



Earning Release

**Third Quarter
2021**

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Dear Investors,

It is an honor for me to address you on behalf of the CFECapital S. de R.L. de C.V. in our capacity as Settlor and Administrator, duly constituted and validly existing in accordance with the laws of Mexico, to present the third quarterly performance report of 2021 of CFE FIBRA E (Irrevocable Trust Number CIB / 2919). The most relevant events for the Federal Electricity Commission (CFE) and the electricity industry during the months of July, August and September 2021 are presented below.

On **July 14th, 2021**, the 44th Ordinary Session of the Board of Directors of the Federal Electricity Commission (CFE) was held, in which the CFE Transmission projects that respond to the Program for the Development of the National Electric System (PRODESEN) were presented. These include the increase in transmission capacity to meet 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. It is important to mention that 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 (SEN) was announced, with an approximate investment of 48,572 million pesos between 2021 and 2025.

On **July 26th, 2021**, the Federal Electricity Commission (CFE) informed that it will have the resources of the bond that it successfully placed on July 20th 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 Federal Electricity Commission (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 stood out and exchange losses were 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, the CFE's Corporate Finance Director, Edmundo Sánchez Aguilar, highlighted that the Federal Electricity Commission (CFE) is among the 10 largest electricity companies worldwide and its total assets reach 100 billion dollars, which gives it great financial strength.

During the period from July 1st to September 30th, 2021, the price ranged from \$27.65 to \$29.61 pesos per certificate, which represented that on average it represents a price for the third quarter of 2021 of \$28.13 pesos.

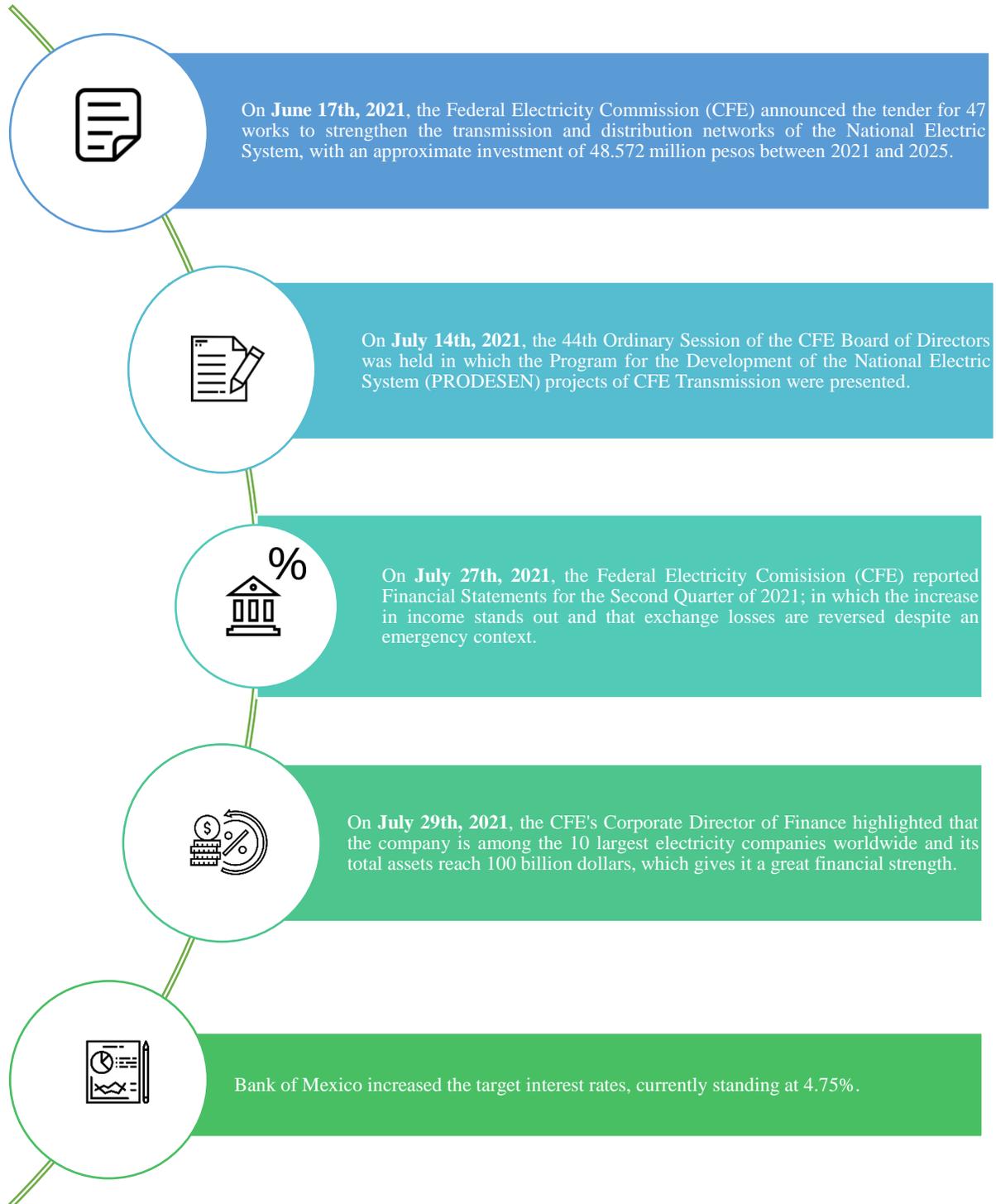
The distribution made for the third quarter of 2021 corresponded to a total of 13 weeks of operation, where the Technical Committee of the Issuing Trust approved the total amount to be distributed among the holders for \$1,072,398,154 MXN (rounded figure), resulting in a distribution of \$0.9427 MXN / CBF E for both Series. For Series "A" and Series "B", \$0.667 MXN corresponded to tax results and \$0.276 MXN to capital reimbursement. The purpose of said composition is to ensure compliance with the CFE FIBRA E regime, maintaining its tax benefits. It is important to note that the distribution of this third quarter of 2021 has been the highest since the constitution of CFE FIBRA E.

