,340	265,367
Public lighting	570,596	670,035	303,579	361,053
Public services	691,906	699,867	467,109	391,974
<b>Subtotal</b>	<b>11,771,814</b>	<b>12,227,649</b>	<b>11,494,038</b>	<b>10,231,952</b>
Own consumption	16,711	16,832	-	-
Wholesale supply to other concession holders	-	-	28,054	913
Unbilled revenue	-	-	(53,321)	(110,100)
<b>Total</b>	<b>11,788,525</b>	<b>12,244,481</b>	<b>11,468,771</b>	<b>10,122,765</b>

	MWh (*)		R\$	
	Apr to Jun, 2022	Apr to Jun, 2021	Apr to Jun, 2022	Apr to Jun, 2021
Residential	2,768,128	2,766,585	2,724,031	2,620,987
Industrial	399,303	425,533	334,891	309,802
Commercial, services and others	1,173,445	996,054	1,359,370	1,042,491
Rural	841,411	1,061,983	539,604	625,485
Public authorities	223,437	171,645	176,026	128,263
Public lighting	285,585	314,679	136,207	149,098
Public services	351,948	352,752	220,132	197,094
<b>Subtotal</b>	<b>6,043,257</b>	<b>6,089,231</b>	<b>5,490,261</b>	<b>5,073,220</b>
Own consumption	6,857	8,272	-	-
Wholesale supply to other concession holders	-	-	15,260	-
Unbilled revenue	-	-	(30,106)	(25,343)
<b>Total</b>	<b>6,050,114</b>	<b>6,097,503</b>	<b>5,475,415</b>	<b>5,047,877</b>

(\*) Data not reviewed by external auditors.

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

	MWh (*)	
	Jan to Jun, 2022	Jan to Jun, 2021
Industrial	10,171,549	10,101,082
Commercial	856,422	722,967
Rural	21,114	20,347
Public services	262	1,551
Public authorities	1,276	-
Concessionaires	137,291	124,337
<b>Total</b>	<b>11,187,914</b>	<b>10,970,284</b>

	MWh (*)	
	Apr to Jun, 2022	Apr to Jun, 2021
Industrial	5,236,044	5,118,220
Commercial	422,505	356,817
Rural	9,128	10,560
Public services	-	900
Public authorities	666	-
Concessionaires	73,729	52,220
<b>Total</b>	<b>5,742,072</b>	<b>5,538,717</b>

(\*) Data not reviewed by external auditors.



### c) Other operating revenues

	Jan to Jun, 2022	Jan to Jun, 2021
Charged service	9,098	7,932
Other services	13,591	9,380
Low income Subsidies	150,544	131,929
Other Subsidies (1)	731,149	540,481
Rental and leasing	321,077	97,553
Transactions in energy on the CCEE	(51,684)	48,806
Others	689	14,372
	<b>1,174,464</b>	<b>850,453</b>

	Apr to Jun, 2022	Apr to Jun, 2021
Charged service	4,804	3,950
Other services	6,769	4,101
Low income Subsidies	78,184	66,683
Other Subsidies (1)	414,603	274,160
Rental and leasing (2)	257,696	50,796
Transactions in energy on the CCEE	(51,684)	(8,391)
Others	350	14,204
	<b>710,722</b>	<b>405,503</b>

- (1) Includes the revenue recognized for the tariff subsidies applied to users of the distribution system, in the amount of R\$485,093 from January to June of 2022 (R\$494,424 from January to June, 2021) and R\$239,152 from April to June of 2022 (R\$246,577 from January to June, 2021) which 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\$251,489 from January to June of 2022 (R\$46,057 from January to June, 2021) and R\$175,399 from April to June of 2022 (R\$27,583 from January to June, 2021), recognized because of the creditor position assumed by the Company in CCRBT; and reversal in amount of R\$433, from January to June of 2022 and constitution of R\$52 from April to June of 2022, of the revenue recognized in December 2021, relating to the Program to Encourage Voluntary Reduction of Energy Consumption.
- (2) This comprises R\$ 186,871 for the Debt Recognition Agreement signed with a large client in June 2022, referring to use of infrastructure (distribution poles) in the period from January 2019 through May 2022. This amount and its related monetary updating of R\$ 10,344 will be received in four successive monthly installments starting in July 2022.

## d) Taxes and charges levied on revenue

	Jan to Jun, 2022	Jan to Jun, 2021
<b>Taxes on revenue</b>		
ICMS (1)	2,999,469	2,776,888
PIS/Pasep	229,561	179,406
Cofins	1,057,372	826,357
ISSQN	632	458
	<b>4,287,034</b>	<b>3,783,109</b>
<b>Charges to the customer</b>		
Energy Efficiency Program (PEE)	32,423	29,967
Energy Development Account (CDE)	1,890,421	1,202,846
Research and Development (R&D)	11,945	10,268
National Scientific and Technological Development Fund (FNDCT)	17,065	18,861
Energy System Expansion Research (EPE of MME)	8,532	9,431
Customer charges - the 'Flag Tariff' system	(251,821)	7,017
CDE on R&D	5,119	8,593
CDE on PEE	10,239	17,186
Energy Services Inspection Charge	11,148	10,350
	<b>1,735,071</b>	<b>1,314,519</b>
	<b>6,022,105</b>	<b>5,097,628</b>
	<b>Apr to Jun, 2022</b>	<b>Apr to Jun, 2021</b>
<b>Taxes on revenue</b>		
ICMS (1)	1,427,294	1,375,134
PIS/Pasep	141,327	90,936
Cofins	650,937	418,857
ISSQN	334	198
0	<b>2,219,892</b>	<b>1,885,125</b>
<b>Charges to the customer</b>		
Energy Efficiency Program (PEE)	16,204	4,545
Energy Development Account (CDE)	935,677	589,367
Research and Development (R&D)	5,970	99
National Scientific and Technological Development Fund (FNDCT)	8,529	8,692
Energy System Expansion Research (EPE of MME)	4,264	4,347
Customer charges - the 'Flag Tariff' system	-	55,037
CDE on R&D	2,558	8,593
CDE on PEE	5,117	17,186
Energy Services Inspection Charge	5,720	5,301
	<b>984,039</b>	<b>693,167</b>
	<b>3,203,931</b>	<b>2,578,292</b>

- (1) On June 23, 2022, Complementary Law 194 came into force with immediate effect, making changes to the National Tax Code (CTN) and to Complementary Law 87/96 (the 'Kandir Law'). These: (i) classified energy, among other goods, as essential; (ii) prohibited the setting of rates of ICMS tax for transactions with these goods at a level higher than those of transactions in general, and (iii) removed this tax from energy transmission and distribution services, and from sector charges linked to energy transactions. The Company has implemented the reduction of tax rates in its operations; and the non-application to tariff components is at the final phase of implementation. Up to the present date, no material impact on its operations has been identified as a result of this law coming into effect.

