

DISTRIBUTION OF THE CFE FIBRA E CORRESPONDING TO THE FOURTH QUARTER OF 2021

Distribution according to the seasonality of the electricity sector for 4Q2021

During the period of distribution current, the consumption of electricity was consistent with the seasonality of the Mexican Electricity Market, which reflects a slight decrease in energy demand compared to the third quarter. This distribution is the result of the good performance of the electricity transmission sector in the face of the progressive recovery of economic activity, seasonality, and the recovery in electricity transmission volumes

Electricity demand during the quarter continues to show levels above the equivalent months of 2020 and even 2019,¹ 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 in accordance with the seasonality of the sector and reflects the instrument resilience. There was an **increase in the amount approved in the distribution in relation to 4Q20 of 11.15% (\$ 963.69 Vs \$ 866.99 million pesos).**

City of Mexico, 20 December 2021.- CFECapital S. of R.L. de C.V. has announced the distribution of CFE FIBRA E, corresponding to the fourth quarter of 2021, which will be effective to investors on December 31st of the current year. In accordance with regulation, the announcement was published through EMISNET.²

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-CoV2 virus worldwide and in Mexico. Despite these conditions, the electricity 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 dividend yield (being double digits), showing the profitability of the transmission sector. Table 1 shows the dividend yield of CFE FIBRA E compared to other FIBRAs in Mexico.

¹ According to CENACE, the volumes of electric power for this quarter would be like those that occurred in 2019.

² Electronic Communication System for Securities Issuers of the Mexican Stock Exchange Market (BMV).

Table 1. CFE FIBRA E net dividend yield vs. Other REITs

Fiber	Yield per dividend
CFE FIBER E	10.10%
FUNO11 MM	7.51%
FIBRAMQ MM	7.68%
FIHO12 MM	1.02%
FSHOP13 MM	13.79%
FIBRAPL MM	4.54%

Source: CFECapital with data extracted from Bloomberg as of November 30th, 2021.

The collection period for the distribution of the Fourth Quarter of 2021 comprises 13 weeks of operation -corresponding to the months of September, October, and November 2021- and considers a total distribution of \$ 0.8471 MXN / CBFE³ for Series A (FCFE18) and for Series B (FCFE18-2). **The present distribution has been in accordance with the seasonality of the sector during the period**, showing consistency in the growth premises.

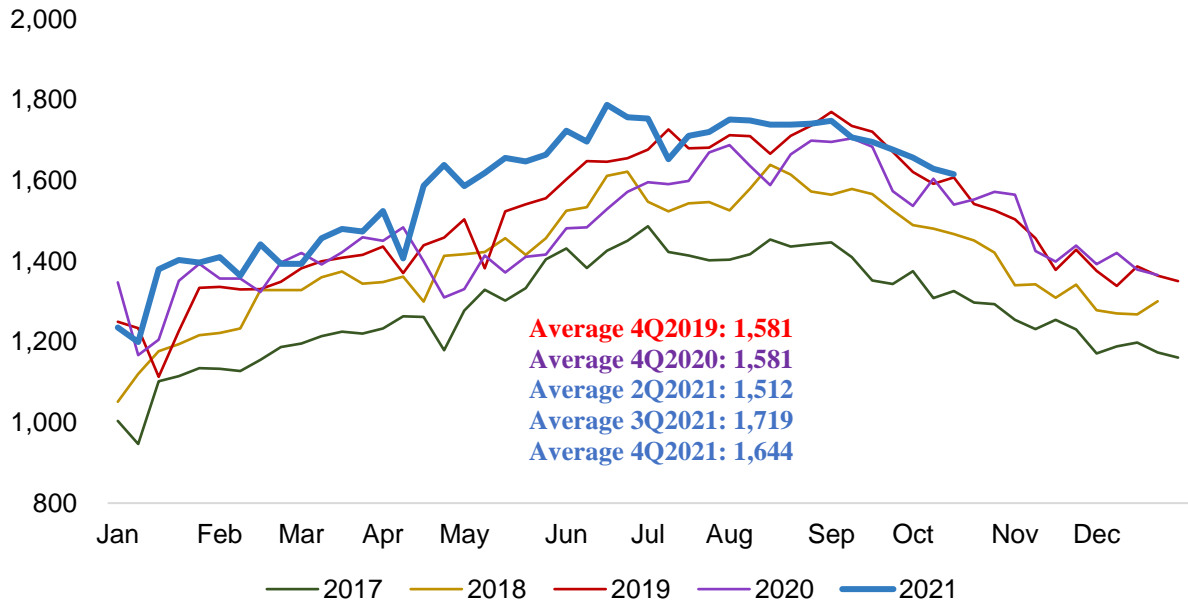
The highlights of the distribution, as well as its composition, are detailed below:

