

QUARTERLY REPORT CFE FIBRA E

Q1 2019

Tuesday, April 30 2019



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I. Relevant events for CFE Fibra E

- i. High volume of certificates traded
- ii. New Commissioners at the Energy Regulatory Commission
- iii. New member of the Technical Committee

II. Performance of CFE Fibra E

III. Distribution payment

IV. Promoted and the Issuer trusts

Relevant events for CFE Fibra E and CFECapital



On April 4 2019, the volume traded of CFE Fibra E Series “A” CBFEs was 26,817,506, which is equivalent to 3.14% of all Series “A” CBFEs.



On April 5 2019, the four new Commissioners of the Energy Regulatory Commission were appointed by the President of Mexico.



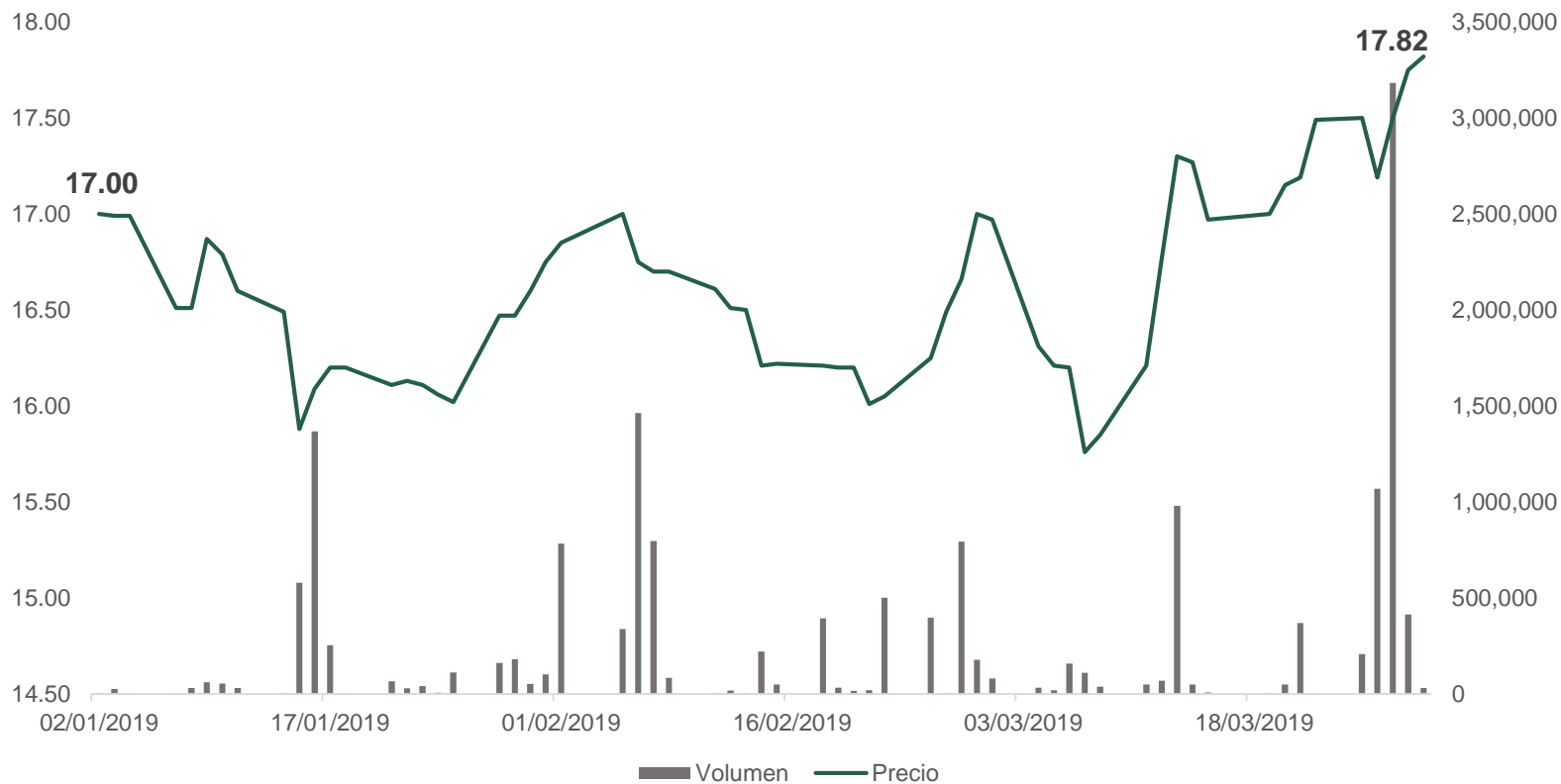
On April 24 2019, Miguel Alejandro López López was announced as new member of the Technical Committee of CFE Fibra E.

Source: CFECapital. Bloomberg.

Notes: *Certificado Bursátil Fiduciario de Inversión en Energía e Infraestructura* (CBFE). There are 853,195,411 Series “A” CBFEs. CFE Fibra E Initial Public Offering was on February 8 2018. The Energy Regulatory Commission (CRE) is the entity in charge of determining the tariff methodology for the transmission of electricity.

CFE Fibra E CBFEs rose 4.82% during the first quarter of 2019

CFE Fibra E performance in the stock market (MXN per CBFE; units)



● YTD: +12.93%¹

● 2019 highest price: \$18.99



Source: CFE Capital.

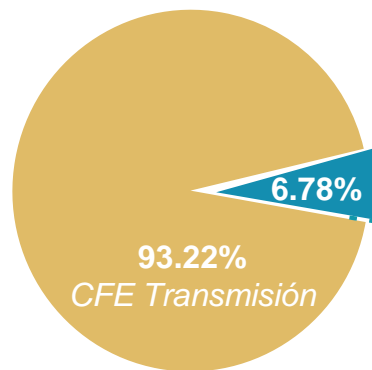
Notes: *Certificado Bursátil Fiduciario de Inversión en Energía e Infraestructura (CBFE)*.

