



**Earning Release**  
**First Quarter 2021**

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Dear Investors,

It is an honor for me to address you on behalf of the CFECapital team (CFECapital, S. de RL 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 first quarterly report of 2021 of the CFE FIBRA E (Irrevocable Trust Number CIB / 2919). The most relevant events for the CFE<sup>1</sup> and the electricity industry during the months of January, February and March are presented below.

On January 1st, 2021, the extension of the validity of the initial tariff period of the public electricity transmission service came into force; updating the costs that make up the required income determined by the Governing Body of the Energy Regulatory Commission (CRE). These new rates will be in effect until the new rate methodology for the public transmission service is approved. The weighted average of the rates increase was 2.04% both for rates referring to interconnected generators and for consumer supply services.

On January 22nd, CFE presented the Business Plan 2021-2025, a document that indicates that one of the objectives of the current strategy is to maintain the majority stake in electricity generation and at the same time increase the equity value of the company. The CFE will analyze investing more than 381 billion pesos in the next six years, of which more than 74 billion pesos will be allocated to the transmission sector. It is detailed that the execution between 2020 and 2025 is planned for 142 new transmission line projects, power substations and the installation of reactive compensation equipment in the RNT<sup>2</sup>.

With the objective of raising future financing for the EPS, on February 3rd, the CFE returned to the United States financial market with regulation 144<sup>a</sup> / Reg S for a total amount of 2 billion dollars. The resources will be used to finance the CFE 21 bond maturing on May 26, 2021 for 1 billion dollars, as well as for general corporate purposes in accordance with the LCFE<sup>3</sup>; particularly to contribute resources for the Investment Program considered in the Business Plan.

On February 26th, the CFE presented their financial statements for the fourth quarter of 2020, highlighting the positive operating result, a consequence of the CFE's operational and financial strength, its solid level of liquidity and adequate payment capacity to meet its obligations. financial obligations. It is emphasized that, despite the SARS-CoV 2 pandemic, the CFE maintains the commitment not to increase electricity consumption rates for its different users.

Finally, in a relevant context for the CFE, on January 31st, SENER published the National Electricity System Development Program, a document that details of the current and future perspective of the national electricity sector, as well as the investment projects for that period. both for the modernization and for the expansion of the RNT.

In the macroeconomic context, on February 11th, Banco de México in its Governing Board unanimously decided to reduce the overnight Interbank Interest Rate to 4.00% (decrease of 25 basis points), with effect from February 12th, highlighting the attraction for alternative instruments such as CFE FIBRA E.

In relation to the performance of the instrument, the price of Series "A" CBFES presented a cumulative yield of 9.88%, going from \$ 26.21 MXN / CBFES on December 1, 2020 to \$ 28.80 MXN / CBFES on March 1<sup>st</sup>, 2021, showing a significant appreciation of the instrument. It should

<sup>1</sup> Comisión Federal de Electricidad by its initials in Spanish.

<sup>2</sup> National Transmission Grid by its initials in Spanish.

<sup>3</sup> Federal Electricity Commission Law.

be noted that on January 20th, 2021, the price of the certificates once again reached a historical maximum of \$ 29.49 MXN / CBFE. The distribution corresponds to a total of 13 weeks of operation, where the Technical Committee of the Issuing Trust approved the total amount to be distributed in 1Q21 among the holders of \$ 651,315,392.86 MXN. Resulting in a distribution of \$ 0.575 MXN / CBFE for Series "A" and \$ 0.565 MXN / CBFE for Series "B". Of the previous amount for Series "A", \$ 0.501 MXN corresponded to repayment of capital, while the remainder was fiscal result. For Series "B", \$ 0.492 MXN / CBFE corresponded to repayment of capital, and \$ 0.073 MXN / CBFE fiscal result. The purpose of said composition is to ensure compliance with the CFE FIBRA E regime, maintaining its tax benefits.