- 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 this distribution there is a contraction in the demand for electricity compared to the immediately previous quarter, attributable to meteorological factors.
- The rate for the provision of the electricity transmission service in Mexico, from January 1st to December 31st of the current year (or until the approval of the new rate methodology) **had a weighted increase of 2.04%.⁴**
- The collection rights during the fourth distribution period registered an increase of **4.60%** compared to the third quarter of 2021.
- Because 2020 was an atypical year, if the collection rights are compared with the same period of 2019, they presented an increase of **3.97%**, exceeding the previous expectations that had been made.
- If revenues are compared with the previous equivalent period (fourth quarter of 2020), due to the seasonality of the electricity transmission sector in Mexico, there is an increase in energy demand, so collection rights increased by **3.98%**.

³ Energy and Infrastructure Investment Trust Stock Certificate by its initials in Spanish.

⁴ Weighted Average of Electricity Rates (Required Income= 30% generators, 70% consumers).
http://www.dof.gob.mx/nota_detalle.php?codigo=5610652&fecha=29/01/2021 .

Graph 1. Weekly income of CENACE
Millions of pesos (MXN)

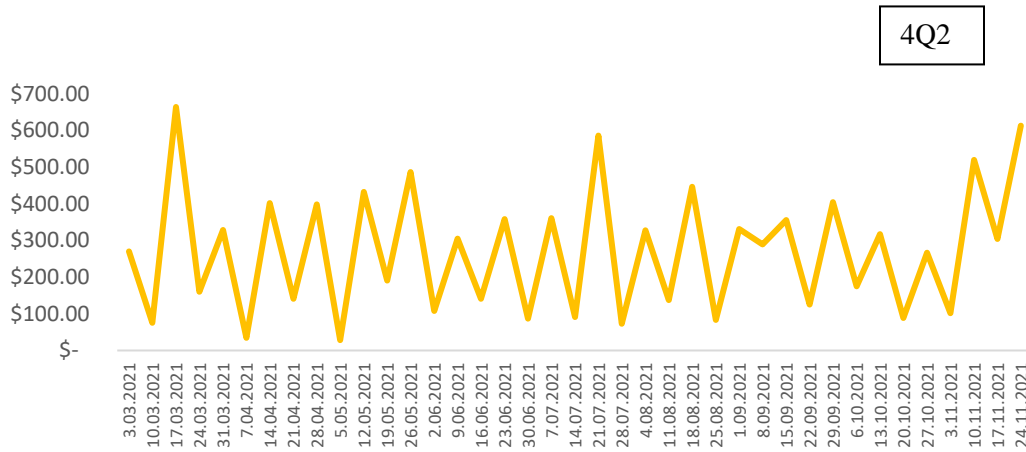


Source: Statement of Account of the Promoted Trust (November 2021).

Note: Distribution of the Fourth Quarter of 2021: From September 1st, 2021, to November 30th, 2021.
Rounded figures.