This report includes the criteria for compliance with the tax regulations of the investment regime, the tax treatment of distributions, information on account statements, information on quarterly financial statements, investment indicators and reimbursements for maintenance and operation. of the National Transmission Network.

To conclude, I want to highlight that electricity demand during the third quarter showed an accelerated recovery, with levels observed above the equivalent months of 2020 and even 2019, which exceeded market expectations. The defensive nature of the sector, together with the fundamentals of the instrument, have made it possible to overcome the effects of the pandemic.

José Arturo Cerón Vargas
CFE Capital CEO

II. Relevant events during the third quarter of 2021



Source: Press releases of the Federal Electricity Commission (CFE) June to September 2021, information from Banco de México.

III. Performance of CFE FIBRA E, Third Quarter of 2021

Graph 1 shows the price and volume of the Infrastructure and Energy Stock Certificates (CBFEs) from January 1st to August 31st, 2021. During the third distribution period, the weighted average price of the instrument was \$ 28.12 pesos. During the reported period, the price has behaved within a range between \$ 28.33 and \$ 28.50 pesos. The performance of CFE FIBRA E has been consistent with the current situation in the country, however, the progress of the vaccination campaign and the economic reactivation in various productive sectors stand out.

Graph 1. CFE FIBRA E Price and volume
January 1st to August 31st, 2021



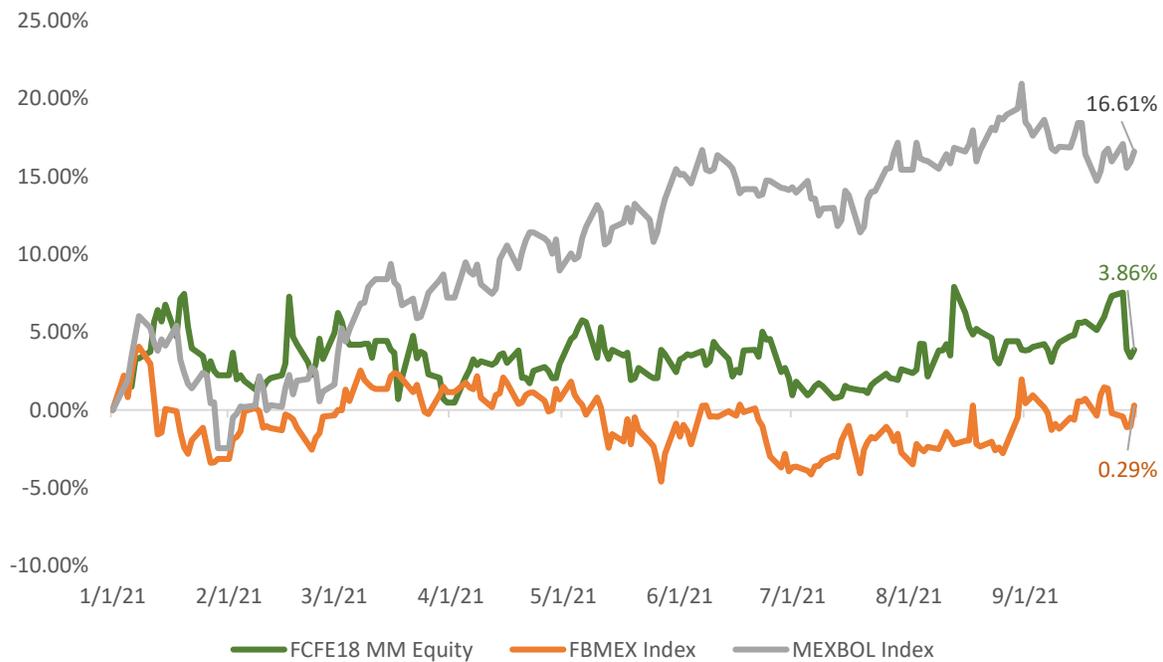
Source: CFECapital with information from Bloomberg (January 1st to August 31st, 2021). ¹The third quarter of distribution of 2021 is from June 1st to September 30th, 2021.

It is important to mention that during the third quarter the price has not decreased below \$27.00 MXN/ CBFE, and it reached a historical maximum price of \$ 29.61 MXN / CBFE.