¹ Source Bloomberg – Price Change Year to Date Percent: Calculated from the last close of the prior year to the last price.

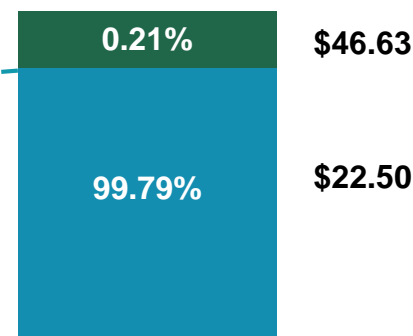
CFE Fibra E is the first investment trust in energy and infrastructure specialized in the energy sector in Mexico.

Aside from our initial asset, we did not have other revenue sources for the Q1 2019.

Beneficiary rights of the Promoted Trust



CFE FIBRA E Assets as of March 31, 2019 (million MXN)



Source CFECapital. ¹ 6.776103%, approx. 6.78%. The beneficiary rights represent economic ownership in the Promoted Trust.

Promoted Trust, Q1 2019 account balance

Account balance Promoted Trust as 31 of March, 2019 (million MXN)

	January	February	March	Total
Initial balance	303.86 ⁽¹⁾	4,084.12	7,801.76	
+ Collection payments	6,157.18	5,345.40	5,606.51	17,109.09 ⁽²⁾
- Collection payments VAT	849.27	737.30	773.31	2,359.88
- Reimbursements and reliquidations	1,543.48	922.22	1,724.93	4,190.63
- Distribution to holders			7,541.67	7,541.67 ⁽³⁾
Gross balance	4,068.29	7,770.00	3,368.36	
+ Interest	18.09	36.27	37.36	91.72 ⁽⁴⁾
- Interest tax	2.26	4.53	4.66	11.45 ⁽⁵⁾
Final balance	4,084.12	7,801.74	3,401.06	

Q1 balance began with MXN 303.86 million⁽¹⁾. Collection payments for the period summed up to MXN 17,109.09 million⁽²⁾, with interests of MXN 91.72 million⁽⁴⁾ which generated MXN 11.45 million⁽⁵⁾ of interest tax. Expenditures (collection payments VAT, reimbursements, and reliquidations) for the period summed up to MXN 6,550.51 million, and the distribution amount to holders was MXN 7,541.67⁽³⁾

Issuer Trust, Q1 2019 account balance

Account balance Issuer Trust as of March 31, 2019 (million MXN)

	January	February	March	1Q19
Initial Balance	1,073.76 ⁽¹⁾	235.37	233.37	
+ Promoted trust distribution	0	0	525.53	525.53 ⁽²⁾
- Distribution to holders	819.26	0	699.26	(5) 1,518.52 ⁽⁶⁾
- Trust Expenses	21.41	3.4	15.55	40.36 ⁽³⁾
Gross balance	233.09	231.97	44.09	
+ Interest	2.27	1.4	2.53	6.20 ⁽⁴⁾
Final balance	235.36	233.37	46.62	
Accrued interest	0	0	0	
Portfolio value	235.36	233.37	46.62	

The first quarter began with a balance of MXN 1,073.76 million⁽¹⁾, to which was added MXN 525.53 million⁽²⁾, which includes the fourth distribution received on March 15 of the F/80758 Trust (MXN 511.03 million), which added to the MXN 212 million of the extraordinary distribution made in December, belonging to this distribution, totals MXN 723 million received from the Promoted Trust as part of the distribution made on March 29, of which the holders finally received MXN 699.26 million⁽⁵⁾. The distributions made in 2019 totaled MXN 1,518.52 million⁽⁶⁾ considering the fourth quarter of 2018 made on January 4 for MXN 819.26 million. During the quarter, interest was generated by MXN 6.2 million⁽⁴⁾. Disbursements amount to 40.36 million pesos⁽³⁾, which correspond to reserve of expenses to the Issuer Trust.

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***CFE Transmisión* performance indicators**

Promoted Trust income flow and reimbursements

Distribution calculation and financial information

CFE Capital administration and corporate governance

Foreseeable Future

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CFE *Transmisión* performance indicators

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CFE Transmisión kept its regular functioning during the period the last quarter of 2018