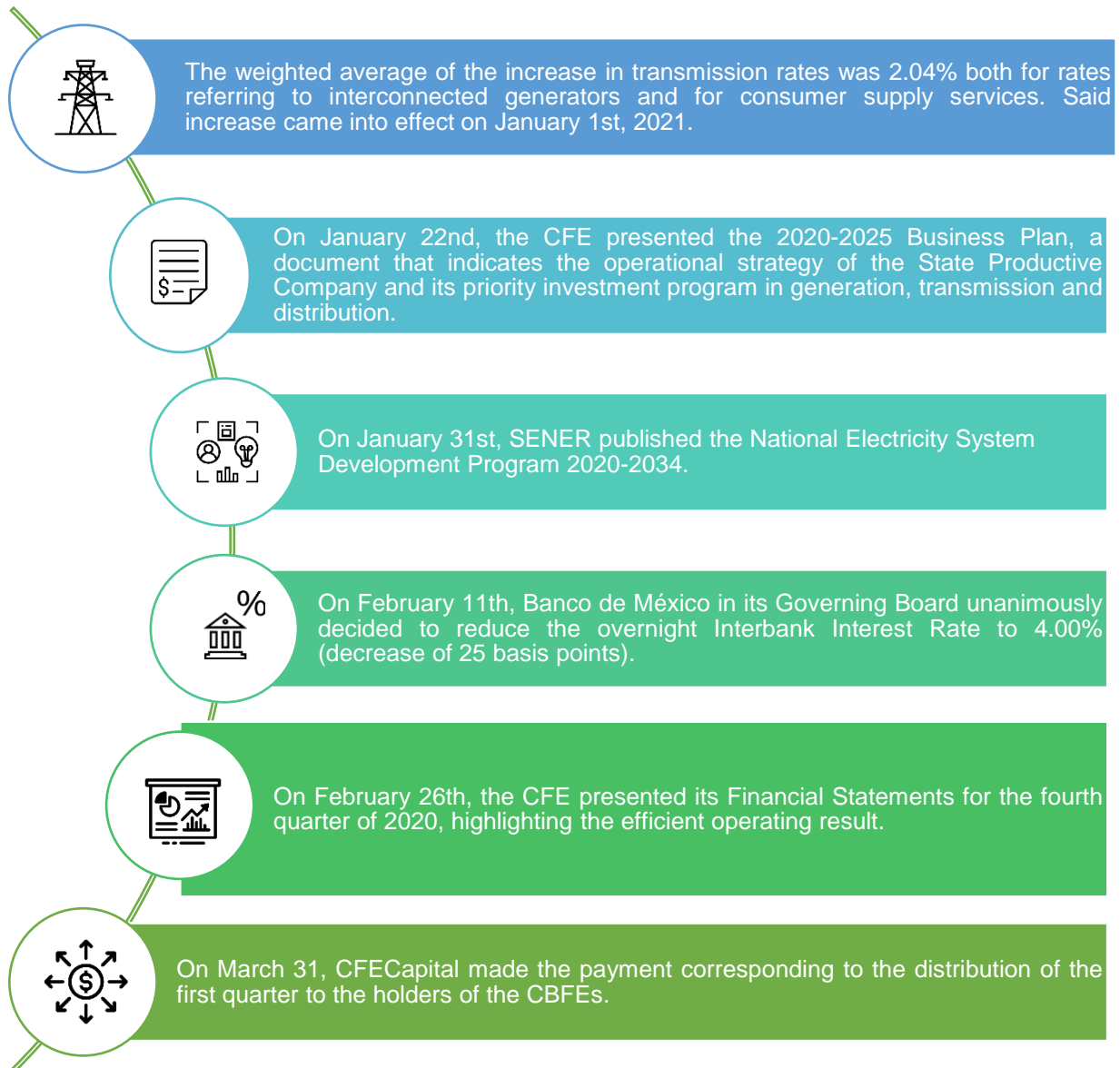
It is important to note that the distribution of this first quarter reflects the lowest period in the demand for electricity due to seasonality and shows the gradual economic reactivation in the productive sectors of the economy as the vaccination campaign against the SARS virus has progressed. -CoV2.

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

In conclusion, I want to reiterate the resilience and solid fundamentals of CFE FIBRA E, which have allowed it to face the effects of an adverse economic environment caused by the pandemic. Its performance for the next quarters of 2021 is expected to be as it has historically behaved, delivering attractive and competitive results to investors.

**José Arturo Cerón Vargas**  
**CFE Capital, Director General.**

## II. Relevant Events for CFE Fibra E during the 1Q2021



Source: CFECapital with information from CFE Press Releases from January 1<sup>st</sup> to March 31<sup>st</sup>, 2021 and Banco de México.