Graph 2. Reimbursements (last four distributions)

Millions of pesos (MXN)

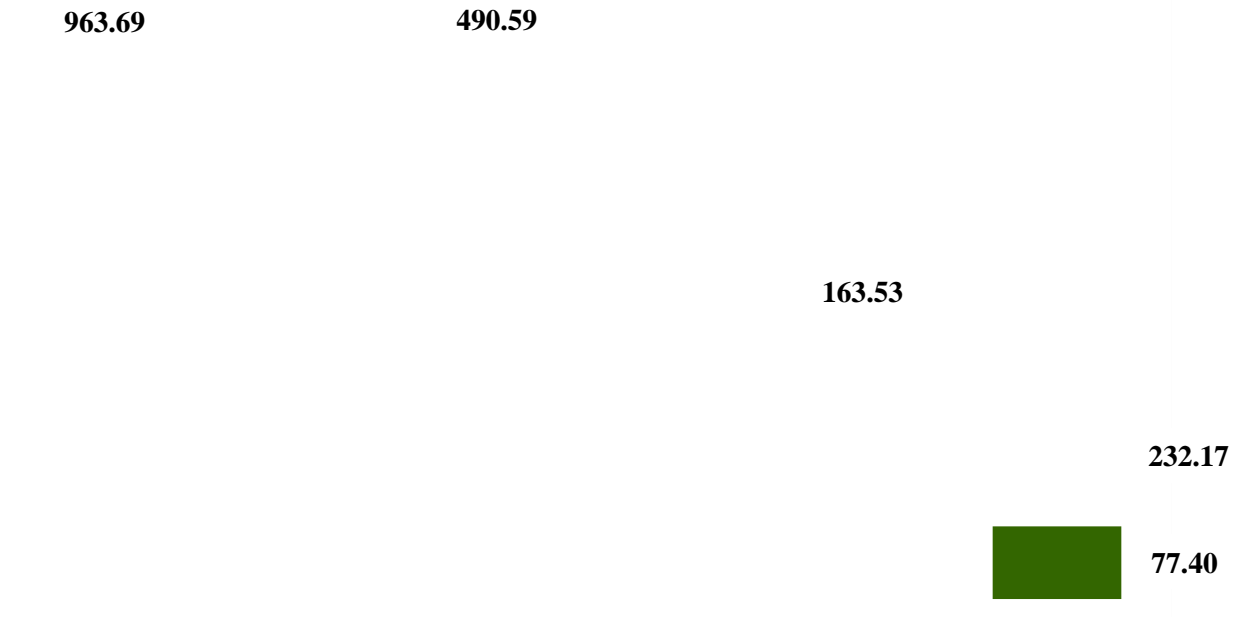


Source: Statement of Account of the Promoted Trust (November 2021).

- Refunds without VAT during the fourth distribution period showed an increase of 25.3% compared to 3Q21.
- Total refunds without VAT until November 30th, 2021, have presented a decrease of 16.9% compared to the same period of the previous year.
- During the fourth quarter of distribution, the benchmark rate of Banco de México (Banxico) increased twice, currently standing at 5.5%, which allows

the implicit yield offered by CFE FIBRA E to remain attractive compared to the rate. risk-free, given that the present distribution was greater than expected.

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



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Source: Presentation of the Technical Committee of the Issuing Trust (December 16th, 2021).

Table 2. Distribution Breakdown
(Billions of Mexican pesos)

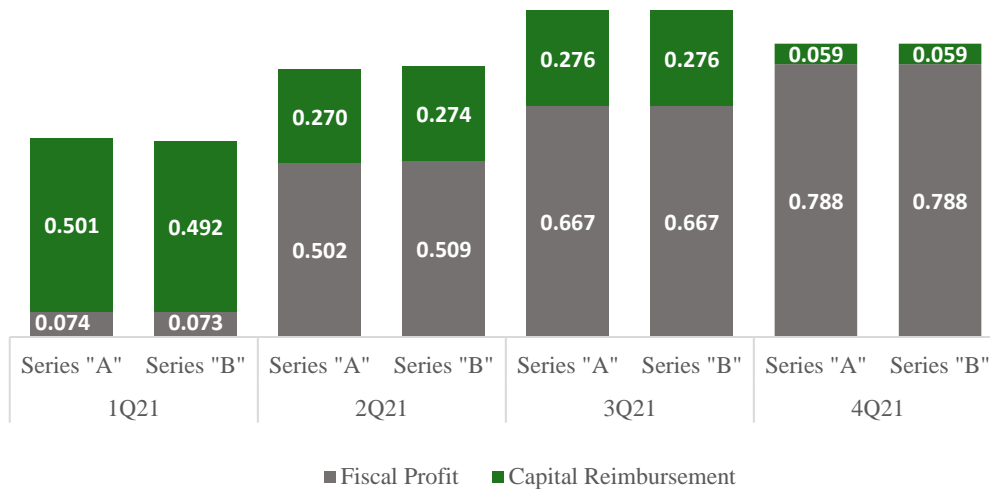
Distribution to CFE FIBRA E (6.776103%)	990.18
Restitution of the Expense Reserve Fund ¹	-28.49
Interest earned ²	1.99
Use of distribution ratio ³	0.00
Amount distributable to Holders	963.69