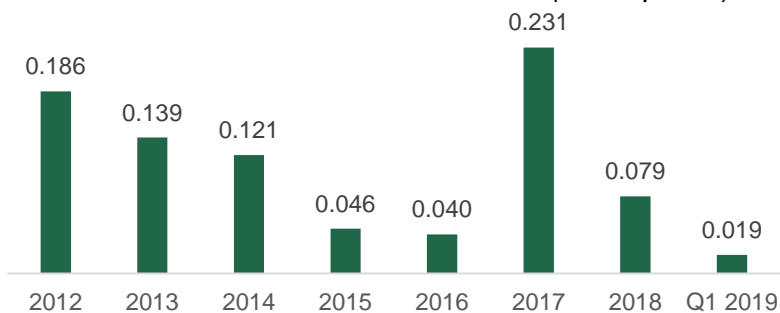


Promoted
Trust

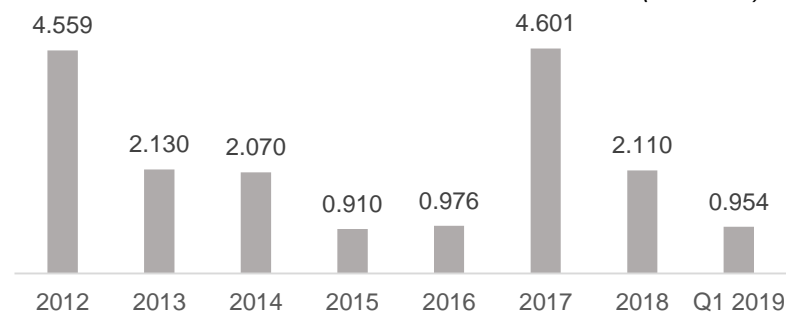
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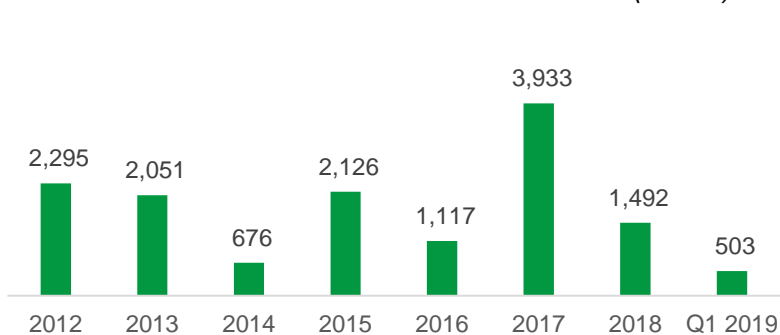
System Average Interruption Frequency Index¹
(interruptions)



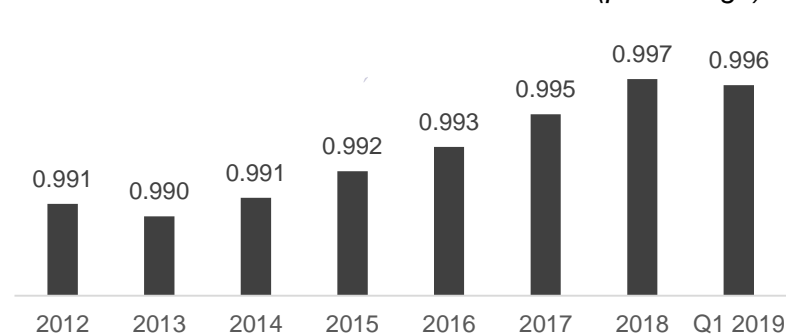
System Average Interruption Duration Index²
(minutes)



Energy not delivered³
(MWh⁴)



Transmission System Availability Index⁵
(percentage)



Source: CFE Transmisión. ¹Average number of service interruptions due to failure in the National Transmission Network (NTN) for a final user. ²Average interruption duration of electricity supply to a final user. ³Energy not supplied to users due to interruptions for periods longer than five minutes that occur as a consequence of failures in the NTN. ⁴Means megawatt-hour, or one thousand kilowatt-hours. ⁵Availability of all component elements of the NTN. Information as of March 31 of 2019.



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Seasonality of the transmission of electricity in Mexico

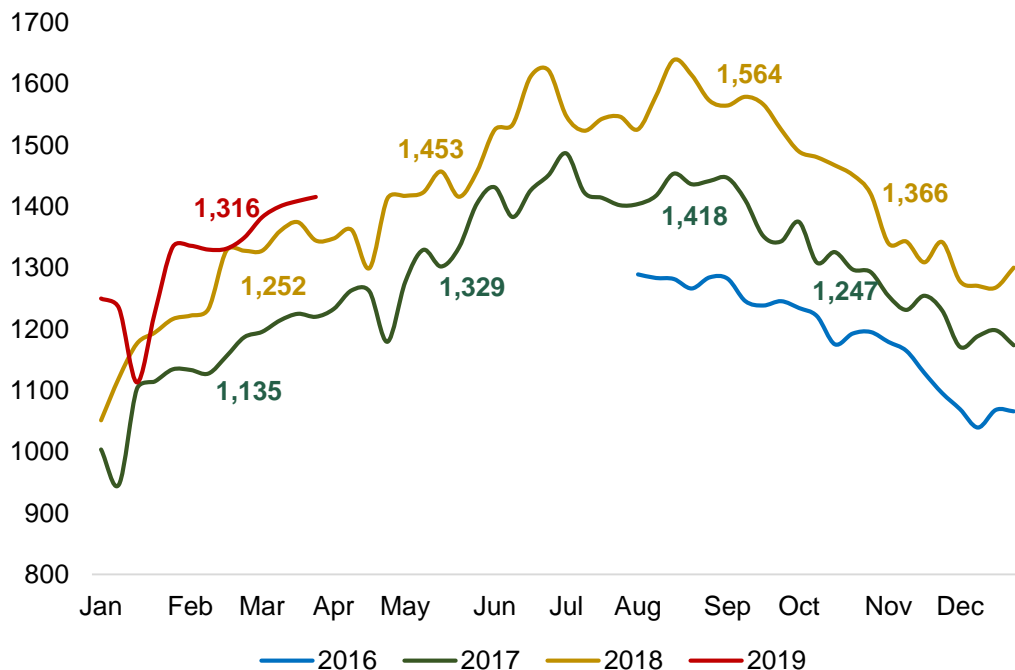


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Collection rights from CENACE¹
(million MXN)



During the first quarter of 2019 weekly collection rights grew at an average of 5.11% compared to the same quarter of 2018.

- For 2019, the Energy Regulatory Commission determined an increment of 4.9% on tariffs for the transmission of electricity.²
- It is expected that the new tariff methodology will be approved in 2019.

Note: The figures shown in the chart correspond to the quarterly average of weekly collection rights.