## 23. OPERATING COSTS AND EXPENSES

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

	Jan to Jun, 2022	Jan to Jun, 2021
Personnel (a)	456,964	454,674
Employees' and managers' profit shares	51,335	36,043
Post-employment obligations	203,585	145,680
Materials	41,321	32,271
Outsourced services (b)	652,069	594,347
Energy purchased for resale (c)	4,235,694	4,523,541
Amortization (Note 13b)	331,730	311,729
Amortization of Right of Use - Leasing (Note 14)	22,526	18,400
Operating provisions (d)	1,649,267	41,813
Charges for use of the national grid and other charges of the grid	1,468,393	1,485,726
Construction infrastructure costs (e)	1,112,782	719,519
Other operating expenses, net (f)	66,913	93,513
	<b>10,292,579</b>	<b>8,457,256</b>
Operating costs	9,468,711	7,986,618
Operating expenses	823,868	470,638
<b>TOTAL</b>	<b>10,292,579</b>	<b>8,457,256</b>

	Apr to Jun, 2022	Apr to Jun, 2021
Personnel (a)	256,948	242,165
Employees' and managers' profit shares	27,336	15,946
Post-employment obligations	100,998	73,783
Materials	25,060	16,750
Outsourced services (b)	328,439	294,492
Energy purchased for resale (c)	2,257,209	2,375,202
Amortization	167,632	156,675
Amortization of Right of Use - Leasing	11,249	9,197
Operating provisions (d)	1,543,830	23,701
Charges for use of the national grid and other charges of the grid	579,441	720,452
Construction infrastructure costs (e)	683,279	398,218
Other operating expenses, net (f)	41,995	49,746
	<b>6,023,416</b>	<b>4,376,327</b>
Operating costs	5,556,242	4,211,786
Operating expenses	467,174	164,541
<b>TOTAL</b>	<b>6,023,416</b>	<b>4,376,327</b>

### a) Personnel

#### 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. On May 26, 2022 the program was reopened for joining by employees in the period from May 30 to June 3, 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.

The total cost of the program for Cemig D is R\$ 36,941, for acceptance by 238 employees.

#### 2021 Programmed Voluntary Retirement Plan ('PDVP')

The Programmed Voluntary Severance Program for 2021 ('the 2021 PDVP') approved in May 2021 had a total cost for Cemig D of R\$ 29,069, for acceptance by 271 employees, in the period of May 10-31, 2021. All the employees are eligible to join the program from May 10 to 31, 2021, except for the exceptions specified by the program. The program provides the normal legal severance payments in the 'On request' mode, plus an additional indemnity premium on the employee's compensation, of a fixed percentage depending on the time of service with the company, for each year worked; for employees with more than 36 years' service with Cemig this fixed value is 10.5 times.

## b) Outsourced services

	Jan to Jun, 2022	Jan to Jun, 2021
Meter reading and bill delivery	67,751	63,192
Maintenance and conservation of electrical facilities and equipment	250,850	213,091
Communication	62,849	75,783
Building conservation and cleaning	21,068	21,965
Cleaning of power line pathways	31,950	45,969
Disconnection and reconnection	47,696	36,094
Tree pruning	20,956	23,063
Costs of proceedings	11,025	8,785
Maintenance and conservation of furniture and utensils	4,069	4,118
Information technology	59,447	37,626
Contracted labor	5,616	2,747
Accommodation and meals	4,626	4,088
Security services	4,763	3,866
Maintenance and conservation of vehicles	2,051	919
Costs of printing and legal publications	7,585	6,567
Consultancy	8,469	8,190
Inspection of customer units	17,335	13,816
Others	23,963	24,468
	<b>652,069</b>	<b>594,347</b>

	Apr to Jun, 2022	Apr to Jun, 2021
Meter reading and bill delivery	38,081	32,018
Maintenance and conservation of electrical facilities and equipment	118,436	96,690
Communication	26,934	36,163
Building conservation and cleaning	11,218	11,064
Cleaning of power line pathways	16,326	22,803
Disconnection and reconnection	26,467	20,087
Tree pruning	11,567	12,258
Costs of proceedings	6,976	5,435
Maintenance and conservation of furniture and utensils	2,167	2,116
Information technology	25,745	17,274
Contracted labor	4,039	1,625
Accommodation and meals	2,627	2,014
Security services	2,430	2,683
Maintenance and conservation of vehicles	1,515	465
Costs of printing and legal publications	3,809	4,351
Consultancy	6,354	5,616
Inspection of customer units	9,438	8,214
Others	14,310	13,616
	<b>328,439</b>	<b>294,492</b>

### c) Energy purchased for resale

	Jan to Jun, 2022	Jan to Jun, 2021
Supply from Itaipu Binacional	803,911	967,628
Physical guarantee quota contracts	459,205	422,310
Quotas for Angra I and II nuclear plants	178,596	122,289
Spot market	172,137	297,583
'Bilateral' contracts	236,746	195,094
Energy acquired in Regulated Market auctions	1,469,946	2,177,452
Proinfa	302,827	191,000
Distributed generation ('Geração distribuída')	926,231	528,781
PIS/Pasep and Cofins credits	(313,905)	(378,596)
	<b>4,235,694</b>	<b>4,523,541</b>

	Apr to Jun, 2022	Apr to Jun, 2021
Supply from Itaipu Binacional	409,856	480,103
Physical guarantee quota contracts	233,089	209,823
Quotas for Angra I and II nuclear plants	89,298	61,145
Spot market	108,330	297,583
'Bilateral' contracts	126,663	110,107
Energy acquired in Regulated Market auctions	835,650	1,046,928
Proinfa	151,413	95,500
Distributed generation ('Geração distribuída')	472,642	273,757
PIS/Pasep and Cofins credits	(169,732)	(199,744)
	<b>2,257,209</b>	<b>2,375,202</b>