### III. CFE Fibra E performance 4Q20

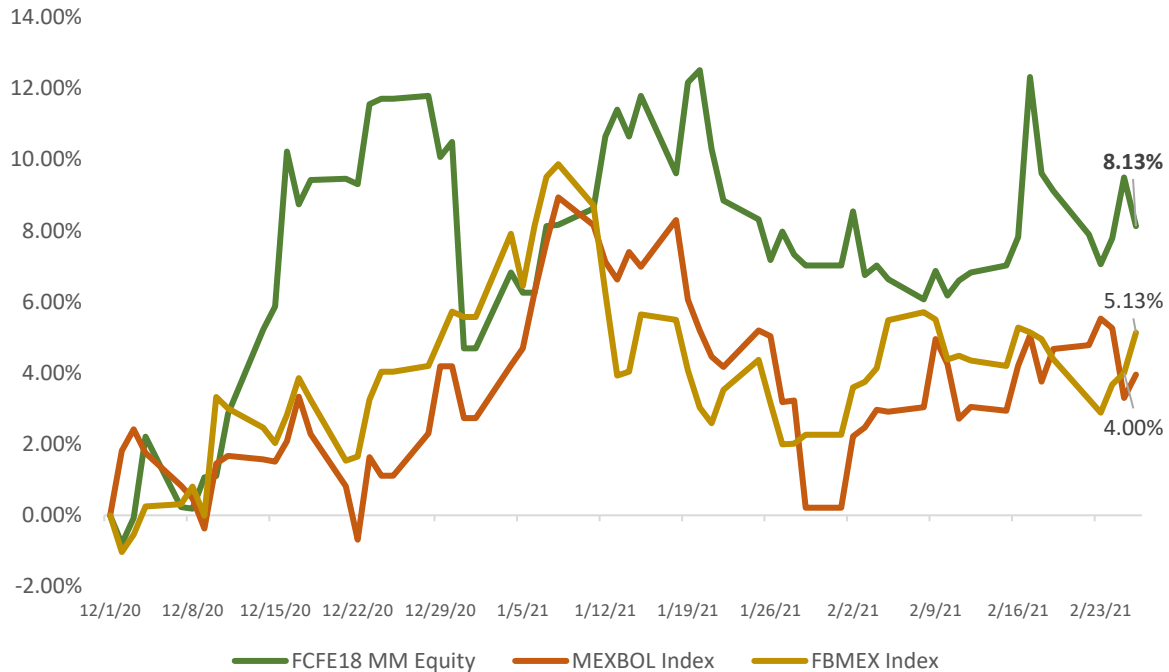
**Chart 1. FCFE 18 Price and Volume**



Note: 1Q2021 Weighted Average Price: \$28.37. Rounded Figures.  
 Source: CFECapital with information from Bloomberg (Last update: April 15<sup>th</sup>, 2021).

Chart 1 compares the price and volume for the CFE Fibra E from January 1<sup>st</sup> to April 15<sup>th</sup>, 2021. During 1Q2021 the weighted average price of the instrument was of \$28.37. This quarter the price was stable, with a slight appreciation since the beginning of the year. These results show the confidence of the investing public in alternative instruments such as CFE FIBRA E. It is important to mention during the quarter in question, the highest price since the Initial Public Offering was reached, on January 20<sup>th</sup>, 2021, the price reached \$ 29.49 pesos per certificate.