Source: CFE Transmisión and CFECapital. Revenues in the graph include VAT (IVA). ¹Centro Nacional de Control de Energía (CENACE). ²Energy Regulatory Commission announced on December 28 an extend to the current methodology with an increment of 4.9% <http://drive.cre.gob.mx/Drive/ObtenerAcuerdo/?id=692>

Reimbursements and collections rights of Promoted Trust

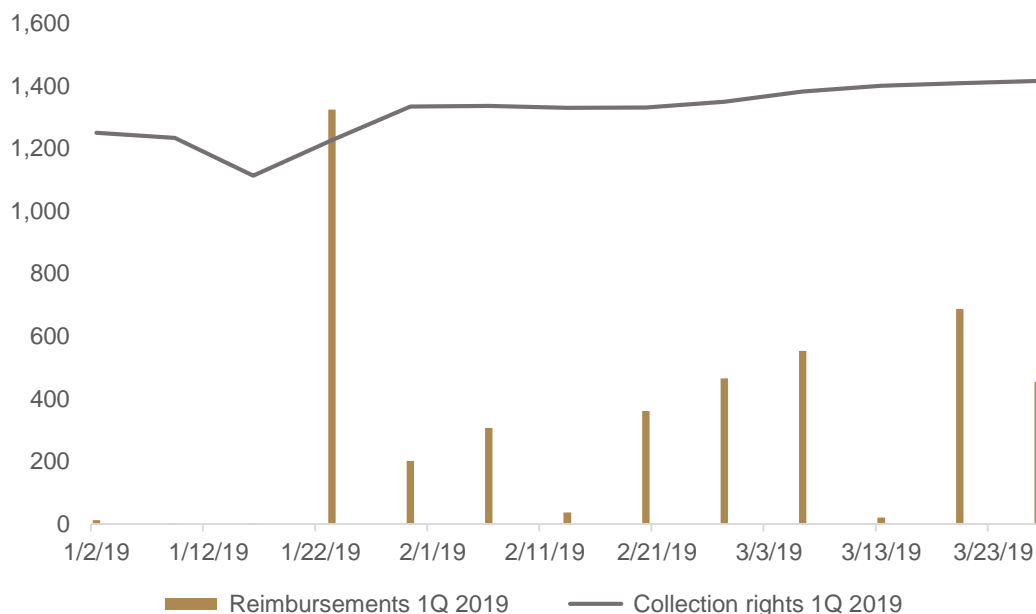


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Collection rights and reimbursements to CFE Transmisión (million MXN)



- On average, **weekly collection rights** from January to March were 1,316.08 million MXN.
- During the period, average **weekly reimbursements** were 340.37 million MXN, resulting in an **operating profit margin** for the period of 74.14%¹.
- In order to meet **corporate governance highest standards**, reimbursements were made until 2019 budget had been approved².

Last update: 12/31/18.Reimbursements according to annual budget.

Source: CFE Transmisión and CFECapital.

Notes: ¹Operating Profit Margin is calculated as profits once reimbursements have been subtracted from the collection rights.

²Reimbursements of January 9 (473.8 million MXN) and January 16 (59.3 million MXN) were paid, once the 2019 had been approved, on January 23.



Use of budget approved for 2019



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Reimbursements made during 2019 first quarter vs Budget approved (million MXN)

Category	2019	1Q 2019	% against budget
Intercompany expenses	7,769	1,617	21%
Operation and maintenance	7,126	1,532	21%
Obligations expenses	3,471	701	20%
Major maintenance	2,027	325	16%
Trust expenses	17	0	0%
Financing Costs	0	0	0%
Total	20,410	4,175	20%

Budget approved for 2019 considers 52 weeks of operations, it is adjusted by inflation and looks for efficiency and reliability of operations.

Budget approved for 2019 increased 21.55% compared to 2018 Budget¹.



Source: CFE Transmisión and CFECapital.
Note: ¹Budget for 2018 only considered 46 weeks of operations.

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The Promoted Trust has received all income derived from the collection rights minus approved reimbursements.



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Account balance Promoted Trust
(million MXN)

	January	February	March	Total
Initial balance	303.86	4,084.12	7,801.76	
+ Collection payments	6,157.18	5,345.40	5,606.51	17,109
- Collection payments VAT	849.3	737.3	773.3	2,359.9
- Reimbursements and reliquidations	1,543	922.2	1,724.93	4,190.13
- Distributions			7,541.67	7,541.67
Final balance	4,068	7,770	3,368.37	



Source: CFECapital. Rounded figures. June initial balance includes the account reserve of MXN 250 million.