Graph 2 shows the comparable performance of the CFE FIBRA E (FCFE18 MM Equity) with other indexes such as the MEXBOL index (includes the 35 most liquid companies on

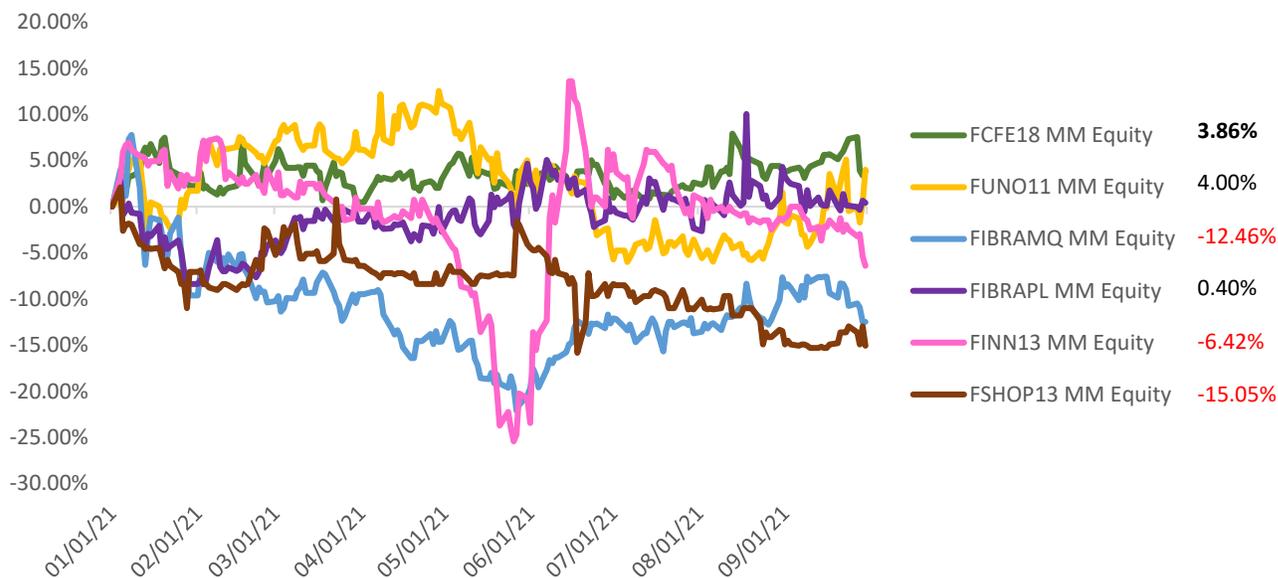
the Mexican Stock Exchange) and the FBMEX index (reflects the performance of the 10 main Real Estate Investment Trusts in Mexico). During the period of the third distribution of 2021 (from June 1st to September 30th, 2021), the price of CFE FIBRA E certificates showed a positive yield, being **3.86%**, reflecting its resilience, the solidity of the instrument and its fundamentals.

Graph 2. CFE FIBRA E Yield and Comparable Indexes
January 1st to September 30th, 2021



Source: CFECapital with information from Bloomberg as of September 30th, 2021.

Graph 3 shows the total performance of CFE FIBRA E (FCFE18 MM Equity) with the main FIBRAs in Mexico such as: FIBRA Uno, FIBRA Macquarie, FIBRA Prologis, FIBRA Inn and FIBRA Shop.

Graph 3. Performance FCFE18 and FIBRAs comparable as to September 30th, 2021


Source: CFECapital with information from Bloomberg as of September 30th, 2021.

The performance presented by CFE FIBRA E from January 1st to September 30th, 2021, has been 3.86%, which is positive compared to other FIBRAS. FIBRAS are one of the instruments that present greater stability in the market and have been resistant, compared to other productive sectors, to the negative situation in Mexico, derived from the pandemic caused by the SARS-COV2 virus.

Considering: i) the structure and advantages of financial instruments such as FIBRAS; ii) the resilient behavior of the electricity transmission sector; and iii) the low yield of the risk-free rate in the country; Equity instruments, such as CFE FIBRA E, represent an investment alternative for investors seeking attractive and stable returns. It is important to mention that CFE FIBRA E among other FIBRAS is one of the most stable and has shown constant and sustained growth.

Table 1 shows the recommendations made by the analysts that hedge the instrument. On average, the target price estimated by them was \$ 29.79. According to their analysis, the resilience of the instrument is recognized despite the complex context generated by the pandemic, the solvency of the distributions and the historical high performance compared to other FIBRAs. They are positive about the future of CFE FIBRA E and are in constant communication with CFECapital and the Investor Relations team.

Table 1. Coverage of analysts to the CFE FIBRA E

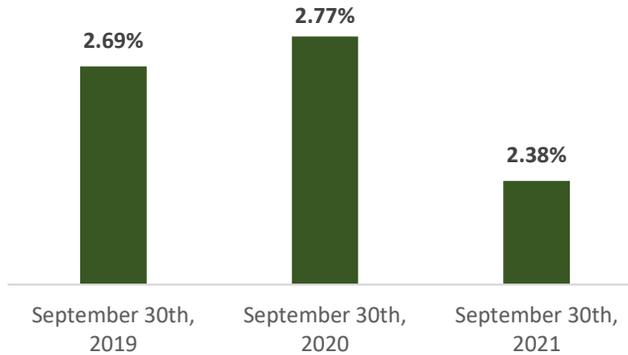
Analyst	Target Price¹ MXN	Recommendation	Last update
	\$31.00	Hold	07/12//21
	\$30.00	Underperforming	07/12//21
	\$32.50	Buy	07/12/21
	\$32.50	Buy	06/18/21
	\$27.00	Underweight	05/07/21
Morgan Stanley	\$25.00	Hold	07/06/21
	\$30.51	Hold	05/04/21

¹ Estimated by analysts of CFE FIBRA E. Source: CFECapital with information from Bloomberg. October 18th, 2021

IV. Operating results of the transmission sector

We now present some indicators on the performance of the National Transmission Grid.