### d) Operating provision (reversals)

	Jan to Jun, 2022	Jan to Jun, 2021
Estimated losses on doubtful accounts receivables (Note 6) (1)	133,709	36,389
Estimated losses on other accounts receivable (2)	14,912	(11,000)
Contingency provisions (reversals) (Note 20)		
Labor claims	29,841	19,104
Civil	25,832	22,465
Tax	38,876	(26,497)
Regulatory	394	(345)
Others	597	1,697
	<b>95,540</b>	<b>16,424</b>
	<b>1,649,267</b>	<b>41,813</b>

	Apr to Jun, 2022	Apr to Jun, 2021
Estimated losses on doubtful accounts receivables (Note 6) (1)	89,450	(7,789)
Estimated losses on other accounts receivable (2)	13,201	-
Contingency provisions (reversals) (Note 20)		
Labor claims	2,533	10,846
Civil	16,681	12,798
Tax	17,196	6,441
Regulatory	(488)	781
Others	151	624
	<b>36,073</b>	<b>31,490</b>
	<b>1,543,830</b>	<b>23,701</b>

- (1) Expected loss on receivables are presented as selling expenses in the Statement of Income.
- (2) This refers mainly to the expected loss with a fine for contractual termination of a supplier. These amounts are presented in the income statement as other operating expenses.
- (3) Provision arising from the present obligation generated by the coming into force of Law 14385/22, which ordered that the amounts in excess PIS, Pasep and Cofins taxes wrongly charged on energy bills should be reimbursed in their entirety to customers. The Company awaits regulation of the Law by Aneel and is assessing possible future actions related to this matter with its legal advisers. For more information, please see Notes 7, 16 and 20.

## e) Construction infrastructure costs

	Jan to Jun, 2022	Jan to Jun, 2021
Personnel	50,554	30,642
Materials	646,021	377,889
Outsourced services	388,743	283,596
Financial charges	16,250	11,938
Renting	2,331	1,305
Taxes and charges	723	2,247
Other	8,160	11,902
	<b>1,112,782</b>	<b>719,519</b>

	Apr to Jun, 2022	Apr to Jun, 2021
Personnel	22,474	17,398
Materials	403,350	210,543
Outsourced services	240,873	157,156
Financial charges	8,720	5,826
Renting	1,548	806
Taxes and charges	493	936
Other	5,821	5,553
	<b>683,279</b>	<b>398,218</b>

## f) Other operating expenses, net

	Jan to Jun, 2022	Jan to Jun, 2021
Leasing and rentals (1)	1,547	863
Advertising	1,496	2,248
Own consumption of energy	12,963	11,387
Subsidies and donations	7,822	4,780
CCEE annual charge	1,611	1,649
Insurance	4,683	5,183
Forluz - Administrative running cost	12,695	11,367
Collection agents	40,115	42,892
Taxes and charges	4,064	4,105
Provision (reversal) for recoverable amount	(7,053)	3,722
Other expenses (reversal)	(13,030)	5,317
	<b>66,913</b>	<b>93,513</b>

	Apr to Jun, 2022	Apr to Jun, 2021
Leasing and rentals (1)	788	(161)
Advertising	899	2,133
Own consumption of energy	12,963	11,387
Subsidies and donations	3,485	3,773
CCEE annual charge	803	825
Insurance	2,322	2,481
Forluz - Administrative running cost	6,834	5,855
Collection agents	19,804	21,974
Taxes and charges	743	1,153
Provision (reversal) for recoverable amount	-	3,722
Other expenses (reversal)	(6,646)	(3,396)
	<b>41,995</b>	<b>49,746</b>

- (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.

## 24. FINANCE INCOME AND EXPENSES

	Jan to Jun, 2022	Jan to Jun, 2021
<b>FINANCE INCOME</b>		
Income from financial investments	25,829	32,869
PIS/Pasep and Cofins taxes charged on financial income (1)	(11,999)	(14,719)
Arrears fees on sale of energy	193,376	234,659
Foreign exchange variations - Itaipu Binacional	32,213	7,291
Monetary variation	15,085	2,000
Monetary updating on escrow deposits	19,959	4,879
Monetary variation - CVA (Note 11)	111,216	6,927
Others	19,478	18,945
	<b>405,157</b>	<b>292,851</b>
<b>FINANCE EXPENSES</b>		
Charges on loans, financings and debentures (Note 17)	(113,012)	(80,102)
Amortization of transaction cost (Note 17)	(874)	(904)
Forluz - Monetary variation charges	(21,933)	(24,740)
Monetary variations - loans, financings and debentures (Note 17)	(139,778)	(121,169)
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS to be restituted (2)	(375,383)	(13,336)
R&D and PEE - monetary adjustments	(16,208)	(2,636)
Leasing - Monetary variation (Note 14)	(9,511)	(9,552)
Monetary variation - Others	(11,815)	(10,432)
Others	(24,227)	(19,522)
	<b>(712,741)</b>	<b>(282,393)</b>
<b>NET FINANCE INCOME (EXPENSES)</b>	<b>(307,584)</b>	<b>10,458</b>

	Apr to Jun, 2022	Apr to Jun, 2021
<b>FINANCE INCOME</b>		
Income from financial investments	16,828	19,441
PIS/Pasep and Cofins taxes charged on financial income (1)	(4,089)	(8,409)
Arrears fees on sale of energy	100,252	121,235
Foreign exchange variations - Itaipu Binacional	8,248	7,291
Monetary variation	14,226	1,332
Monetary updating on escrow deposits	11,258	3,326
Monetary variation - CVA (Note 11)	59,217	6,927
Others	12,890	14,809
	<b>218,830</b>	<b>165,952</b>
<b>FINANCE EXPENSES</b>		
Charges on loans, financings and debentures (Note 17)	(56,774)	(38,953)
Amortization of transaction cost (Note 17)	(442)	(436)
Forluz - Monetary variation charges	(11,761)	(11,427)
Foreign exchange variations - Itaipu Binacional	-	16,963
Monetary variations - loans, financings and debentures (Note 17)	(77,589)	(50,587)
Monetary updating on PIS/Pasep and Cofins taxes credits over ICMS to be restituted (2)	(366,020)	(4,767)
Monetary variation - CVA (Note 11b)	-	1,541
R&D and PEE - monetary adjustments	(9,130)	(1,331)
Leasing - Monetary variation (Note 14)	(4,664)	(4,590)
Monetary variation - Others	(6,428)	(7,224)
Others	(18,409)	(15,228)
	<b>(551,217)</b>	<b>(116,039)</b>
<b>NET FINANCE INCOME (EXPENSES)</b>	<b>(332,387)</b>	<b>49,913</b>

- (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 arising from the exclusion of ICMS from its calculation base and the related liability to be refunded to customers, 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.