The distribution reflected the lowest power consumption period in Mexico



Promoted Trust

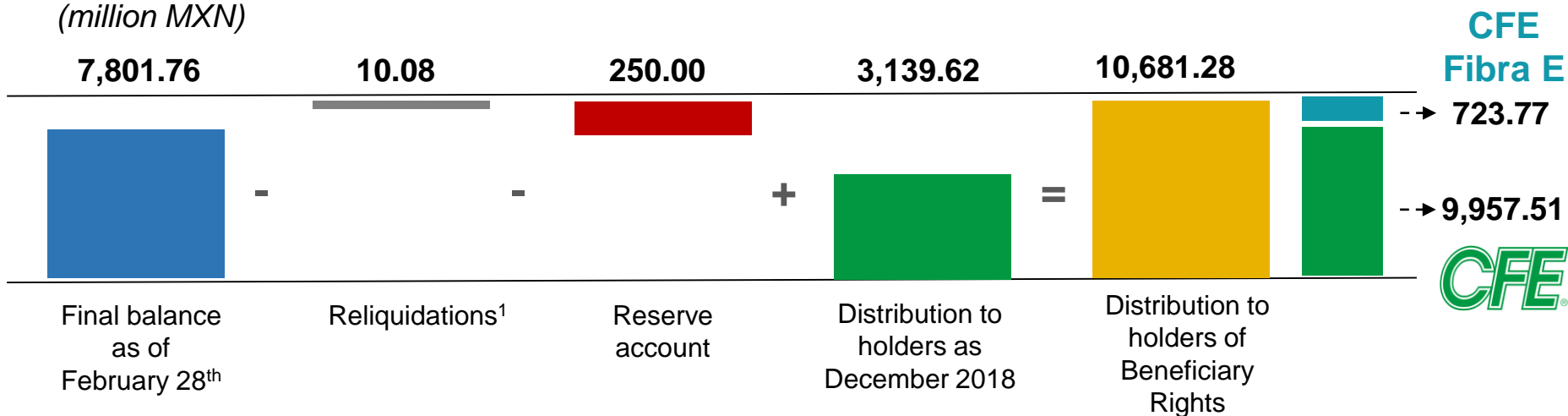
CFE Fibra E



The distribution corresponding to December was part of the fourth distribution corresponding to March 29, 2019 (212.75 million MXN), the amount was reserved in order to comply with the fiscal requirements to maintain the quality of FIBRA. The total amount of the first distribution of 2019, of the FIBRA was 723.77 million MXN.

Calculation of the distribution amount

(million MXN)



Source: CFECapital. ¹Defined as adjusted payments resulting from disputes due to discrepancies. Reliquidations generate credit or debit notes in the daily account statements. There are 4 types: initial (49 days after the operation), intermediate (105 days), final (210 days) or controversy (no defined term). This item was approved to be reimbursed on the Technical Committee session of the Promoted Trust.

Taxable treatment of distributions that maximizes value for our investors and increases transparency in operations.



Promoted Trust

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Promoted Trust taxable result 1Q19 (million MXN, cumulative amount)

Income from CENACE	63,699
(+) Interests	592
(-) Reimbursements	(15,650)
(-) Intangible asset amortization	(16,085)
(-) Taxable income (cumulative)	(25,243)
Taxable income (4Q)	7,312

(+) Capital reimbursements	3,369
Distribution to holders	10,681

(x 6.78%)

Issuer Trust taxable result 1Q19 (million MXN)

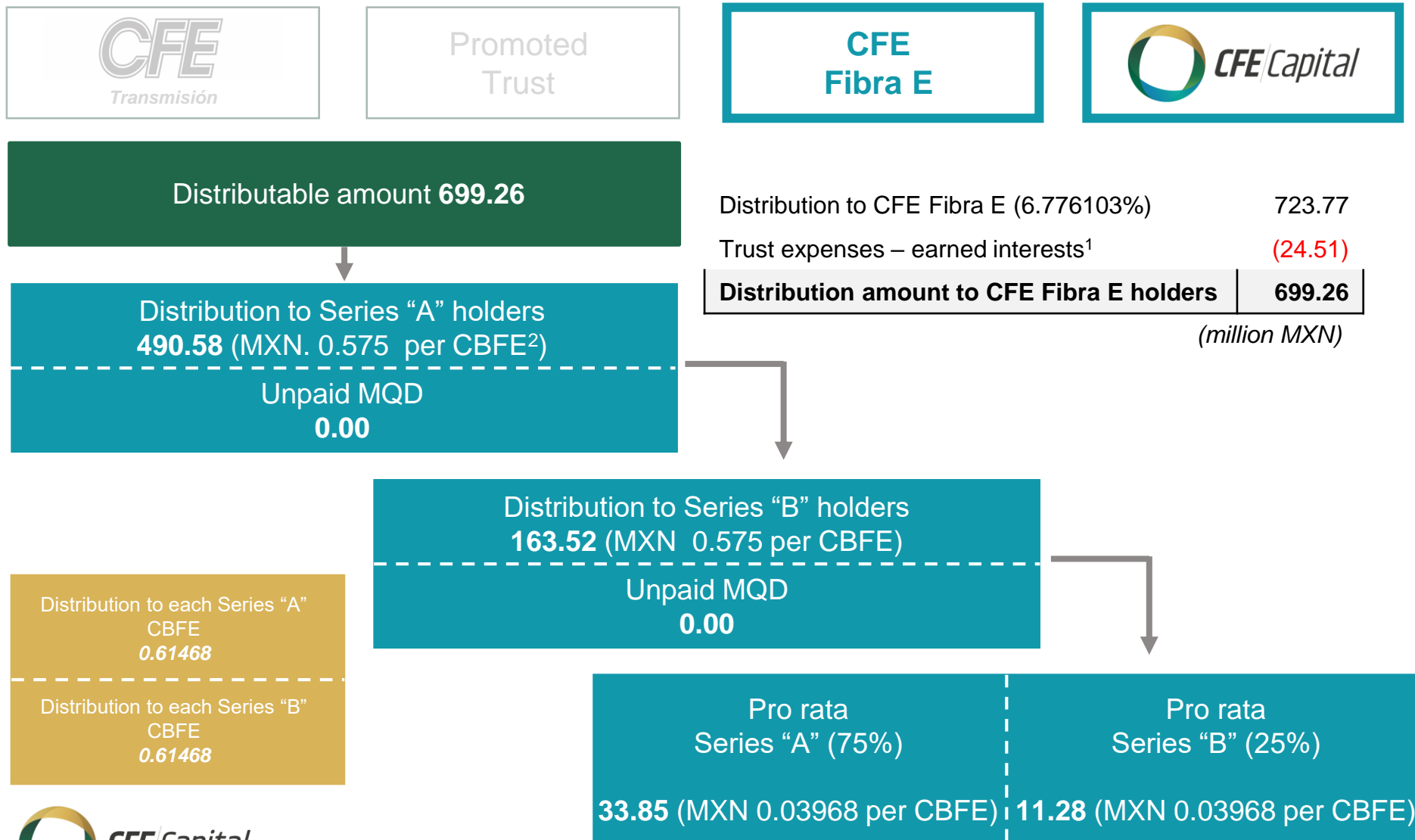
Taxable income from the Promoted Trust	495.4
(-) Trust expenses – earned interests	(24.5)
(-) Issuance expenses amortization	(8.9)
(-) Taxable income estimated	(170.4)
Taxable income	291.5

(+) Capital reimbursements	228
(+) Issuance expenses amortization	8.9
(+) Taxable income estimated	170.4
CFE Fibra E Distribution	699

Source: CFECapital and accounting advisor of the Promoted Trust. Income from CENACE and reimbursements exclude Value Added Tax (IVA).