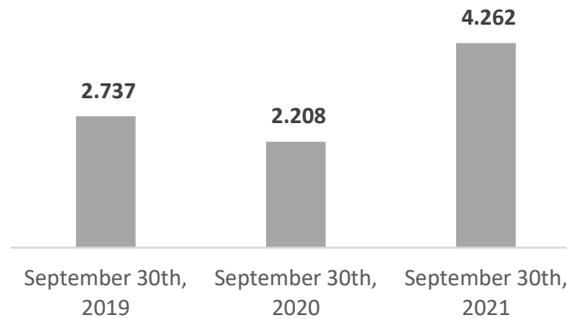
Graph. 4 Transmission Losses¹
(Percentage)



Source: CFE Transmission up to September 30th, 2021.

Graph 4 shows the transmission losses, which refers to the percentage of energy that is lost in the National Transmission Network (RNT). As of September 30th, 2021, there was a decrease of 0.39% compared to the previous year and 0.31% compared to 2019.

Graph 5. System Average Interruption Duration Index
(Minutes)

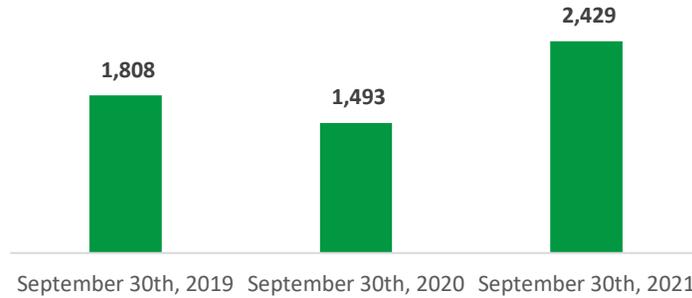


Source: CFE Transmission up to September 30th, 2021.

Graph 5. Shows the average duration of the interruption of the electricity supply to an end user in minutes.

¹ Percentage of technical energy losses in the National Transmission Network (RNT).

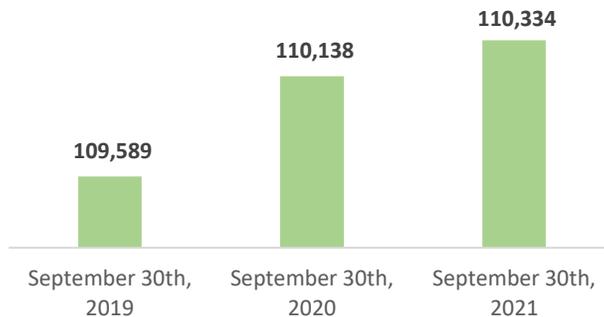
Graph 6. Energy not delivered
(MwH)



Source: CFE Transmission up to September 30th, 2021.

Graph 6 shows the energy not delivered to final users due to interruptions for periods greater than five minutes that occurred because of the failures in the National Transmission Grid.

Graph 7. National Transmission Grid
(Kilometers)



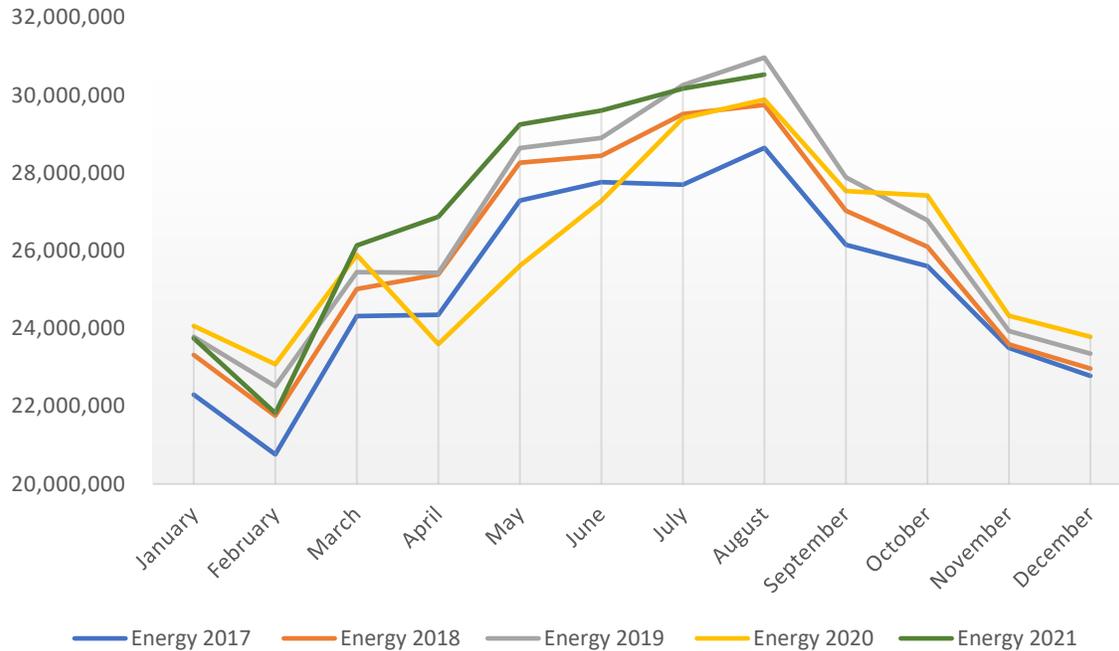
Source: CFE Transmission up to September 30th, 2021.