**Chart 2. FCFE18 and comparable Indexes**  
(December 1<sup>st</sup>, 2020 to February 28<sup>th</sup>, 2021)

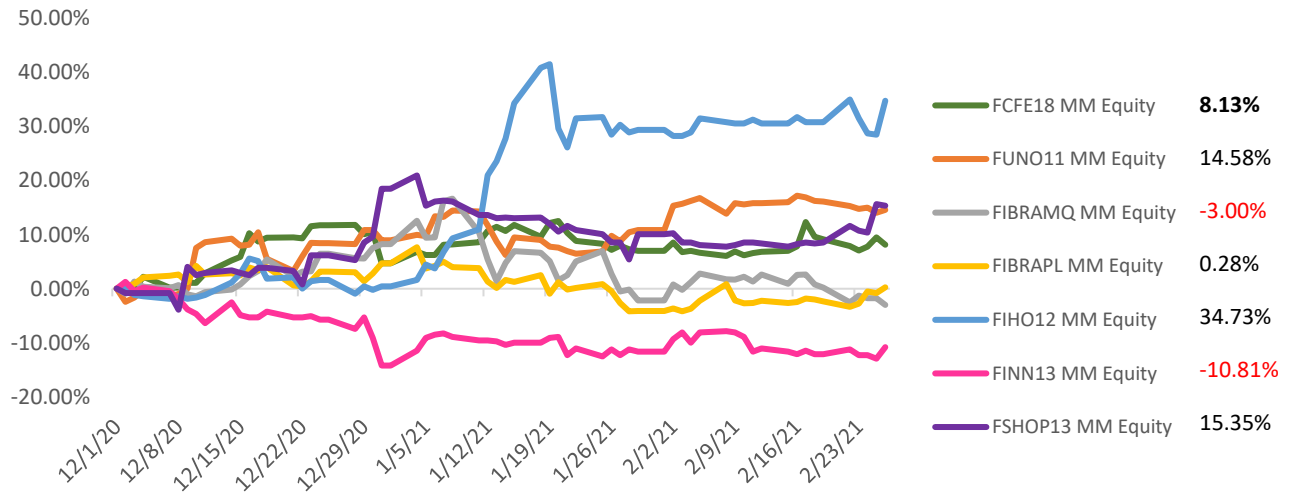


Source: CFECapital with information from Bloomberg. Last Update February 28th, 2021.

Graph 2 shows the comparable performance of the CFE FIBRA E (FCFE18 MM Equity) with other indices such as the MEXBOL index (includes the 35 most liquid companies on the Mexican Stock Exchange) and the FBME index (reflects the performance of the 10 main Real Estate Investment Trusts in Mexico).

During the period of the first distribution of 2021 (from December 1, 2020 to February 28, 2021), the price of CFE FIBRA E certificates showed a yield of **8.13%**, reflecting consistency in its fundamentals, since the performance of the transmission sector and CFE FIBRA E is in line with what is estimated by the market. The FBME Index performed well, since, in reference, during the last year, the FIBRAs index had been affected by the effects of the SARS-CoV 2 pandemic; however, since February it has shown a slight upward trend and a better future outlook.

**Chart 3. FCFE18 and comparable REITs**  
(December 1<sup>st</sup>, 2020 to February 28<sup>th</sup>, 2021)



Source: CFECapital with information from Bloomberg. Last Update February 28th, 2021.

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






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. CFE Fibra E analyst coverage**

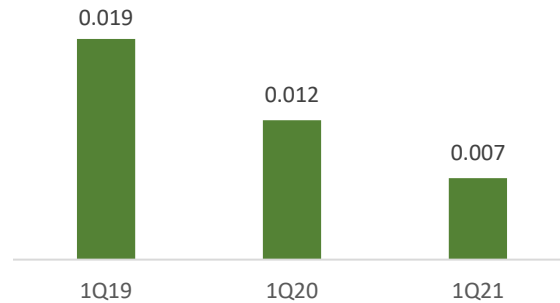
<b>Analyst</b>	<b>Target Price in MXN</b>	<b>Rating</b>	<b>Last Update</b>
	\$33.00	Buy	01/21/20
	\$32.20	Outperform	04/05/21
	\$30.50	Buy	07/29/20
	\$32.50	Buy	03/19/21
	\$27.00	Underweight	03/10/21
Morgan Stanley	\$24.00	Equal-weight	03/16/21

Source: CFECapital with information from Bloomberg. April 15th, 2021. Note: During the first quarter Bank Santander gave coverage to CFE FIBRA E but its target price is under review.

Table 1 shows the recommendations of the instrument's analysts, on average the target price was \$ 29.87. 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 CFE FIBRA E and the Investor Relations team.

#### IV. Operating results of the transmission sector

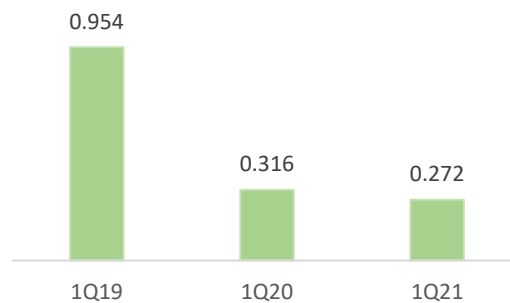
**Chart 4. System Average Interruption Frequency Index**  
(interruptions)



Source: CFECapital with information from CFE Transmission.

