



## 4Q20 FOURTH QUARTERLY DISTRIBUTION OF 2020 OF CFE FIBRA E

### **Resilient Distribution of FCFEE18 facing the second wave of COVID-19**

During the current distribution period, electricity consumption was consistent with the seasonality of the Mexican Electric Market. It reflects a decrease in the electricity demand compared to the 3Q20. This distribution shows the performance of the electricity transmission sector during the second wave of the pandemic. CFE FIBRA E has shown solid fundamentals. This instrument has a robust corporate structure and an attractive profitability. The amount to be distributed for both Series is \$0.7621 Mexican pesos (MXN), which includes a prorated distribution, in addition to the Minimum Quarterly Distribution.

**Mexico City, December 23<sup>rd</sup>, 2020.-** CFECapital S. de R.L. de C.V has announced the distribution of the CFE FIBRA E, corresponding to the fourth quarter of 2020, which will be effective to investors on December 31<sup>st</sup>, 2020. In accordance with the regulation, the announcement was published through EMISNET.<sup>1</sup>

The collection period comprises 13 weeks of operation- corresponding to the months of September, October, and November- and as mentioned, it considers a total distribution of \$0.7621 Mexican pesos (MXN)/CBFE<sup>2</sup> for both Series (FCFE18 and FCFE18-2).

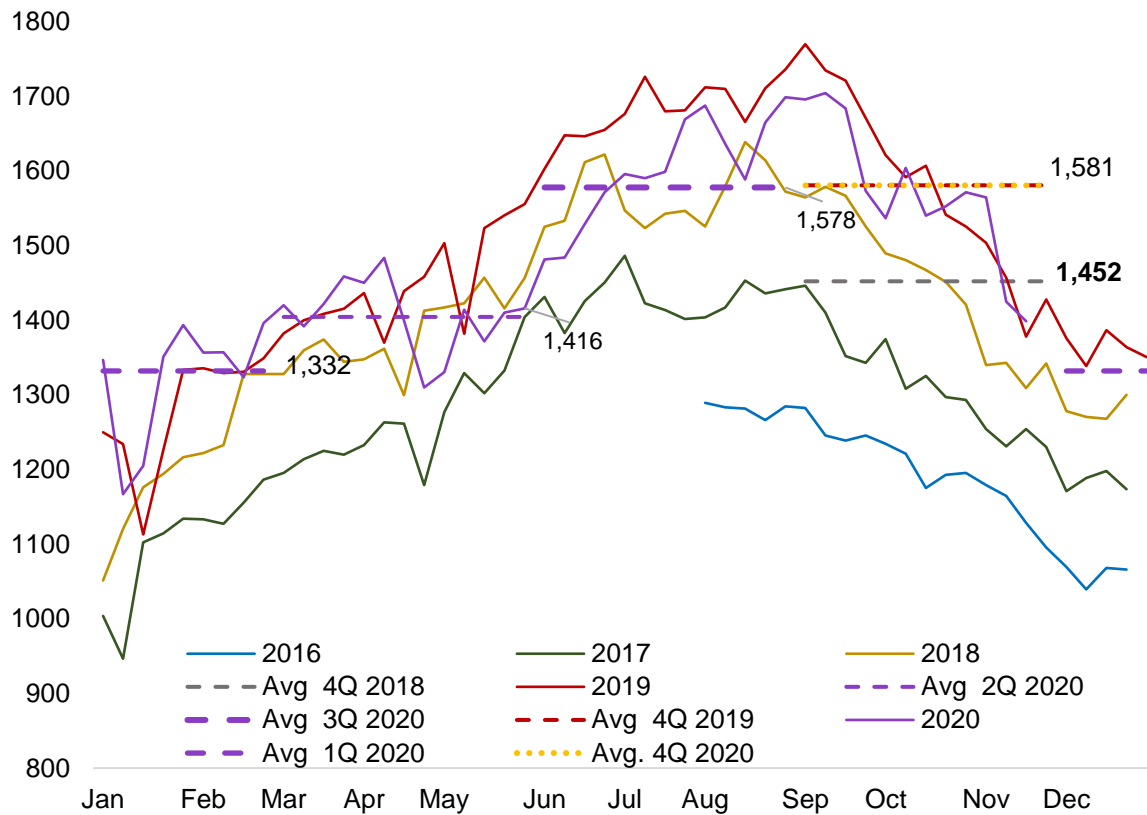
The highlights of this distribution, and its composition, are described below:

- During the fourth quarter the electricity consumption was consistent with the seasonality of the sector. It reflects a decrease in the electricity demand compared to third quarter of 2020, as reference, the third quarter registers the highest electricity demand of the year due to high temperatures.
- Due to the impact caused by the pandemic has been adverse for the national economy, collection rights during the fourth period registered a decrease of 0.01% in contrast with the previous equivalent period. However, we consider that this reduction is better than the expected. It is estimated that in the following months the sector will continue to normalise.
- As a result, the distribution showed a **decrease** of 5.86% compared with the previous quarter, and a **decrease** of 5.62% compared with 4Q19.
- During the fourth quarter, Banxico's benchmark rate decrease once, standing at 4.25%, which makes the implicit yield offered by FIBRA E very attractive.

<sup>1</sup> Sistema Electrónico de Comunicación de Emisoras de Valores, de la Bolsa Mexicana de Valores (BMV) by its initials in Spanish.

<sup>2</sup> Certificado Bursátil Fiduciario de Inversión en Energía e Infraestructura by its initials in Spanish.