Distributable amount per Series “A” and Series “B” CBFEs



Source: CFECapital. All information includes VAT, all information in MXN million. ¹As issuer's trust agreement establishes, it has to maintain a MXN 45 million expenses reserve fund. Thus, the Trust Technical Committee approved its replenishment. ²Certificados Bursátiles Fiduciarios de Inversión en Energía e Infraestructura, CBFEs. Rounded figures.

MQD was covered for both Series and all CBFE¹ holders received pro rata distributions

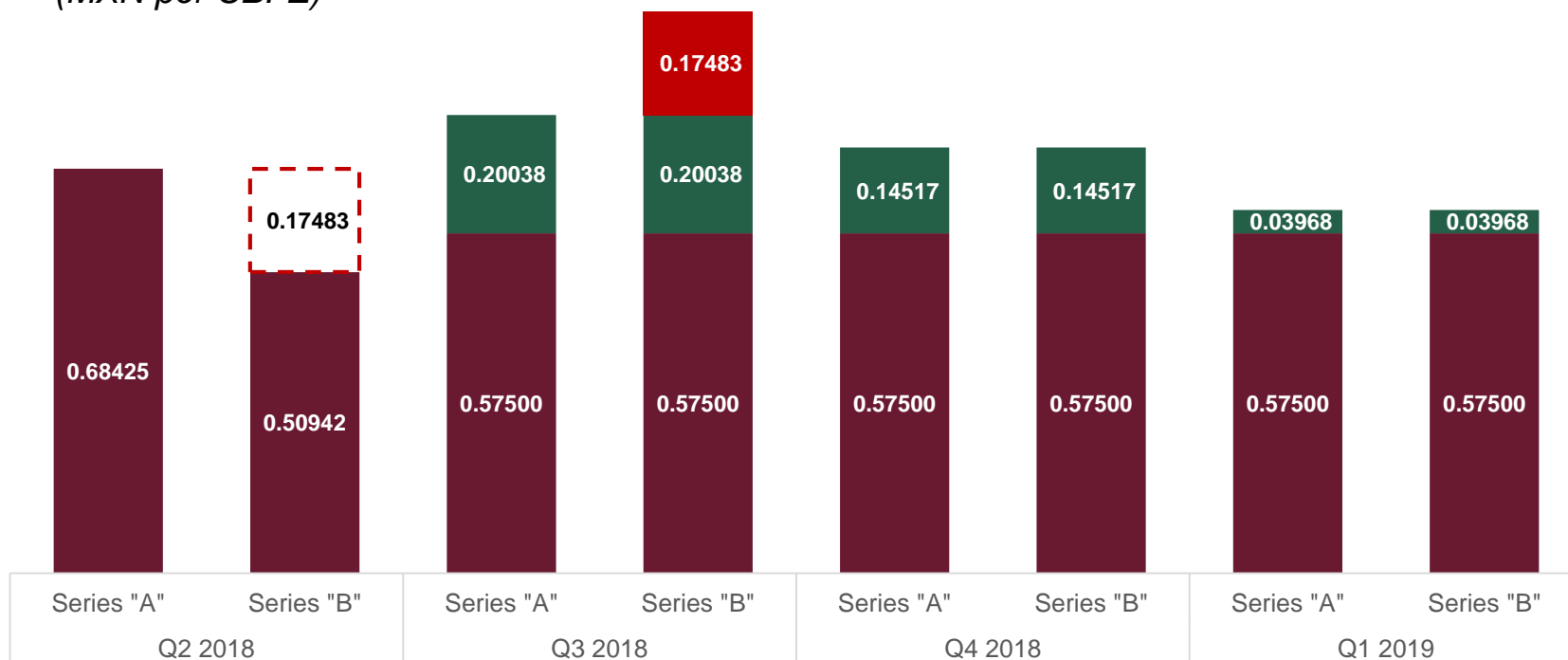


Promoted Trust

CFE Fibra E



Revenue composition of CFE Fibra E distributions for both Series
(MXN per CBFE)



● MQD

● Pro rata distributions

○ Unpaid MQD



Note: ¹Certificado Bursatil Fiduciario de Inversión en Energía e Infraestructura. CFECapital gives the reimbursement instruction to the Trustee, who makes the deposit at INDEVAL, the central securities depository for the Mexican securities market. The custodian acts as the tax withholding agent.

Source: CFECapital. Rounded figures.

