



## DISTRIBUTION OF THE CFE FIBRA E CORRESPONDING TO THE THIRD QUARTER OF 2021

### Historical maximum in the distribution of CFE Fibra E as of 3Q2021

During the current distribution period, electricity consumption was consistent with the seasonality of the Mexican Electricity Market, which reflects the period with the highest energy demand during the year. This distribution is the result of the good performance of the electricity transmission sector given the gradual recovery of economic activity, seasonality, and the recovery in electricity transmission volumes.

Electricity demand during the quarter showed an exceptional recovery, showing levels above the equivalent months of 2020 and even 2019, exceeding the expectations made by the market. The defensive nature of the electricity sector, together with the fundamentals of the CFE Fibra E instrument, have made it possible to cope with the effects of the COVID 19 pandemic in a shorter period than expected, so this distribution is the highest of the distributions since its constitution of the FIBER. **There was an increase in the amount approved in the distribution in relation to 2Q21 of 21.64% (\$ 1,072.40 vs. \$ 881.62 million pesos).**

**Mexico City, September 22, 2021.-** CFECapital S. de R.L. de C.V. has announced the distribution of CFE FIBRA E, corresponding to the third quarter of 2021, which will be effective to investors on September 30th of the current year. In accordance with the regulation, the announcement was published through EMISNET.<sup>1</sup>

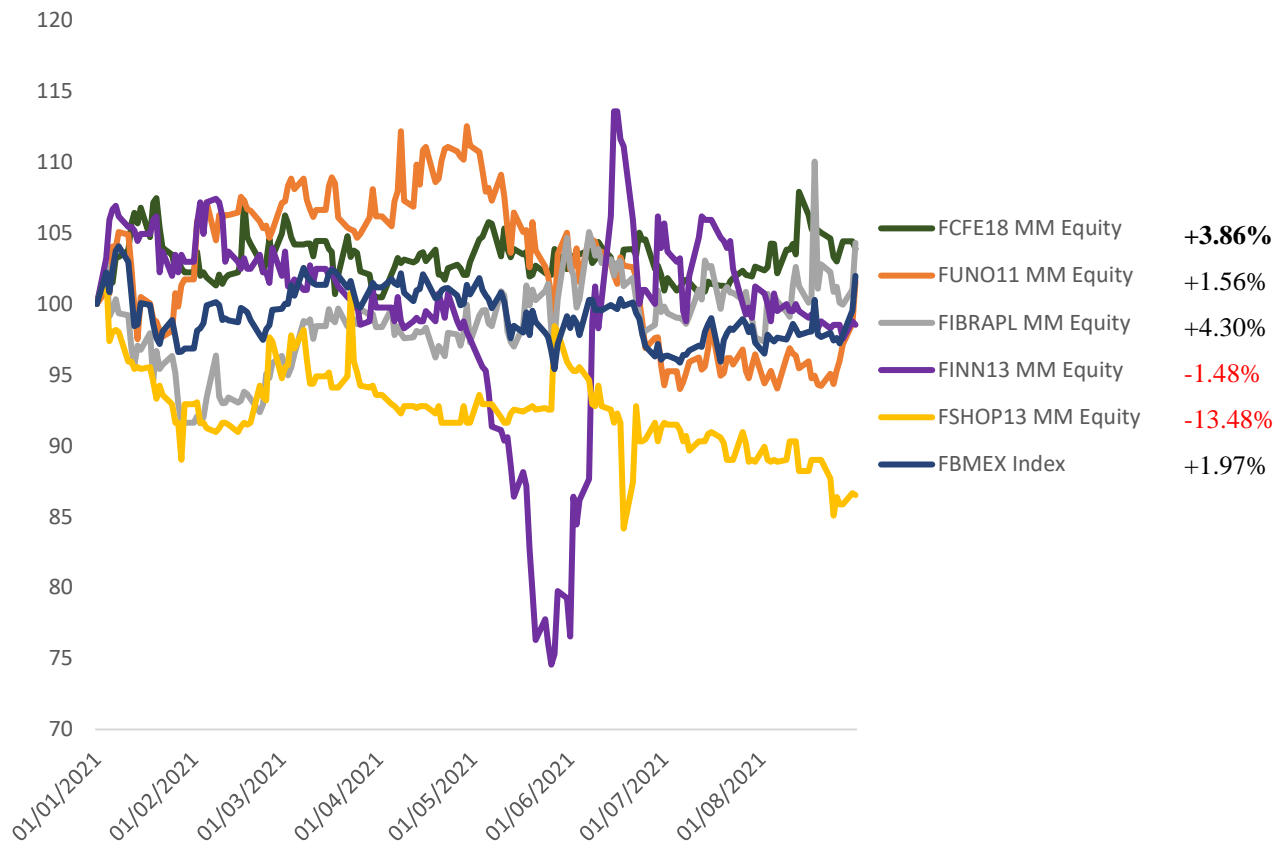
Advances in the vaccination process against COVID 19 in Mexico have allowed a recovery and economic reopening in various productive sectors, although there are still concerns regarding the spread of new variants of the SARS-CoV-2 virus worldwide and in Mexico. Despite these conditions, the electric power transmission sector during this quarter underpinned its recovery reflected in the electricity transmission volumes in Mexico.