## 25. RELATED PARTY TRANSACTIONS

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

COMPANY	ASSETS		LIABILITIES		REVENUE		EXPENSES	
	Jun. 30, 2022	Dec. 31, 2021	Jun. 30, 2022	Dec. 31, 2021	Jan to Jun, 2022	Jan to Jun, 2021	Jan to Jun, 2022	Jan to Jun, 2021
<b>Transactions with energy (3)</b>								
Companhia Energética de Minas Gerais	72	72	-	-	-	-	-	-
Cemig Geração e Transmissão	4,186	3,431	24,663	24,067	18,135	13,318	(138,723)	(122,105)
Aliança Geração	1,693	-	10,929	9,857	29,229	22,902	(58,776)	(50,351)
Madeira Energia	-	-	25,676	24,105	-	-	(108,493)	(102,255)
Norte Energia	-	-	28,538	26,809	-	-	(119,684)	(113,067)
Baguari Energia	-	-	1,046	983	-	-	(3,928)	(4,351)
TAESA	-	-	8,115	8,483	-	-	(59,624)	(49,958)
Retiro Baixo	-	570	662	622	3,434	2,912	(2,776)	(3,062)
<b>Connection of the distribution facilities to the transmission system</b>								
Cemig Geração e Transmissão (5)	-	-	8,650	8,650	-	-	(38,926)	(38,459)
<b>Receivables from customers, traders and concession holders</b>								
Minas Gerais State Government (1)	101,814	167,366	-	-	85,851	45,711	-	-
<b>Cooperation Working Agreement (2)</b>								
Companhia Energética de Minas Gerais	-	-	28,573	11,370	-	-	(22,485)	(20,102)
Cemig Geração e Transmissão	-	-	2,565	2,362	-	-	(431)	(1,845)
<b>Provision of services</b>								
Axxiom (6)	-	-	-	62	-	-	-	-
<b>Loan contract</b>								
Companhia Energética de Minas Gerais (4)	-	-	-	-	-	-	(3,024)	-
<b>Interest on Equity and dividends</b>								
Companhia Energética de Minas Gerais	-	-	986,795	916,961	-	-	-	-
<b>FIC Pampulha</b>								
<b>Current</b>								
Cash and cash equivalents	141,333	15,950	-	-	-	-	-	-
Securities	448,510	336,078	-	-	5,618	23,853	-	-
<b>Non-current</b>								
Securities	7,561	69,125	-	-	-	-	-	-
<b>Forluz</b>								
<b>Current</b>								
Post-employment obligations (7)	-	-	140,750	130,870	-	-	(86,514)	(61,625)
Supplementary pension contributions - Defined contribution plan (8)	-	-	-	-	-	-	(26,066)	(25,857)
Administrative running costs (9)	-	-	-	-	-	-	(12,965)	(11,367)
Operational leasing (10)	124,385	127,031	17,187	17,186	-	-	(11,352)	(10,777)
<b>Non-current</b>								
Post-employment obligations (7)	-	-	1,473,982	1,492,738	-	-	-	-
Operational leasing (10)	-	-	122,053	122,532	-	-	-	-
<b>Cemig Saúde</b>								
<b>Current</b>								
Health Plan and Dental Plan (11)	-	-	139,042	127,015	-	-	(139,004)	(92,972)
<b>Non-current</b>								
Health Plan and Dental Plan (11)	-	-	2,479,431	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 June 30, 2022, fifteen 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, settled on May 31, 2022, plus interest in the amount of R\$3,024 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;
- (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 Axiom 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 administrative 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 26.25%, on June 30, 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.

## 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 June 30, 2022 and 2021, are as follows:

	Jan to Jun, 2022	Jan to Jun, 2021
Remuneration	5,007	4,542
Profit sharing	578	492
Pension plans	647	534
Health and dental plans	54	41
Life insurance	15	-
<b>Total (1)</b>	<b>6,301</b>	<b>5,609</b>

- (1) The company does not directly remunerate the members of the key personnel. They are paid by the controlling shareholder. 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	Jun. 30, 2022		Dec. 31, 2021	
		Balance	Fair value	Balance	Fair value
<b>Financial assets</b>					
<b>Amortized cost (1)</b>					
Marketable securities - Cash investments	2	88,053	88,053	218,822	218,822
Receivables from customers, traders and concession holders (Note 6)	2	3,146,503	3,146,503	3,335,034	3,335,034
Restricted cash	2	634	634	2,144	2,144
Concession financial assets - CVA (Parcel 'A' Costs Variation Compensation) Account, and Other financial components	3	1,315,658	1,315,658	2,147,548	2,147,548
Reimbursement of tariff subsidies	2	90,963	90,963	287,420	287,420
Low-income subsidy	2	50,269	50,269	46,540	46,540
Escrow deposits	2	633,898	633,898	619,772	619,772
		<b>5,325,978</b>	<b>5,325,978</b>	<b>6,657,280</b>	<b>6,657,280</b>
<b>Fair value through profit or loss</b>					
Cash equivalents - cash investments	2	749,705	749,705	93,764	93,764
Marketable securities					
Bank certificates of deposit	2	131,000	131,000	19,689	19,689
Treasury Financial Notes (LFTs)	1	86,690	86,690	34,937	34,937
Financial Notes - Banks	2	280,245	280,245	137,920	137,920
Debentures	2	2,097	2,097	-	-
		500,032	500,032	192,546	192,546
Concession financial assets - Distribution infrastructure	3	948,513	948,513	683,729	683,729
		<b>2,198,250</b>	<b>2,198,250</b>	<b>970,039</b>	<b>970,039</b>
		<b>7,524,228</b>	<b>7,524,228</b>	<b>7,627,319</b>	<b>7,627,319</b>
<b>Financial liabilities</b>					
<b>Amortized cost (1)</b>					
Loans, financings and debentures	2	(4,795,287)	(4,795,287)	(4,247,161)	(4,247,161)
Debt with pension fund (Forluz)	2	(238,608)	(238,608)	(278,580)	(278,580)
Deficit of pension fund (Forluz)	2	(387,017)	(387,017)	(390,458)	(390,458)
Sector financial liabilities	3	(270,951)	(270,951)	(51,359)	(51,359)
Suppliers	2	(1,578,718)	(1,578,718)	(2,019,994)	(2,019,994)
Leasing transactions	2	(167,414)	(167,414)	(191,012)	(191,012)
		<b>(7,437,995)</b>	<b>(7,437,995)</b>	<b>(7,178,564)</b>	<b>(7,178,564)</b>

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

Information on the following can be found in the financial statements for the year ending December 31, 2021:

- (i) classifications of financial instruments at fair value;
- (ii) methodology for calculation of fair value of positions.