Capital reimbursement increased compared to the previous distribution

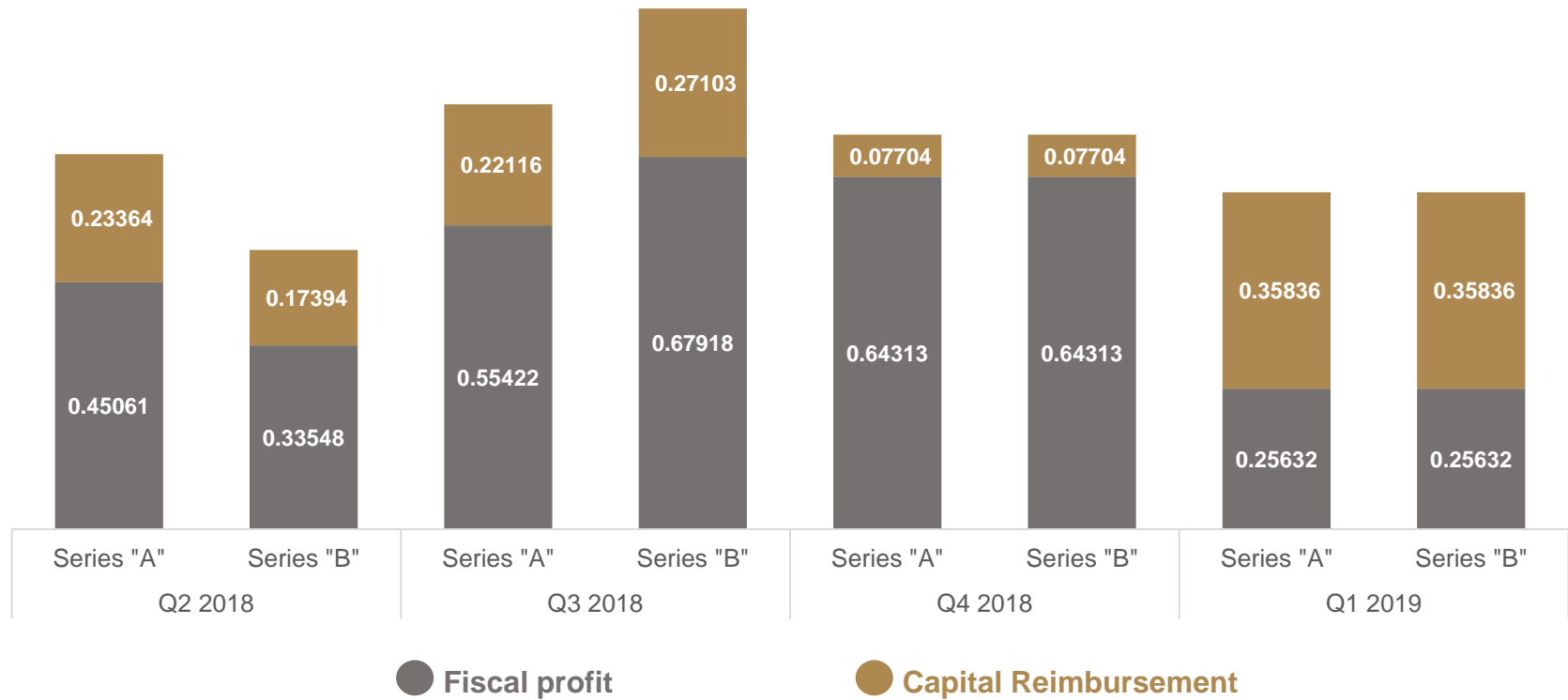


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Fiscal composition of CFE Fibra E distributions for both Series (MXN per CBF E)



Note: ¹Certificado Bursatil Fiduciario de Inversión en Energía e Infraestructura. CFE Fibra E distribution strategy is approved by its Technical Committee and it is determined based on the fiscal requirements for Mexico Income Tax Law.
Source: CFE Capital. Rounded figures.