During this period, compared to other similar instruments, CFE FIBRA E has maintained an outstanding performance in terms of distributions, showing the profitability of the transmission sector.

---

<sup>1</sup> Electronic Communication System for Securities Issuers, of the Mexican Stock Exchange (BMV).

**Graph 1. Cumulative performance of CFE FIBA E vs. Other FIBERS and Index of FIBERS**



Source: CFECapital with data extracted from Bloomberg as of August 31, 2021.

Graph 1 shows the cumulative performance of CFE FIBRA E and other comparable FIBRAS during the first 8 months of the year, which comprises from January 1st to August 31st, 2021.

The performance of CFE FIBRA E has been constant and resilient throughout the year, considering that the SARS-CoV-2 virus pandemic is still present. On the other hand, despite the advances in the vaccination process against COVID 19, there is still concern regarding the spread of new variants of the virus worldwide and in Mexico. During the period in question, CFE FIBRA E has had an accumulated yield of **3.86%**; which allows to have an expectation of growth for the following quarter.

The collection period of the 3rd quarterly distribution of 2021 comprises 13 weeks of operation -corresponding to the months of June, July and August 2021- and considers a total distribution of \$ 0.943 MXN / CBF E for Series A (FCFE18) and \$ 0.943 MXN / CBF E for Series B (FCFE18- 2). The present distribution has been the highest since the constitution of CFE FIBRA E, showing consistency in the growth premises.

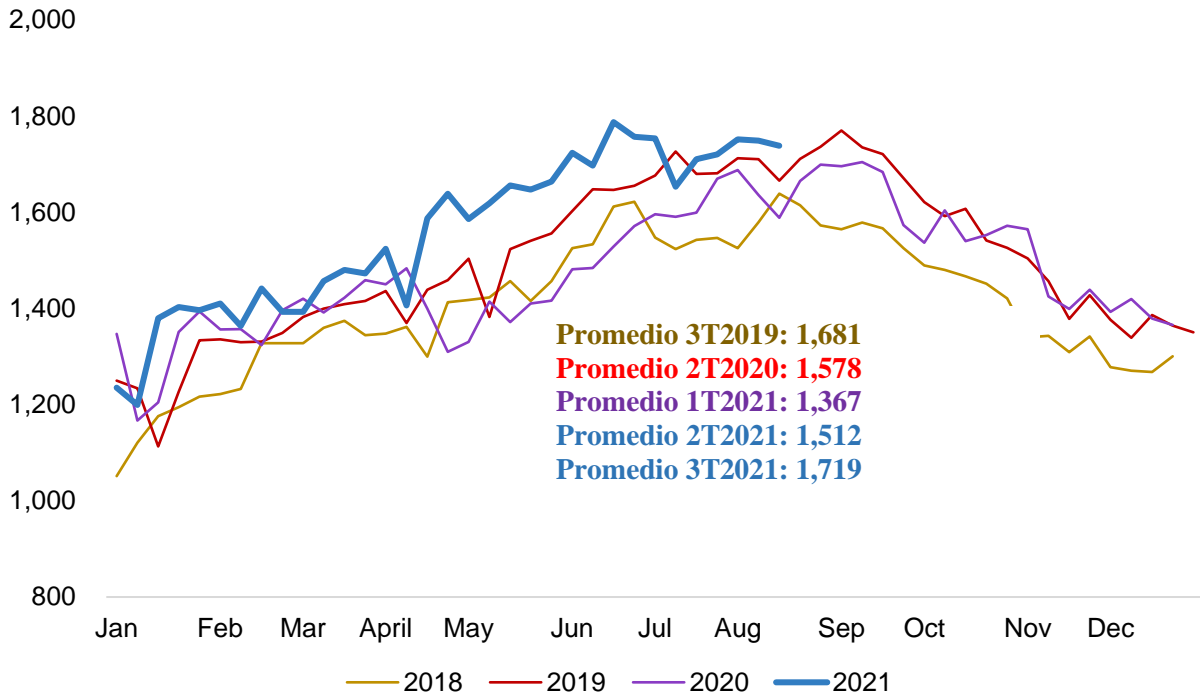
The most prominent aspects of the distribution, as well as its composition, are detailed below:

- The economic opening of the productive sectors in Mexico as the vaccination campaign against the SARS-CoV-2 virus progresses has maintained a positive rhythm.
- Due to the seasonality of the electricity transmission sector, during the present distribution the higher demand for electricity is recorded compared to the immediately previous quarter, attributable to meteorological factors.
- The rate for the provision of the electricity transmission service in Mexico, from January 1 to December 31 of the current year (or until the approval of the new rate methodology) had a **weighted increase of 2.04%.**<sup>2</sup>
- Collection rights during the second distribution period registered an **increase of 13.72% compared to the second quarter of 2021.**
- Due to 2020 was an atypical year, if we compare the collection rights with the same period in 2019, they showed an increase of 2.28%, exceeding the previous expectations that had been made.
- If the revenues are compared with the previous equivalent period (third quarter of 2020, 3Q20), due to the seasonality of the electricity transmission sector in Mexico, there is an increase in the demand for energy, so the collection rights increased by 8.96%.

---

<sup>2</sup> Weighted average of electric power rates (Required Income = 30% generators, 70% consumers).  
[http://www.dof.gob.mx/nota\\_detalle.php?codigo=5610652&fecha=29/01/2021](http://www.dof.gob.mx/nota_detalle.php?codigo=5610652&fecha=29/01/2021).

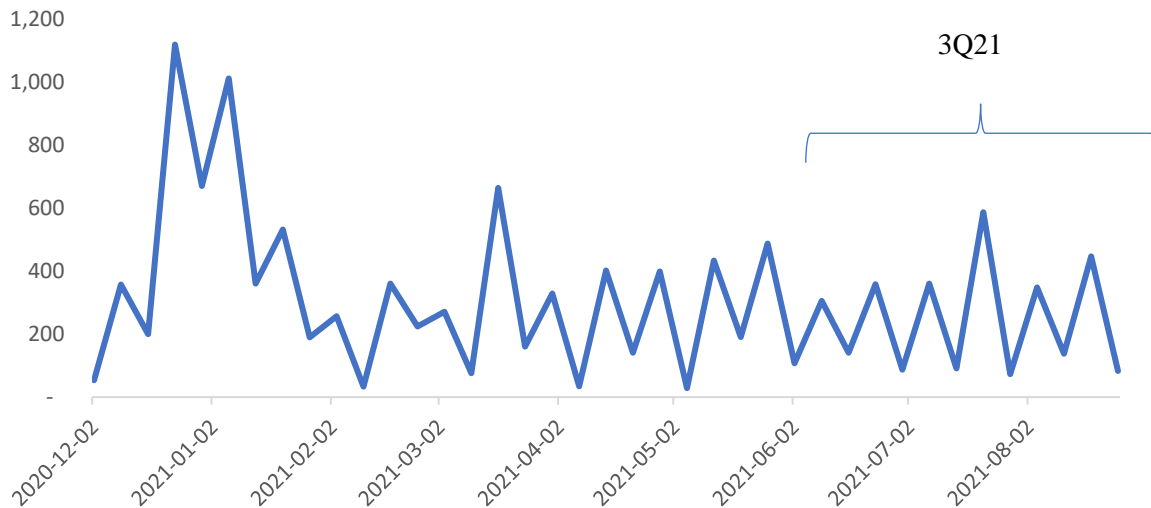
**Graph 2. Weekly income of CENACE**  
Million pesos (MXN)



Source: Statement of Account of the Promoted Trust (August 2021).

Note: Distribution of the Third Quarter of 2021: From June 1st, 2021 to August 31st, 2021.  
Rounded figures.

**Graph 3. Collection and Reimbursement Rights (last four distributions)**  
Million pesos (MXN)



Source: Statement of Account of the Promoted Trust (August 2021).

- Refunds without VAT during the third distribution period showed a decrease of 22.32% compared to 2Q21.
- Total refunds without VAT until August 31st, 2021 have presented a decrease of 9.79% compared to the same period of the previous year.
- During the third quarter of distribution, the benchmark rate of Banco de México (Banxico) increased, currently standing at 4.50%, which allows the implicit yield offered by CFE FIBRA E to remain attractive compared to the free rate of risk, given that the present distribution was greater than expected.

**Graph 4. Comparison of the CFE FIBRA E 3Q21 distribution**  
(Billions of Mexican pesos)



Source: Presentation of the Technical Committee of the Issuing Trust (September 20th, 2021).