Chart 4 shows the index that corresponds to the average number of service interruptions due to failure in the National Transmission Grid (RNT) for a final user.

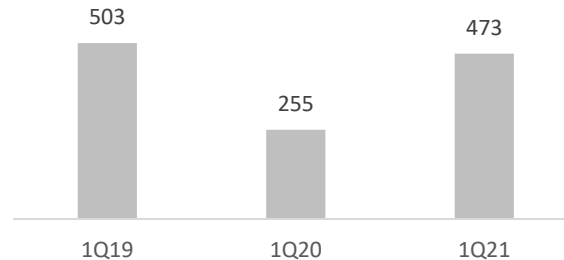
**Chart 5. System Average Interruption Duration Index**  
(minutes)



Source: CFECapital with information from CFE Transmission.

The index in Chart 5 shows the average interruption duration in minutes of electricity supply to a final user.

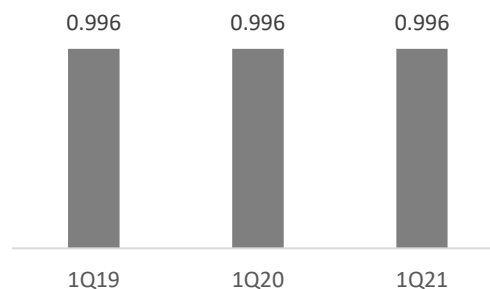
**Chart 6. Energy not delivered**  
(MWh)



Source: CFECapital with information from CFE Transmission.

The index in Chart 6 shows the energy not supplied to users due to interruptions for periods longer than five minutes that occur because of failures in the RNT. The units of measurement are megawatt—hour, or one thousand kilowatt-hour.

**Chart 7. Transmission System Availability Index**  
(percentage)

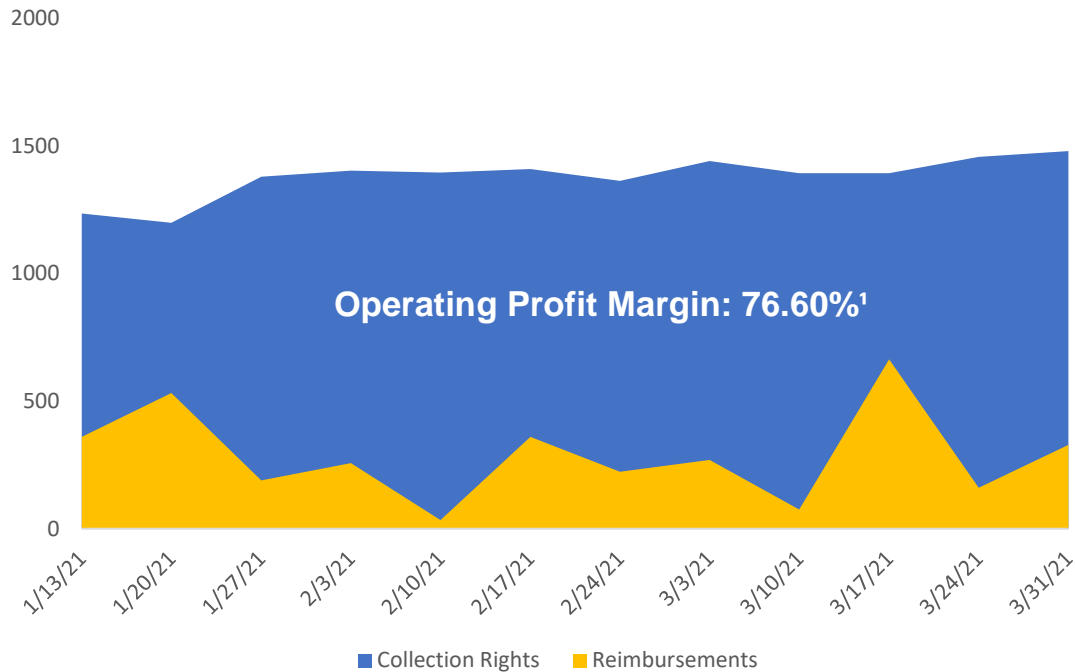


Source: CFECapital with information from CFE Transmission.