### b) Financial risk management

#### 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).

The net exposure to exchange rates is as follows:

Exposure to exchange rates	Jun. 30, 2022		Dec. 31, 2021	
	Foreign currency	R\$	Foreign currency	R\$
<b>US dollar</b>				
Suppliers (Itaipu Binacional) (Note 15)	(24,952)	(130,697)	(59,335)	(331,118)
<b>Net liabilities exposed</b>		<b>(130,697)</b>		<b>(331,118)</b>

### Sensitivity analysis

Based on finance information from its financial consultants, the Company estimates that in a probable scenario the variation of the exchange rates of foreign currencies in relation to the Real on June 30, 2023 will be an depreciation of the dollar by 7.79%, to R\$4.83. 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	Jun. 30, 2022	Jun. 30, 2023		
	Book value	'Probable' scenario R\$4,83	'Possible' scenario R\$6,04	'Remote' scenario R\$7,25
<b>US dollar</b>				
Suppliers (Itaipu Binacional) (Note 15)	(130,697)	(120,517)	(150,708)	(180,900)
<b>Net liabilities exposed</b>	<b>(130,697)</b>	<b>(120,517)</b>	<b>(150,708)</b>	<b>(180,900)</b>
<b>Net effect of exchange rate fluctuation</b>		<b>10,180</b>	<b>(20,011)</b>	<b>(50,203)</b>

### Interest rate risk

The Company is exposed to the risk of decrease in Brazilian domestic interest rates on June 30, 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. This exposure occurs as a result of net assets indexed to variation in interest rates, as follows:

Risk: Exposure to domestic interest rate changes	Jun. 30, 2022	Dec. 31, 2021
<b>Assets</b>		
Cash equivalents - cash investments (Note 4)	749,705	93,764
Marketable securities (Note 5)	588,085	411,368
CVA and Other financial components in tariffs (Note 11)	1,315,658	2,147,548
	<b>2,653,448</b>	<b>2,652,680</b>
<b>Liabilities</b>		
Loans, financings and debentures - CDI rate (Note 17)	(1,585,756)	(1,355,933)
Sector financial liabilities (Note 11)	(270,951)	(51,359)
	<b>(1,856,707)</b>	<b>(1,407,292)</b>
<b>Net assets exposed</b>	<b>796,741</b>	<b>1,245,388</b>

## Sensitivity analysis

In relation to the most significant interest rate risk, Company estimates that, in a probable scenario, at June 30, 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: Decrease in Brazilian interest rates	Jun. 30, 2022	Jun. 30, 2023		
	Book value	'Probable' scenario 12,25%	'Possible' scenario 9,19%	'Remote' scenario 6,13%
<b>Assets</b>				
Cash equivalents - cash investments (Note 4)	749,705	841,544	818,603	795,662
Marketable securities (Note 5)	588,085	660,125	642,130	624,135
CVA and Other financial components in tariffs - Selic rate (Note 11)	1,315,658	1,476,826	1,436,567	1,396,308
	<b>2,653,448</b>	<b>2,978,495</b>	<b>2,897,300</b>	<b>2,816,105</b>
<b>Liabilities</b>				
Loans, financings and debentures - CDI rate (Note 17)	(1,585,756)	(1,780,011)	(1,731,487)	(1,682,963)
Sector financial liabilities (Note 11)	(270,951)	(304,142)	(295,851)	(287,560)
	<b>(1,856,707)</b>	<b>(2,084,153)</b>	<b>(2,027,338)</b>	<b>(1,970,523)</b>
<b>Net assets exposed</b>	<b>796,741</b>	<b>894,342</b>	<b>869,962</b>	<b>845,582</b>
<b>Net effect of variation in interest rates</b>		<b>97,601</b>	<b>73,221</b>	<b>48,841</b>

## **Inflation increase risk**

The Company is exposed to the risk of increase in inflation index on June 30, 2022. A portion of the loans, financings and debentures as well as the pension fund liabilities are adjusted using the IPCA (Expanded National Consumer Price). The revenues are also adjusted using the IPCA or IGP-M index, mitigating part of the Company risk exposure. This table presents the Company's net exposure to inflation index:

Exposure to increase in inflation	Jun. 30, 2022	Dec. 31, 2021
<b>Assets</b>		
Concession financial assets related to infrastructure - IPCA index (Note 11) (*)	948,513	683,729
<b>Liabilities</b>		
Loans, financings and debentures - IPCA index (Note 17)	(3,236,959)	(2,907,093)
Debt agreed with pension fund (Forluz) - IPCA index (Note 19)	(238,608)	(278,580)
Forluz deficit solution plan - IPCA index (Note 19)	(387,017)	(390,458)
	<b>(3,862,584)</b>	<b>(3,576,131)</b>
<b>Net liabilities exposed</b>	<b>(2,914,071)</b>	<b>(2,892,402)</b>

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

## Sensitivity analysis

In relation to the most significant risk of reduction in inflation index, reflecting the consideration that the Company has more assets than liabilities indexed to inflation indexes, the Company estimates that, in a probable scenario, at June 30, 2023 the IPCA inflation index will be 5.14% and the IGP-M inflation index will be 3.81%. 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	Jun. 30, 2022	Jun. 30, 2023		
	Book value	'Probable' scenario IPCA 5,14% IGPM 3,81%	'Possible' scenario IPCA 6,43% IGPM 4,76%	'Remote' scenario IPCA 7,71% IGPM 5,72%
<b>Assets</b>				
Concession financial assets related to infrastructure - IPCA index (Note 11) (*)	948,513	997,267	1,009,502	1,021,643
<b>Liabilities</b>				
Loans, financings and debentures - IPCA index (Note 17)	(3,236,959)	(3,403,339)	(3,445,095)	(3,486,529)
Debt agreed with pension fund (Forluz) - IPCA index (Note 19)	(238,608)	(250,872)	(253,950)	(257,005)
Equation of the deficit on Pension Plan (Forluz) - IPCA Index (Note 19)	(387,017)	(406,910)	(411,902)	(416,856)
	<b>(3,862,584)</b>	<b>(4,061,121)</b>	<b>(4,110,947)</b>	<b>(4,160,390)</b>
<b>Net liabilities exposed</b>	<b>(2,914,071)</b>	<b>(3,063,854)</b>	<b>(3,101,445)</b>	<b>(3,138,747)</b>
<b>Net effect of variation in IPCA and IGPM indexes</b>		<b>(149,783)</b>	<b>(187,374)</b>	<b>(224,676)</b>

(\*) Portion of the concession financial assets relating to the Regulatory Remuneration Base of Assets ratified by the grantor (Aneel) after the 4<sup>rd</sup> 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.