Source: Presentation of the Technical Committee of the Issuing Trust (December 16, 2021).

Notes: 1) An estimated Expenditure Reserve Fund of 45 million pesos is maintained as of the distribution calculation date. 2) Interest generated in the period. 3) The distribution *ratio* changed from a ratio of 1 / 1.1 to a ratio of 1/1 (Conflicts Committee of last December 3, 2021), therefore, no cash reserves will be made in the General Account.

- CFECapital maintains a complete distribution policy,⁵ when distributing the cash reserve from the general account,⁶ in accordance with the strategy of complying with the requirement of distributing at least 95% of the fiscal profit .

Graph 4. CFE FIBRA E distributions by certificate for both Series holders
(Mexican pesos)



Source: Presentations of the 18th, 19th, 20th, 21st Sessions of the Technical Committee of the Issuing Trust, (2020 and 2021).

Relevant events for the Federal Electricity Commission (CFE) during 4Q21:

- **September 9th, 2021**, at a press conference, the Federal Electricity Commission (CFE) announced that so far this administration, regarding acquisitions, the CFE has obtained savings of \$ 22,168 million pesos during the 2019 period - 2021 thanks to the creation of the specialized area of market intelligence and the reform of the regulations and guidelines that gave greater control and transparency in the

⁵ Page 93 of the Placement Prospectus (in Spanish).
(<http://cfecapital.com.mx/wpcontent/uploads/2018/05/III-El-Fideicomiso-Emisor.pdf>).

⁶ In accordance with sections 5.07 and 6.02 of the Issuer Trust Agreement.
(<http://cfecapital.com.mx/wpcontent/uploads/2018/05/IXAnexos.pdf> , pages 40 and 45).

processes. With these savings, greater liquidity is guaranteed to the CFE, financial room for maneuver and to guarantee fair electricity rates to the population.

- **October 1st, 2021**, the Federal Executive presented a reform initiative to guarantee energy security and the continuous supply of electricity to the entire population. The initiative establishes that the Federal Electricity Commission has 54% of the generation while private companies maintain 46%. In addition, it proposes to restore to the State regulatory functions that were handed over to the private sector.
- **October 7th, 2021**, CFECapital reiterates its positioning as a financing strategy for the Federal Electricity Commission. In a statement it was described that the project presented in energy matters maintains CFECapital as a subsidiary company and at no time does it contemplate the disappearance of CFE FIBRA E, which has operated normally, without setbacks and under the terms established in the respective contracts.
- **October 15th, 2021**, the Federal Electricity Commission signs financial and technical cooperation agreements with the French Agency for Development and Electricity of France to promote clean energy generation projects to expand and modernize the generation park through clean, renewable and stable sources.
- **October 26th, 2021**, appearance of the director general of the Federal Electricity Commission, Manuel Bartlett Díaz, before the United Energy and Infrastructure Commissions of the Chamber of Deputies as part of the Third Government Report. The owner presented the achievements of the company during the last year and cleared up doubts about the electrical reform.
- **October 28th, 2021**, the Federal Electricity Commission reports Financial Statements for the Third Quarter of 2021. In which the CFE shows financial strength and operating profitability for the third quarter of 2021 with an EBITDA of \$ 63,199 million pesos.