Graph 7 shows the number of kilometers of the National Transmission Grid and what has been an increase in relation to equivalent quarters of previous years. As of September 30th, 2021, the conformation of the asset had a length of 110,334 km.

Graph 8 explains the volume of electric energy received in the National Transmission Network (RNT) from January 2018 to September 2021. Since March of the current year, the volumes have shown a sustained increase, exceeding the expectations made by the National Center of Energy Control (CENACE). The accumulated and transmitted energy (until the month of August), has presented a growth of 4.31%, considering the same months of the

previous year. This rapid recovery is since, in recent months, most of the productive sectors of the Mexican economy have returned to normality, so there is a greater than expected increase in the demand for electricity.

Graph 8. Electric Energy Received in the National Transmission Grid (MWh)



Source: CFE Transmission Finance Unit Headquarters (August 31st, 2021).

Table 2 shows the reimbursements made at the end of the third quarter of 2021 against the approved budget that was \$ 21,293 million pesos, of which 48% of the total has been exercised. It should be noted that operation and maintenance expenses continue to be the most significant amount of the budget exercised during the third semester of 2021.

Graph 9 shows the behavior of the collection rights. During the distribution period of Third Quarter of 2021, electricity consumption in Mexico shows an increase compared to the previous period due to seasonality (it increases the temperature in Mexico on average), it is considered the period with the highest consumption, attributable to high temperatures in the north of the country.

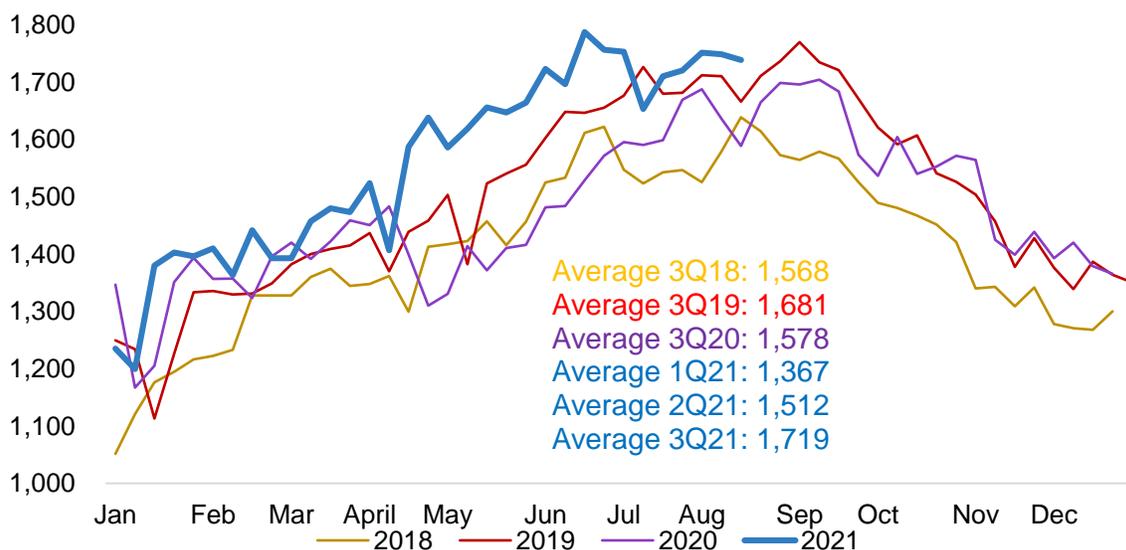
In the third quarter, collection rights had an increase of 8.96% compared to the equivalent period of the previous year and of 2.28% in comparison with Third Quarter of 2019, which shows the normalization of the electricity transmission sector in the country.

Table 2. Reimbursements made up to the end of Third Quarter of 2021 vs. Approved budget 2021

Category	Budget 2021	Exercised 3Q21	%
Intercompany expenses	8,331,012,247	1,653,118,502	20%
Operation and minor maintenance	7,574,550,788	4,440,902,488	59%
Obligation expenses	3,786,815,105	2,581,717,767	68%
Major maintenance	1,583,072,360	1,511,435,896	95%
Trust expenses	17,885,586	9,396,485	53%
Financing costs	0	0	0%
Total	21,293,336,086	10,184,298,213	48%

Source: CFE Transmission. Note: Figures rounded in MXN.