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
<b>Financial instruments at (interest rates):</b>						
<b>- Floating rates</b>						
Loans, financings and debentures	56,186	112,328	995,938	4,198,590	-	5,363,042
Debt with pension plan (Forluz)	10,561	21,177	98,155	135,930	-	265,823
Equation of the deficit on Pension Plan (Forluz) - IPCA Index	4,682	9,398	43,399	254,550	335,040	647,069
	<b>71,429</b>	<b>142,903</b>	<b>1,137,492</b>	<b>4,589,070</b>	<b>335,040</b>	<b>6,275,934</b>
<b>- Fixed rate</b>						
Suppliers	1,390,825	187,893	-	-	-	1,578,718
	<b>1,462,254</b>	<b>330,796</b>	<b>1,137,492</b>	<b>4,589,070</b>	<b>335,040</b>	<b>7,854,652</b>

### 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 did not identify events or conditions of non-compliance of its all financial covenants requiring half-yearly and annual compliance. More details in Note 17.

### 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 recorded on June 30, 2022, considered to be adequate in relation to the credits in arrears receivable by the Company and its subsidiaries was R\$818,366.

Company manages the counterparty risk of financial institutions based on an internal policy, applied since 2004.

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	-	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.

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.

## Other operating risks

### 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 monitors 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.

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 June 30, 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.

### c) Capital management

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

	Jun. 30, 2022	Dec. 31, 2021
Total liabilities	19,062,531	17,654,962
Cash and cash equivalents	(788,847)	(198,694)
Marketable securities	(580,523)	(342,243)
<b>Net liabilities</b>	<b>17,693,161</b>	<b>17,114,025</b>
<b>Total equity</b>	<b>6,135,596</b>	<b>6,942,666</b>
Net liabilities / equity	2.88	2.47

## 27. NON-CASH TRANSACTIONS

On periods ended on June 30, 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\$16,250 on the period ended on June 30, 2022 (R\$11,938 on June 30, 2021);
- Lease addition in the amount of R\$891 on the period ended on June 30, 2022 (R\$5,288 on June 30, 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 complaints received by the Minas Gerais State Public Attorneys' Office (MPMG), through Official Letters, the content of which refers to alleged irregularities in 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 December 2020 was concluded at the end of 2021, with the receipt of the final report that was approved by the Investigation Committee and sent by the Company to the MPMG, which has not yet concluded its investigation, not having identified that might present a significant impact on the interim financial information at June 30, 2022 or on financial statements for prior business years. The Company awaits the outcome of the investigations by the MPMG and by other national and international authorities with which the aforementioned report was shared.

The Company will evaluate any future change in this scenario and any impacts, if any, that may affect the interim financial information and remains collaborating with national and international public authorities in their analyzes related to 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 entitled to investigate the facts underlying the application for its creation, for 120 calendar days from appointment of its Chair and Vice-chair. This period was extended, on October 26, 2021, for 60 days.

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

Additionally, in relation to the processes of contracting, the Company carries out regular audits. At present there is an examination in progress in one of these: based on the results identified to date, no material impacts have been identified neither on the interim financial information for the period ending June 30, 2022, nor on financial statements for prior years.

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

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

## FINANCIAL RESULTS

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

### Net income for the period

Cemig Distribuição reports loss of R\$900,278 from January to June 2022, compared to net income of R\$347,641 in the same period of 2021. The following items describe the main variations between in the six month period of 2022 compared to the same period of 2021 in revenues, costs, expenses and financial items:

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

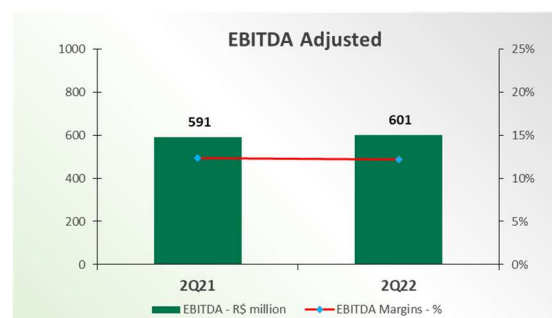
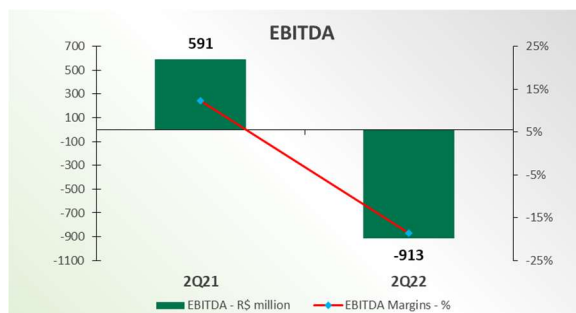
The Company's Ebitda, calculated in accordance with CVM Instruction 527/2012, was R\$ 913,416 negative in 2Q22, compared to R\$ 590,583 positive in 2Q21. Ebitda margin in 2Q22 was 18.52% negative, compared to 12.31% positive in 2Q21. The difference results from recognition of the effects of the coming into force of Law 14385/22, which ordered that the amounts in excess PIS, Pasep and Cofins taxes wrongly charged on energy bills should be reimbursed in their entirety to customers - resulting in a reduction of operational profit by R\$ 1,634,102. Ebitda in first half 2022 was R\$ 258,887 negative, compared to R\$ 1,335,886 positive in first half 2021. Ebitda Margin in first half 2022 was 2.67% negative, compared to 14.12% positive in first half 2021.

Adjusted Ebitda in 2Q22, excluding non-recurring items, was 1.84% higher than in 2Q21, and adjusted Ebitda margin was 12.19%, compared to 12.31% in 2Q21. In the half-year, adjusted Ebitda, at R\$ 1,255,976, was 0.12% lower than in 1H21 (R\$ 1,257,525). Adjusted Ebitda margin in 1H22 was 12.98%, compared to 13.29% 1H21.