The index in Chart 7 shows the energy not supplied to users due to interruptions for periods longer than five minutes that occur because of failures in the RNT. These indicators show a good performance due to the efficient operation of the National Transmission Grid, that is, these positive results are independent of external factors.

**Chart.8 Collection rights without VAT and reimbursements without major maintenance expenses to CFE Transmission 1Q2021**

(Million MXN)



Note: <sup>1</sup> The operating profit margin is calculated after subtracting from the collection rights (without considering the VAT account) the reimbursements (includes account of the settlor's indemnities, operating and minor maintenance expenses, intercompany operations, expenses for obligations, expenses trust and financing payments).

Source: CFE Transmission Finance Unit Headquarters (March 31, 2021). Figures rounded in millions of pesos.

Graph 8 explains the operating profit, which is calculated considering the income from collection rights without VAT and the reimbursements reported by CFE Transmission, without considering the expenses for major maintenance, during the first quarter of 2021. In order to calculate this indicator, the average weekly income, from January 13th, 2021 to March 31st, 2021, was for 1,189 million pesos. The average weekly repayments were for 278 million pesos, which results in an operating profit margin of 76.60%, equivalent to 1.1% higher than the immediately previous quarter.

**Table 2. Reimbursements made up to the end of 1Q2021 vs Budgets approved (MXN)**

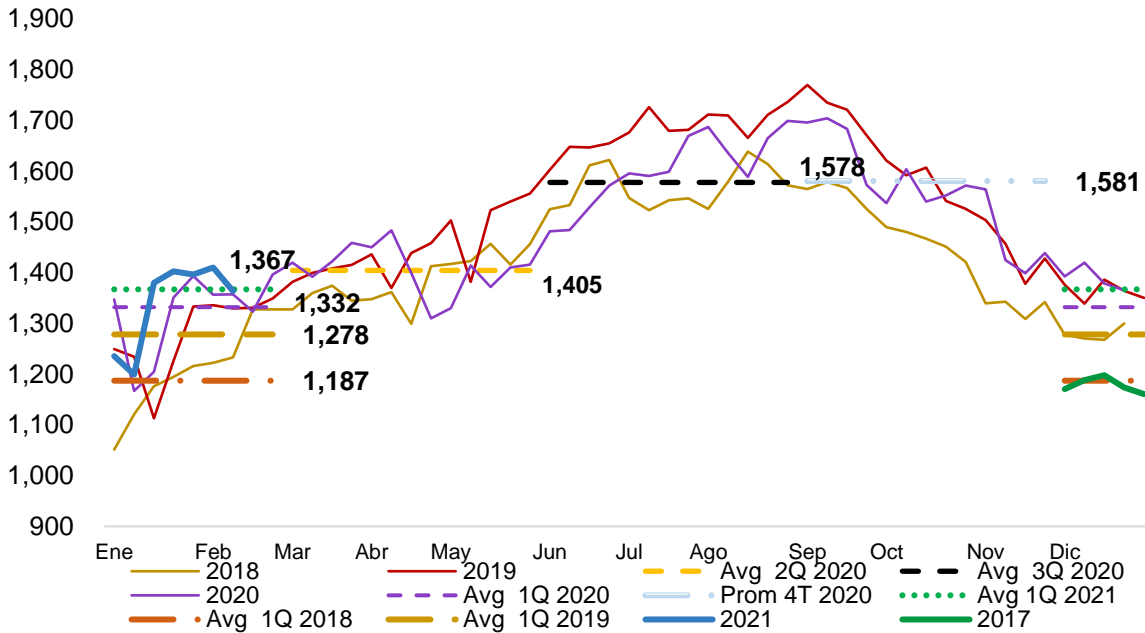
Category	Budget 2021	Exercised 1Q2021	%
Intercompany expenses	\$ 8,331,012,247.00	\$ 881,963,323.00	11%
Operation and minor maintenance	\$ 7,574,550,788.00	\$ 1,613,124,970.00	21%
Obligation expenses	\$ 3,786,815,105.00	\$ 839,967,771.00	22%
Modernization and major maintenance	\$ 1,583,072,360.00	\$ 114,678,835.00	7%
Trust expenses	\$ 17,885,586.00	\$ 4,286,747.76	24%
Financing Costs	\$ -	\$ -	0%
<b>Total</b>	<b>\$ 21,293,336,086.00</b>	<b>\$ 3,454,021,646.76</b>	<b>16%</b>

Note: Figures are rounded.