**Table 1. Distribution Breakdown**  
((Miles de millones de pesos mexicanos))

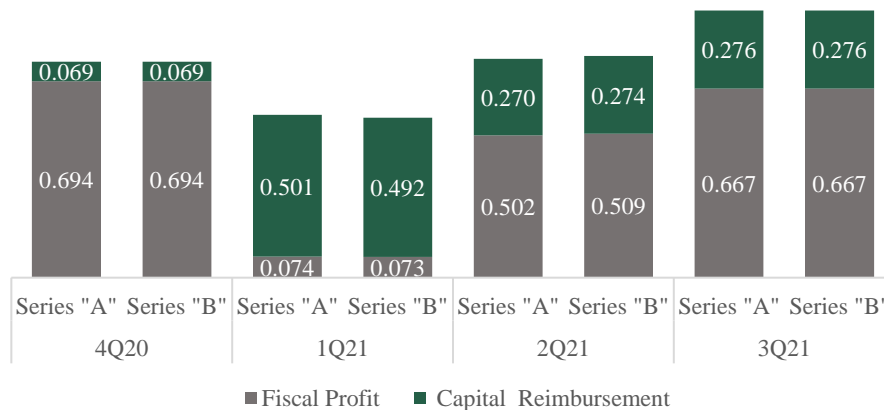
Distribution to CFE FIBRA E (6.776103%)	1,097.10
Restitution of the Expense Reserve Fund <sup>1</sup>	<b>-26.23</b>
Interest generated by the previous distribution	1.53
Use of distribution ratio <sup>2</sup>	0.00
<b>Amount distributable to holders</b>	<b>1,072.40</b>

Source: Presentation of the Technical Committee of the Issuing Trust (September 20th, 2021).

Notes: 1) As specified in the Issuing Trust Agreement, an estimated Expenditure Reserve Fund of 45 million pesos must be maintained as of the distribution calculation date. The corresponding estimate was made for this quarter. 2) The distribution ratio of 1 / 1.1 foreseen in the contract will be used to distribute the period and is not kept in cash in the General Account.

- CFECapital maintains a complete distribution policy, <sup>3</sup> by distributing the cash reserve of the general account, <sup>4</sup> in accordance with the strategy of complying with the requirement of distributing at least 95% of the fiscal profit.

**Graph 5. CFE FIBRA E distributions by certificate for both holders of the Series**  
(Mexican pesos)



Source: Presentations of the 17th, 18th, 19th and 20th Sessions of the Technical Committee of the Issuing Trust, (2020 and 2021).

<sup>3</sup> Page 93 of the Placement Prospectus (in Spanish)  
(<http://cfecapital.com.mx/wpcontent/uploads/2018/05/III-El-Fideicomiso-Emisor.pdf>).

<sup>4</sup> In accordance with sections 5.07 and 6.02 of the Issuer Trust Agreement  
(<http://cfecapital.com.mx/wpcontent/uploads/2018/05/IXAnexos.pdf>, páginas 40 y 45).

Relevant events for the Federal Electricity Commission (CFE) during 3Q21:

- On **June 17th, 2021**, the Federal Electricity Commission (CFE) offered a press conference where different issues were addressed, among them, the tender for 47 works to strengthen the transmission and distribution networks of the National Electric System was announced. with an approximate investment of 48,572 million pesos between 2021 and 2025.
- On **July 14th, 2021**, the 44th Ordinary Session of the Board of Directors of the Federal Electricity Commission (CFE) was held in which the PRODESEN projects of CFE Transmission were presented, which include the increase in transmission capacity to serve the growth in demand in the Cancun and Riviera Maya areas, as well as the increase in transmission capacity from the northwest region to the center of the country.
- On **July 26th, 2021**, the Federal Electricity Commission (CFE) reported that it will have the resources of the bond that it successfully placed on July 20 in the international capital markets. This new bond provides an annual yield to maturity of 3.875%, being the second lowest in the financial history of the CFE in these markets. The financial operation had around 130 orders from different institutional investors with a demand twice higher than the target amount, including investment funds, insurance companies, pension funds, central banks, and private banks from North America, Europe, Asia and Latin America.
- On **July 27th, 2021**, the Federal Electricity Commission (CFE) reported Financial Statements for the Second Quarter of 2021; in which the increase in income stands out and exchange losses are reversed despite an emergency context. These results show that the State Productive Company has a solid operational and financial position to fulfill its commitment to supply electricity to the Mexican population.
- On **July 29th, 2021**, at a press conference Edmundo Sánchez Aguilar, CFE's Corporate Finance Director, highlighted that the Federal Electricity Commission is among the 10 largest electricity companies worldwide and its total assets reach 100 billion dollars, which gives it great financial strength.