Ebitda - R\$'000	2Q22	2Q21	1H22	1H21
Net income for the period	(900,278)	347,641	(524,351)	739,793
+ Income tax and Social Contribution tax	(524,406)	126,983	(396,376)	276,422
+ Net financial revenue (expenses)	332,387	(49,913)	307,584	(10,458)
+ Depreciation and amortization	178,881	165,872	354,256	330,129
<b>= Ebitda according to "CVM Instruction 527" (1)</b>	<b>(913,416)</b>	<b>590,583</b>	<b>(258,887)</b>	<b>1,335,886</b>
Refunded of PIS/Pasep and Cofins credits on ICM	1,660,356	-	1,660,356	-
Reversal of tax provisions	-	-	-	(78,361)
TDRA* related to infrastructure	(145,493)	-	(145,493)	-
<b>= Ebitda Adjusted (2)</b>	<b>601,447</b>	<b>590,583</b>	<b>1,255,976</b>	<b>1,257,525</b>

\* Term of Debt Recognition Agreement

- (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.



## Operational revenue

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

	2Q22	2Q21
Revenue from supply of energy - captive customers, in Cemig's concession area	5,475,415	5,047,877
Reimbursement of PIS/Pasep and Cofins over ICMS credits to customers- realization	498,773	252,538
Revenue from use of the energy distribution systems (TUSD) - free customers	920,530	826,666
CVA and Other financial components	(271,933)	453,744
Distribution construction revenue	683,279	398,218
Adjustment to expectation from reimbursement of distribution concession financial assets	19,030	9,119
Fine for violation of service continuity indicator	(19,305)	(14,335)
Mechanism for the sale of surplus	66,855	-
Other operating revenues	762,406	405,503
Deductions on revenue)	(3,203,931)	(2,578,292)
<b>Total</b>	<b>4,931,119</b>	<b>4,801,038</b>

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

Total revenue from energy sold to final customers from January to June 2022 was R\$5,475,415 - or 8.47% higher than in the same period in 2021 (R\$5,047,877). The main factors in this revenue, in the first semester of 2022, were:

Energy sold by customers class	2Q22			2Q21		
	MWh (1)	R\$	Average price billed (R\$/MWh) (2)	MWh (1)	R\$	Average price billed (R\$/MWh) (2)
Residential	2,768,128	2,724,031	984.07	2,766,585	2,620,987	947.37
Industrial	399,303	334,891	838.69	425,533	309,802	728.03
Commercial, Services and Others	1,173,445	1,359,370	1,158.44	996,054	1,042,491	1,046.62
Rural	841,411	539,604	641.31	1,061,983	625,485	588.98
Public authorities	223,437	176,026	787.81	171,645	128,263	747.26
Public lighting	285,585	136,207	476.94	314,679	149,098	473.81
Public services	351,948	220,132	625.47	352,752	197,094	558.73
<b>Total</b>	<b>6,043,257</b>	<b>5,490,261</b>	<b>908.49</b>	<b>6,089,231</b>	<b>5,073,220</b>	<b>833.15</b>
Own consumption	6,857	-	-	8,272	-	-
Wholesale supply to other concession holders (3)	-	15,260	-	-	-	-
Wholesale supply not yet invoiced, net	-	(30,106)	-	-	(25,343)	-
<b>Total</b>	<b>6,050,114</b>	<b>5,475,415</b>	-	<b>6,097,503</b>	<b>5,047,877</b>	-

- (1) Information in MWh 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 Energy Sale Contracts (CCEARs) and 'bilateral contracts' with other agents.

- increase of 17.81% on energy billed to the Commercial and Services category of customers, mainly reflecting the increase in the number of customers in this category, including numerous customers 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*;

- increase of 30.17% on volume of energy billed to the *Public authorities* user category, mainly due to the increase in the number of customers 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;
- decrease of 20.77% on volume of energy billed to the Rural user category, partially offsetting the previous increases, mainly due to the lower number of customers in this category as a result of migration of these clients to other categories, in compliance with Aneel Normative Resolution (ReN) 901/2020;
- decrease of 9.25% on volume of energy billed to the *Public lighting* user category, mainly as a result of installation of LED lamps in several municipalities.

### 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 June 2022 this was R\$920,530, compared to R\$826,666 in the same period in 2021, an increase of 11.35%.

This mainly reflects the average tariff for demand from Free Clients being 16.41% higher in 2Q22 than in 2Q21, partially offset by the average energy tariff being 4.10% lower. There was also an increase of 3.67% in the volume of energy transported in the period compared to the same period of the previous year.

	MWh		
	2Q22	2Q21	Var %
Industrial	5,236,044	5,118,220	2.30
Commercial	422,505	356,817	18.41
Rural	9,128	10,560	(13.56)
Public services	-	900	(100.00)
Public authorities	666	-	-
Concessionaires	73,729	52,220	41.19
<b>Total</b>	<b>5,742,072</b>	<b>5,538,717</b>	<b>3.67</b>

### 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 June 2022 an expense of R\$271,933 was recognized, compared to a gain of R\$453,744 in the same period of 2021. The change mainly reflects the lower costs of purchase of energy acquired in the regulatory environment in 2022 compared to the amounts considered in the tariff.

More details in Note 11 of this interim financial information.

## Construction revenue

Infrastructure construction revenue in the second quarter of 2022 was R\$683,279 million, compared to R\$398,218 the same period in 2021, an increase of 71.58%. This increase was mainly due to the larger execution of the Company's investment plan budget in relation to the compared period, highlighting the rural service and market growth, 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\$66,855 from April to June 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 customers.

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

The taxes and charges that are recorded as deductions from operating revenue totaled R\$3,203,931 from April to June 2022, or 24.27% more than in the same period of 2021 (R\$2,578,292). 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 customer subsidy, the coal consumption subsidy, and the Fuels Consumption Account (CCC).

CDE charges from April to June 2022 totaled R\$935,677, 58.76% more than in the same period of 2021 (R\$589,367). 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.

### 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.

The charges were zeroed in the second quarter of 2022, compared to the amount of R\$55,037 in the same period of 2021. This variation results from the activation of the most burdensome flags in the period of 2021, compared to no activation in the current quarter.

#### 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\$6,023,416 from April to June 2022, or 37.64% higher than in the same period of 2021 (R\$4,376,327).