Graph 9. National Energy Center (CENACE) weekly income
January 2018 - August 2021
(Million pesos)



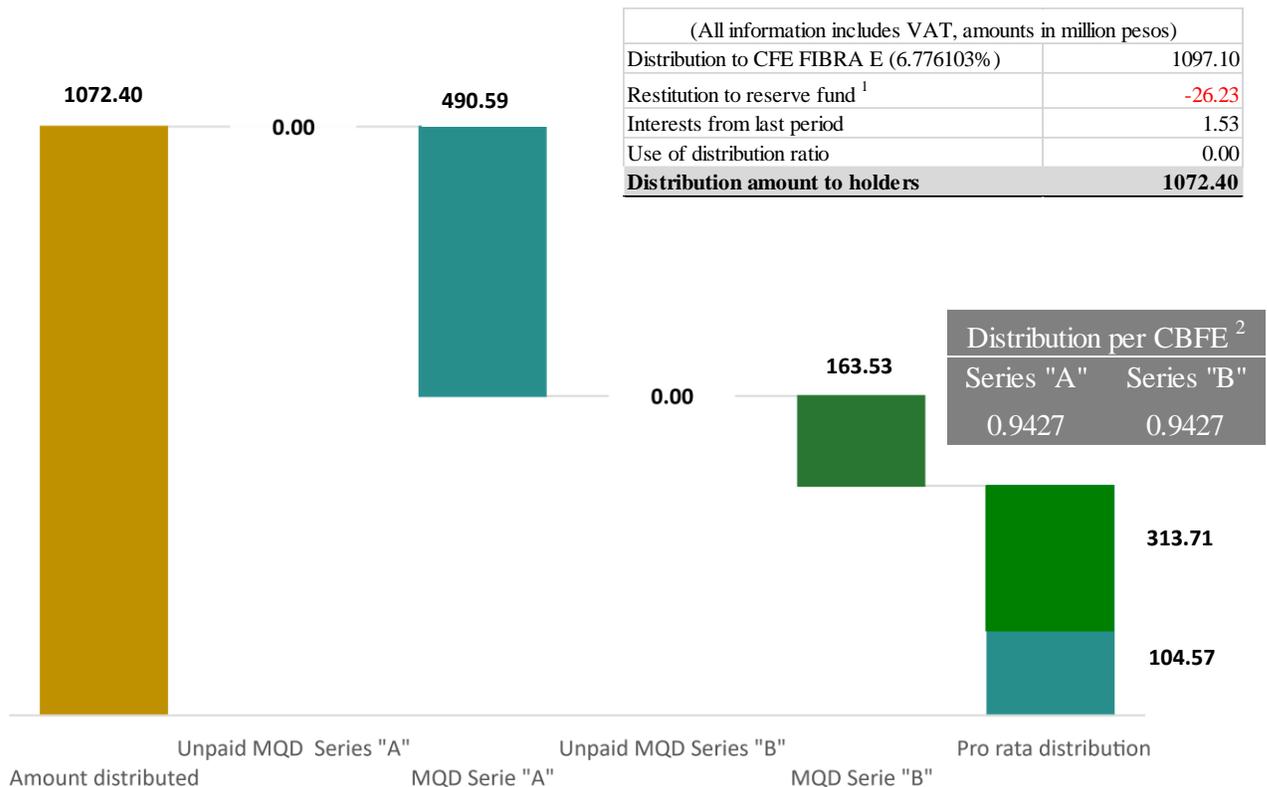
Note: In February 2018, the first fiduciary stock certificates for investment in energy and infrastructure were issued and with this the Issuing Trust came into effect, which manages 6.78% of the collection rights of the EPS CFE Transmission. Distribution 1Q21: December 1st, 2020, to February 28th, 2021; Distribution 2Q21: March 1st to May 31st. 3Q21: June 1st to August 31st. Comparatives for 3Q18, 3Q19, 3Q20 consider equivalent periods.

Source: Promoted Trust Account as of August 31st, 2021.

V. Distribution of CFE FIBRA E in Third Quarter of 2021

The amount distributed in Third Quarter of 2021 comprises a total of 13 weeks of operation from June 1st to August 31st, 2021. In Diagram 1 you can see the distribution of the Promoted Trust that was for \$1,097.10 million pesos, and adding the interest generated by the previous distribution, resulted in the amount distributable to CFE FIBRA E Holders for \$1,072.40 million pesos.

Diagram 1. Amount distributed Third Quarter of 2021
(Million pesos)