**Graph 1. Weekly Revenues from CENACE<sup>3</sup>**  
(Million MXN)



Source: Account Balance of the Promoted Trust (Up to November 2020).

Note: Distribution of the Third Quarter of 2020: June, 1<sup>st</sup> to August, 31<sup>st</sup>. Distribution of the Fourth Quarter of 2020: September 1<sup>st</sup> to November 30<sup>rd</sup>. Rounded Figures.

- In accordance with the distribution policy, the amount to be distributed will allow CFECapital to pay all holders the Minimum Quarterly Distribution (MQD) of \$0.5750 Mexican pesos per certificate, plus a pro-rata distribution of \$0.1871 Mexican pesos per both Series, as shown in Graph 2.

<sup>3</sup> Centro Nacional de Control de Energía (CENACE), independent operator and collector.

**Graph 2. CFE FIBRA E 2020 Distributions Comparisons**  
(Million MXN)



Source: Presentation from the Technical Committee of the Issuer Trust (December 2020). All information includes VAT, all information is in million MXN.

**Chart 1. Distribution Breakdown**  
(Million MXN)

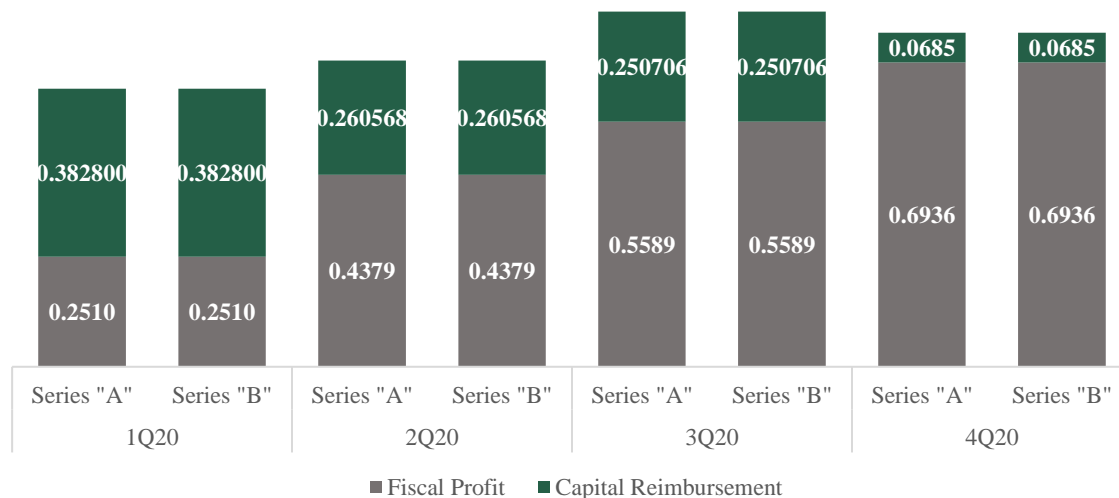
Distribution to CFE Fibra E (6.776103%)	887.64
Restitution to reserve fund	(22.46)
Interests from last period	1.77
<b>Distribution amount to CFE FIBRA E holders</b>	<b>866.90</b>

Source: Presentation from the Technical Committee of the Issuer Trust (December 2020). All information includes VAT, all information in million MXN.

- CFECapital maintains a complete distribution policy,<sup>4</sup> by distributing the cash reserve of the general account,<sup>5</sup> in accordance with the strategy of complying with the requirement of distributing at least 95% of fiscal profits.

### Graph 3. Distributions of CFE FIBRA E per certificate for both Series holders

(Mexican pesos)



Source: Presentations of the 12nd, 14th, 15th, and 17th Sessions of the Technical Committee (2020).

#### Relevant Events for CFE during the 4Q20:

- November 6th, 2020. Announcement of the renegotiation of gas pipelines and the fight against corruption, as part of the CFE rescue, through the creation of the Market Intelligence Management with the purpose to eradicate corruption in the procurement processes, and to obtain savings to help CFE to carry out its investment plans.
- October 28<sup>th</sup>, 2020. CFE presented its financial statements for the third quarter of 2020. It was highlighted the reduction of its operation costs and the increase of the operating income. The report showed the operative and financial strength of CFE, its solid liquidity level, and its optimal payment capacity to meet its commitments and remain a strategic company for the country and the Mexican State.
- October 2<sup>nd</sup>, 2020. Noe Peña, CFE *Transmisión* Director presented by videoconference the status of the EPS for the Second Quarter of 2020, during the Ordinary Session of the CFE Board of Directors. He highlighted the investment projects for the 2020-2024 period to meet the increasing demand for electricity, as

<sup>4</sup>Page 93 of the Offering Memorandum – In Spanish-

(<http://cfecapital.com.mx/wpcontent/uploads/2018/05/III-El-Fideicomiso-Emisor.pdf>) Page 59 of the Offering Memorandum -in English- (<http://cfecapital.com.mx/wpcontent/uploads/2018/05/Offering-MemorandumFCFE18.pdf>).

<sup>5</sup> According to sections 5.07 and 6.02 of the Issuer Trust Contract

(<http://cfecapital.com.mx/wpcontent/uploads/2018/05/IX-Anexos.pdf>), pages 40 and 45)



well as the efficient maintenance costs, the performance of the electric flows, expanding RNT reliability and modernizing it.

- September 4<sup>th</sup>, 2020. CFE Generation III informed that due to the application of 62 maintenance services, it added generation capacity to supply electricity to more than 30 thousand homes in Baja California Sur.