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\$2,257,209 from April to June 2022, 4.97% lower when compared to R\$2,375,202 in the same period of 2021. This arises mainly from the following items:

- expenses on supply of power from Itaipu were 14.63% lower, at R\$409,856 from April to June 2022, compared to R\$480,103 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 the average fall of 3.8% of the dollar exchange in the second quarter of 2022 compared to the average of the second quarter of 2021;
- Expenses on energy purchased in the spot market 63.60% lower in 2Q22, at R\$ 108,330, than in 2Q21 (R\$ 297,583), mainly due to lower costs of effects of physical guarantee quotas, Itaipu, and renegotiation of hydrological risk. These costs were lower mainly because of the lower spot price, which averaged R\$ 55.70 in the period of 2022, compared to R\$ 134.30 in the same period of 2021;
- expenses on supply acquired at auction were 20.18% lower, at R\$835,650 from April to June 2022, compared to R\$1,046,928 in the same period of 2021. The lower figure mainly reflects lower dispatching due to the availability of thermal plants and the reduction in energy acquisition through the MCSD (*Surpluses and Deficits Compensation Mechanism*); and
- the reductions referred above were partially offset by expenses on distributed generation that were 72.65% higher, at R\$472,642 from April to June 2022, compared to R\$273,757 in the same period of 2021. This higher figure reflects the higher number of generation units installed and the higher volume of energy



injected into the grid (714,820 MWh from April to June 2022, compared to 445,944 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 23c of this interim financial information.

#### Charges for use of the transmission network

Charges for use of the transmission network from April to June 2022 totaled R\$579,441, compared with the same period in 2021 (R\$720,452), a reduction of 19.57%.

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 is mainly due to costs of the System Services Charge (*Encargo de Serviços do Sistema - 'CCEE-ESS'*) 27% lower, due to lower dispatching of generation plants outside the merit order, and a reduction of approximately 10% in the National Grid tariff, which took place in July 2021.

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 April to June 2022 totaled R\$1,543,830 compared to R\$23,701 in the same period of 2021. This main impacts result from the following factors:

- Constitution of an operational provision in the updated amount of R\$ 1,405,106, arising from the accounting effects of Law 14385/22 coming into force, which ordered that the amounts of PIS, Pasep and Cofins taxes wrongly charged on amounts of ICMS tax should be reimbursed in their entirety to customers. The Company awaits regulation of the Law by Aneel, and is assessing possible future actions related to this matter with its legal advisers;
- Net additional provisions for tax legal actions, of R\$17,196, from April to June 2022, compared to a net reversal of provisions in the same period of 2021, of R\$6,441. 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
- The allowance for estimated losses on doubtful receivables was a constitution of R\$89,450 from April to June 2022, compared to a reversal of R\$7.789 in the same



period of 2021. This variation is mainly due to the improvement of the provisioning rules in the 2021 fiscal year, which aims to assimilate good practices adopted by the market in the energy sector.

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

The net financial result in the second quarter of 2022 was a net financial expense of R\$332,387 compared to a net financial income of R\$49,913 in the same period of 2021. The most significant variations in components of Net financial revenue (expenses) between the two years were:

- Recognition of a net financial expense of R\$ 369,001, for monetary updating of the liabilities related to the portion of tax credits corresponding to the period of the last 10 years. This arises from ratification of the 2022 Annual Tariff Adjustment, which took into account the effects of Draft Law 1280 of 2022, which was converted into Law 14385 of 2022. That law specifies that 100% of the amounts arising from tax charged in excess (as per the judgment excluding ICMS tax amounts from the calculation base for PIS, Pasep and Cofins taxes) should be reimbursed to customers;
- Reduction in the exchange variation of Itaipu, with a net financial income of R\$8,248 in the second quarter of 2022, compared to R\$24,594 in the same period of 2021, justified by the lower exchange variation verified in the period of 2022, compared to the average of the previous period; and,
- Monetary adjustment expense on loans, financings and debentures of R\$139,778 from April to June 2022, compared to R\$50,587 in the same period of 2021. This variation is mainly due to the variation of the IPCA, the main index used for updating the Company's debts, which showed a variation of 5.49% in the accumulated from January to June 2022, compared to the variation of 3.77% in the same period of 2021.

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

### ***Income tax and social contribution tax***

From April to June 2022, the expense on income tax and the social contribution tax totaled a recovery of expenses of R\$128,030, on pre-tax loss of R\$1,424,684. From April to June 2021, the expense on income tax and the social contribution tax was R\$126,983, on pre-tax profit of R\$474,624.

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

\* \* \* \* \*

**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/242.451-04



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

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

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

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

### **Introduction**

We have reviewed the interim financial information of Cemig Distribuição S.A. ("the Company"), included in the Quarterly Information Form (ITR), for the quarter ended June 30, 2022, which comprises the statement of financial position as of June 30, 2022 and the respective statements of income, and other comprehensive income for the three and six-months periods then ended, and changes in shareholders' equity and cash flows for the six-month period then ended, comprising explanatory footnotes.

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

### **Scope of review**

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

### **Conclusion on the interim financial information**

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

### **Emphasis of matter**

#### *Risks related to compliance with laws and regulations*

As mentioned in note 28 to the interim financial information, there are investigations being conducted by public authorities regarding the Company and in its parent company Companhia Energética de Minas Gerais - Cemig. We are currently unable to foresee future developments or potential impacts of these investigations conducted by public authorities. Our conclusion is not modified in respect of this matter.

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

### ***Other matters - Statements of Value Added***

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

### ***Corresponding figures***

The statement of financial position as of December 31, 2021 and the Statement of Income and other comprehensive income for the three and six-month periods ended June 30, 2021, and changes in shareholders' equity and cash flows and the respective explanatory footnotes for the six-month period ended June 30, 2021, presented as corresponding figures in the interim financial information for the current period, were audited and reviewed, respectively, by other independent auditors, who issued audit and review reports dated March 29, 2022 and August 16, 2021, respectively, unmodified. The corresponding figures related to the statement of value added (DVA) for the six-month period ended June 30, 2021 were submitted to the same review procedures by those independent auditors and, based on their review, those auditors issued report reporting that nothing has come to their attention that causes them to believe that the statements of value added were not prepared, in all material respects, in accordance with the criteria set on that Standard and consistently with the interim financial information taken as a whole.

Belo Horizonte, August 12, 2022

KPMG Auditores Independentes Ltda.  
CRC SP-014428/O-6 F-MG  
*Free-translation - Original version issued in Portuguese<sup>1</sup>*

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

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