Collection rights behave according to the seasonality of the Mexican market

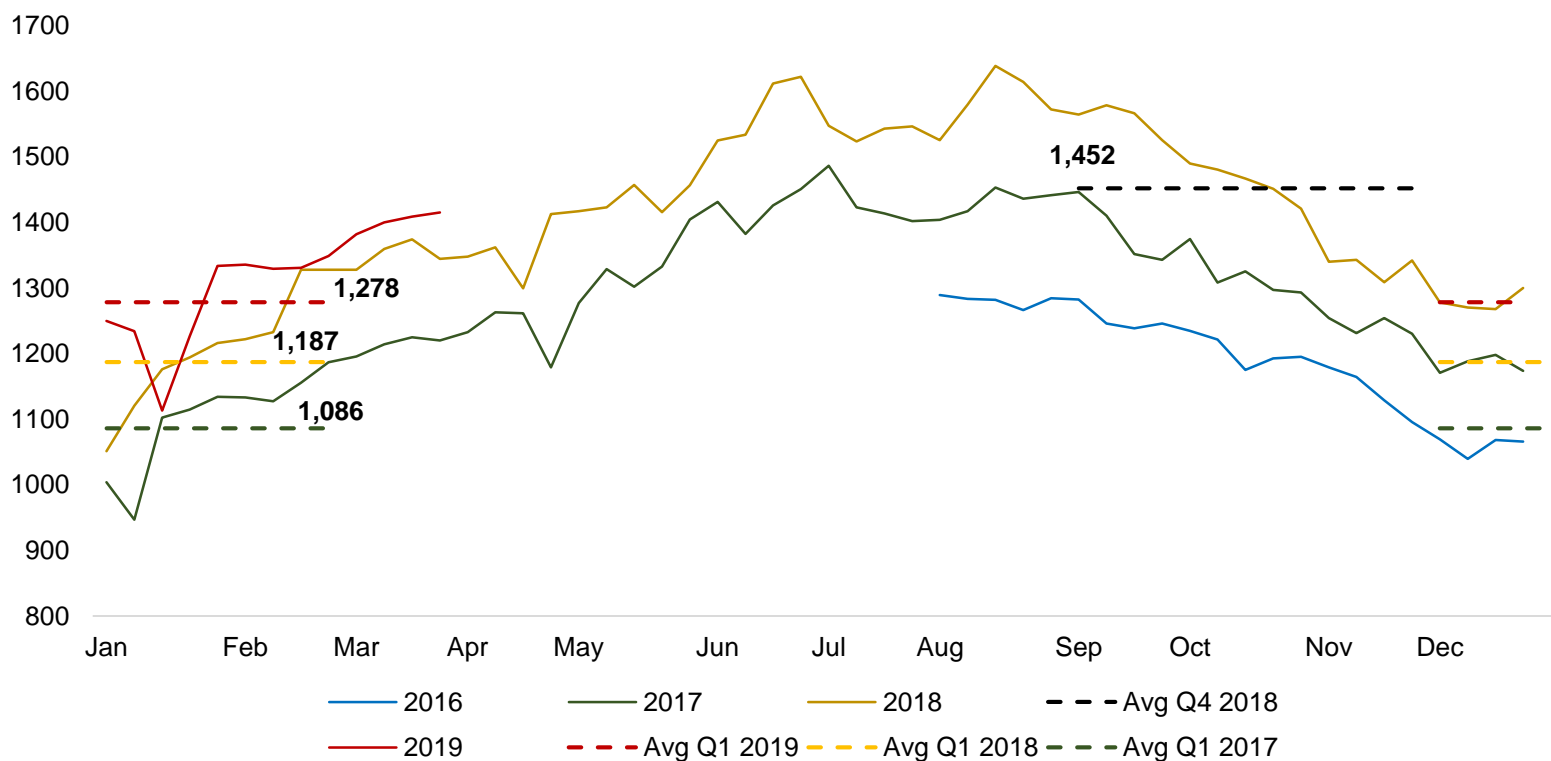


Promoted Trust

CFE Fibra E



Weekly revenues from CENACE
(million MXN)



Source: CFE Capital and Promoted Trust statement of account.
 Note: Q1 2019 distribution: December 1 to March 31; Q4 2018 distribution: September 1 to November 30; Comparison for Q1 of 2017 and 2018 considers equivalent periods. Rounded figures. Last update: 03/31/2019.

Issuer Trust, 1Q 2019 balance sheet

Balance sheet Issuer Trust as of March 31, 2019 (million MXN)

	4T 18	January	February	March
Cash and equivalents	1,073.76	235.37	233.37	46.63
Fiduciary rights	22,329.18	22,329.18	22,329.18	22,546.00
Other assets	0.40	-	-	-
Total assets	23,403.34	22,564.55	22,562.54	22,592.63
Short-term liabilities	0.22	0.06	-	0.23
Total liabilities	0.22	0.06	-	0.23
Equity	21,099.70	20,295.44	20,295.44	20,604.39
Distribution taxable income	0.0	- 1,877.50	- 1,877.50	- 1,023.21
Result of exercise	2,303.42	- 19.38	- 21.32	707.79
Result of previous exercise	-	2,303.42	2,303.42	2,303.42
Change in fair value	-	0.00	0.0	0.00
Total equity	23,403.12	20,701.97	20,700.04	22,592.40
Total liabilities & equity	23,403.34	20,702.04	20,700.04	22,592.63

Source: CFECapital.

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Corporate governance activities



Promoted Trust

On March 11, 2019, the Promoted Trust Technical Committee had its ordinary session. Key decisions were taken:

- **Appointment of the new President and Secretary of the Technical Committee.**
- **Review and reconciliation of the reimbursements to *CFE Transmisión*.**
- **Calculation of the distributed amount to holders of Beneficiary Rights.**
- **Discussion and approval of the modified budget for 2019.**

CFE Fibra E



On February 26, 2019 the Conflicts Committee of the Issuer Trust had one session, where:

- **Independent members approved the new CEO, CFO and the Head of Investor Relations.**

On March 19, 2019 the Technical Committee of the Issuer Trust had one session, where:

- **They approved the amount to be distributed to CBFE holders of both Series on March 31, corresponding to first quarter of 2019.**

CFE Capital expenditures are in line with the annual budget.



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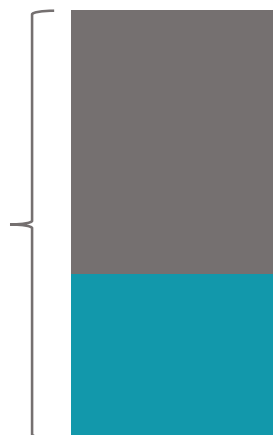


Maintenance expenses (million MXN)

	January	February	March	1Q19	Cumulative
Administration fee	20.85	2.78	-	23.63	23.63
Fiduciary and common representative fees	-	.54	-	.54	0.54
Technical independent members fees	0.12	-	0.43	0.55	0.55
External audit fees, accounting services, fiscal advisers and any other professional services	0.23	0.01	0.19	0.43	0.43
External audit fees tax	0.22	0.06	-	0.28	0.28
Other expenses	-	-	0.42	0.42	0.42
Total	21.42	3.39	1.04	25.85	25.85

Administration fee annual budget vs utilization

Annual budget
MXN 79.26 million
100%



Remaining budget
MXN 55.63 million
70.19%

Budget utilization
MXN 23.63 million
29.81%

Source: CFECapital.



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CFE Capital will continue to work in order promote CFE Fibra E and investments in the energy sector



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- In the following weeks, the executive team will be participating in Non Deal Road Shows and relevant conversations regarding to CFE Fibra E and the energy market in Mexico, such as: Credit Suisse Investment Ideas Conference; Santander “5 de Mayo” Conference; and Infra Latin America GRI 2019.
- Work tables to negotiate the tariff for transmission of electricity with the Energy Regulatory Commission will be retaken. We expect to have a new methodology approved during the following months.
- Next distribution will be on June 28 and will cover the distribution period of March, April and May.

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<http://cfecapital.com.mx/>



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