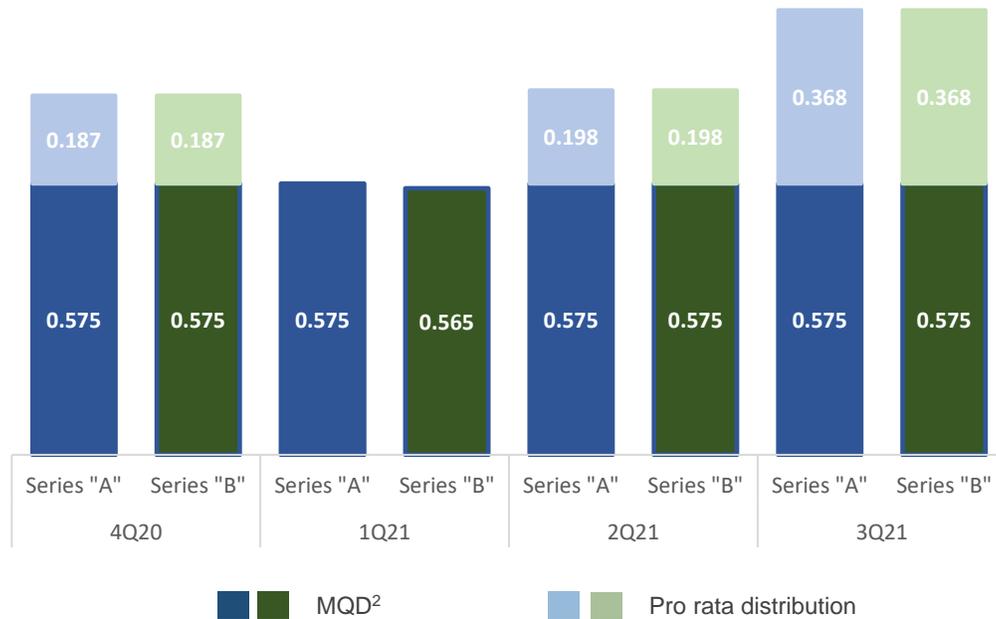


Note: All information includes VAT, all information is in millions of pesos. Rounded figures. ¹As established in the Trust Agreement, an estimated reserve fund of expenses of 45 million pesos must be maintained. Therefore, the Technical Committee of the Issuing Trust approved its restitution. ²Fiduciary stock certificates for investment in energy and infrastructure, CBFE. The distribution ratio of 1 / 1.1 foreseen in the contract is used to distribute the period and is not kept in cash in the General Account.

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

Graph 10 shows the distribution composition for Third Quarter of 2021, the Minimum Quarterly Distribution is \$0.575 pesos per CBFE for Series “A” and Series “B” and a prorata distribution for \$0.368 pesos per CBFE for both Series.

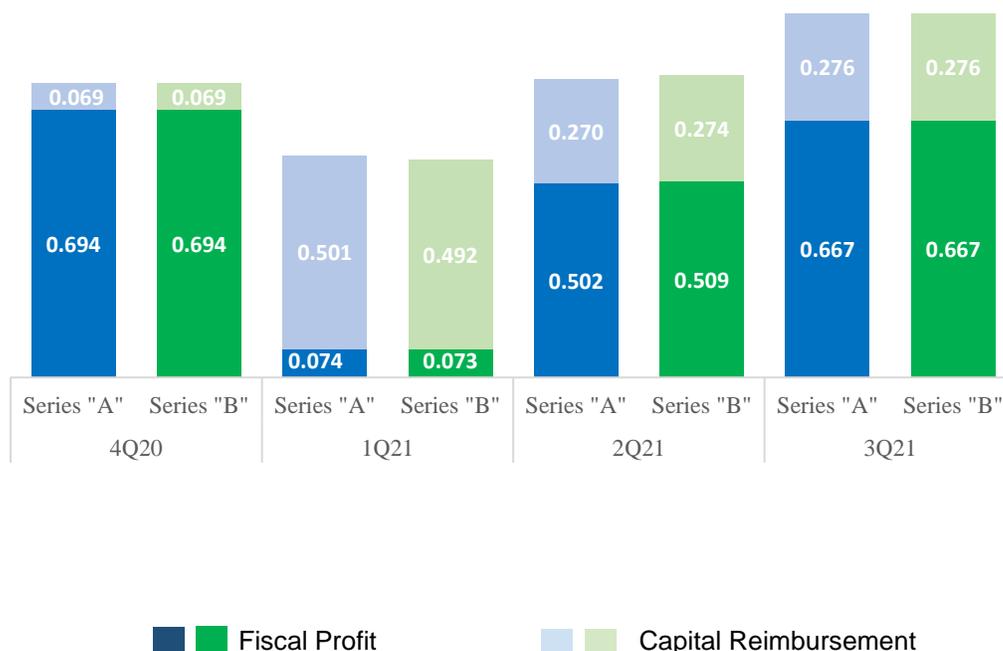
Graph 10. Revenue composition of the CFE FIBRA E distributions for both Series
(MXN per CBFE¹)



Source: Presentations of the 17th, 18th, 19th, and 20th Sessions of the Technical Committee of the Issuing Trust. (2020 and 2021). Note: ¹Energy and Infrastructure Investment Trust Stock Certificate. CFECapital gives the distribution instruction to the trustee, who makes the deposit to INDEVAL, the central depository of the Stock Market in Mexico. The custodian acts as the agent that withholds the taxes. ²Minimum Quarterly Distribution. Rounded figures.

Graph 11 shows the tax composition of the distribution, the amount corresponding to the tax profit was \$0.667 cents per certificate for both series. The corresponding part for capital reimbursement was \$0.276 cents per certificate for both series per certificate. It is important to mention that the distribution strategy is approved by the Technical Committee of the Promoted Trust and is determined based on the fiscal requirements of the Income Tax Law in force.

Graph 11. Fiscal composition of the CFE FIBRA E distributions for both series
(MXN por CBFE)



Notes: The distribution strategy is approved by the Technical Committee and is determined based on the fiscal requirements of the Income Tax Law. Rounded figures.

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

VI. Quarterly financial statements

VI.1 Promoted Trust

Table 3 shows that the third quarter began with a balance of \$6,953,581,586 pesos, ⁽¹⁾ to which \$22,463,101,160 pesos ⁽²⁾ were added for the collection rights for the period received from the National Energy Center (CENACE) (VAT included), withdrawals for the period amounted to \$7,107,971,708 pesos. ⁽³⁾ In September, the Quarterly Distribution was carried out for \$16,190,652,406 pesos. ⁽⁴⁾ During the period, interest was generated for \$128,622,046 pesos ⁽⁵⁾ and whose income tax amounted to \$28,040,009 pesos. ⁽⁶⁾

Table 3. Account statement of the Promoted Trust as of September 30th, 2021
(MXN)

	July	August	September	3Q21
Initial Balance	6,953,581,586 ⁽¹⁾	11,460,708,255	16,486,906,627	
+ Collection rights	6,873,996,117	6,959,390,912	8,629,714,131	22,463,101,160 ⁽²⁾
– Withdrawals	2,391,979,952	1,974,654,385	2,741,337,371	7,107,971,708 ⁽³⁾
– Distribution to holders	-	-	16,190,652,406	16,190,652,406 ⁽⁴⁾
Gross Balance	11,435,597,752	16,445,444,782	6,184,630,981	
+ Interest	30,679,052	54,777,123	43,165,871	128,622,046 ⁽⁵⁾
– Interest tax	6,934,110	11,949,684	9,156,215	28,040,009 ⁽⁶⁾
Final Balance	11,459,342,694	16,488,272,221	6,218,640,637	
Accrued interest	-1,365,561	1,365,594	11	
Portfolio Value	11,460,708,255	16,486,906,627	6,218,640,626	

Note: Figures rounded in MXN.

Source: CFECapital with information from the Account Statements of the Promoted Trust (F / 80758).

VI.2 Issuing Trust

Table 4 shows that the third quarter began with a balance of \$46,154,057, ⁽¹⁾ to which was added \$1,097,095,283 ⁽²⁾ corresponding to the fourteenth distribution received on September 15 from the Promoted Trust F / 80758. As of September 30th, disbursements amounted to \$26,259,993 ⁽⁴⁾. On the other hand, the amount distributed was for \$ 1,072,398,154, ⁽³⁾ which was distributed on September 30th. Distributions for 2021 total \$ 2,605,336,007 (including Tax Income and Repayment of Capital). The \$26,259,993 ⁽⁴⁾ of disbursements correspond to expenses of the Issuing Trust. The ending balance at the end of the quarter was \$46,538,828 ⁽⁶⁾. In the period, interest was generated for \$1,947,635. ⁽⁵⁾

Table 4. Statement of account of the Issuing Trust as of September 30th, 2021
(MXN)

	July	August	September	3Q21
Initial Balance	46,154,057 ⁽¹⁾	20,575,388	20,422,355	
More deposits	0	0	1,097,095,283 ⁽²⁾	1,097,095,283
Fewer withdrawals	25,664,563	224,092	371,338	26,259,993 ⁽⁴⁾
Distribution to holders	0	0	1,072,398,154	1,072,398,154 ⁽³⁾
Gross Balance	20,489,494	20,351,296	44,748,146	
Interest charged	85,894	71,059	1,790,682	1,947,635 ⁽⁵⁾
Final Balance	20,575,388	20,422,355	46,538,828 ⁽⁶⁾	

Note: Figures rounded in MXN.

Source: CFECapital with information from the Account Statements of the Issuing Trust as of September 30th, 2021.

VII. Administration and Expenses of the Issuing Trust

Table 5 shows the maintenance expenses during the third quarter, the expenses amounted to \$26,259,994 pesos, ⁽⁸⁾ this amount includes the Administrator Expenses amounting to \$25,070,973 pesos ⁽¹⁾ and the rest of the maintenance expenses for \$1,189,020 pesos.

Table 5. Maintenance and Administrator expenses
(MXN)

	July	August	September	3Q21	Accumulated
Administration fee ⁱ	25,070,973	-	-	⁽¹⁾ 25,070,973	62,295,767
Fiduciary and common representation fees	238,049	-	-	⁽²⁾ 238,049	1,073,075
Independent members fees	43,334	43,334	251,854	⁽³⁾ 338,522	1,126,013
Expenditures of maintenance and registration of CBFEs	-	-	-	-	1,657,527
Independent appraiser's fees and price providers	-	10,685	-	⁽⁵⁾ 10,685	10,685
External audit fees, accounting services, fiscal advisers and any other professional services	183,253	146,740	13,340	⁽⁴⁾ 343,333	9,398,199
Insurance	-	-	-	-	5,439,071
External audit fees tax	115,034	23,334	23,334	⁽⁶⁾ 161,702	729,421
Other expenses	13,920	-	82,810	⁽⁷⁾ 96,730	134,999
Total	25,664,563	224,093	371,338	⁽⁸⁾ 26,259,994	81,864,757

Source: Finance and Administration Management of CFECapital.