Source: Preliminary financial statements of the Promoted Trust as of March 31, 2021.

Table 2 shows the reimbursements made at the end of the first quarter of 2021 against the approved budget that was \$21,293 million pesos, from which 16% of the total has been exercised. It is important to note that operation and maintenance expenses were the most significant spend of the budget during the 1Q2021.

**Chart 9. Weekly revenues of the Promoted Trust (Million MXN)**

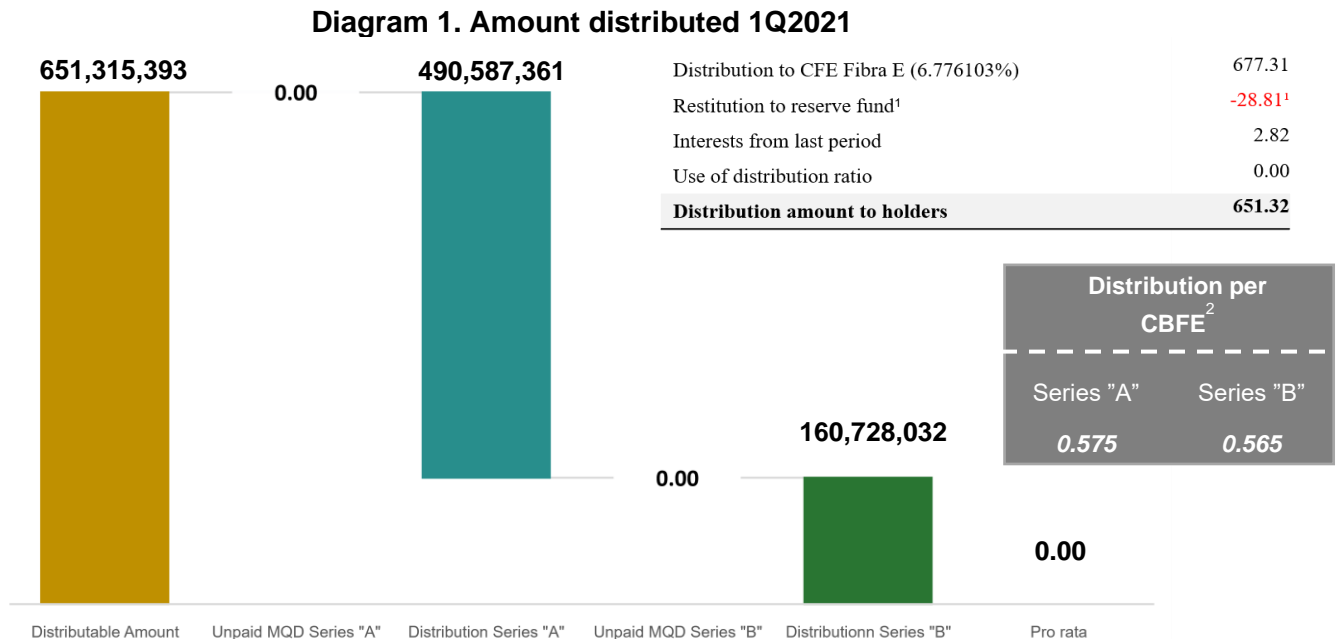


Source: Account Balance of the Promoted Trust (Up to February 28th, 2021).

Note: 1Q20 Distribution: December 1st, 2019 to February 29th, 2020; Distribution 2Q20: March 1st to May 31st; Distribution 3Q20: June 1st to August 31st; Distribution 4Q20: September 1st to November 30th; 1Q21 distribution: December 1st, 2020 to February 28th, 2021. Comparisons for 1Q18, 1Q19, 1Q20 consider equivalent periods.

Graph 9 shows the behavior of the collection rights. In the distribution period of 1Q2021, electricity consumption in Mexico is the lowest recorded throughout the year due to seasonality, with the third quarter being the period with the highest consumption of the year. In the first period, collection rights had an increase of **2.63%** compared to the equivalent period of the previous year, which shows the gradual reactivation of the economy in the last months of 2020.

## V. CFE Fibra E distribution 1Q2021



Source: Presentation from the 18<sup>th</sup> Session of the Technical Committee of the Issuer Trust (2021).

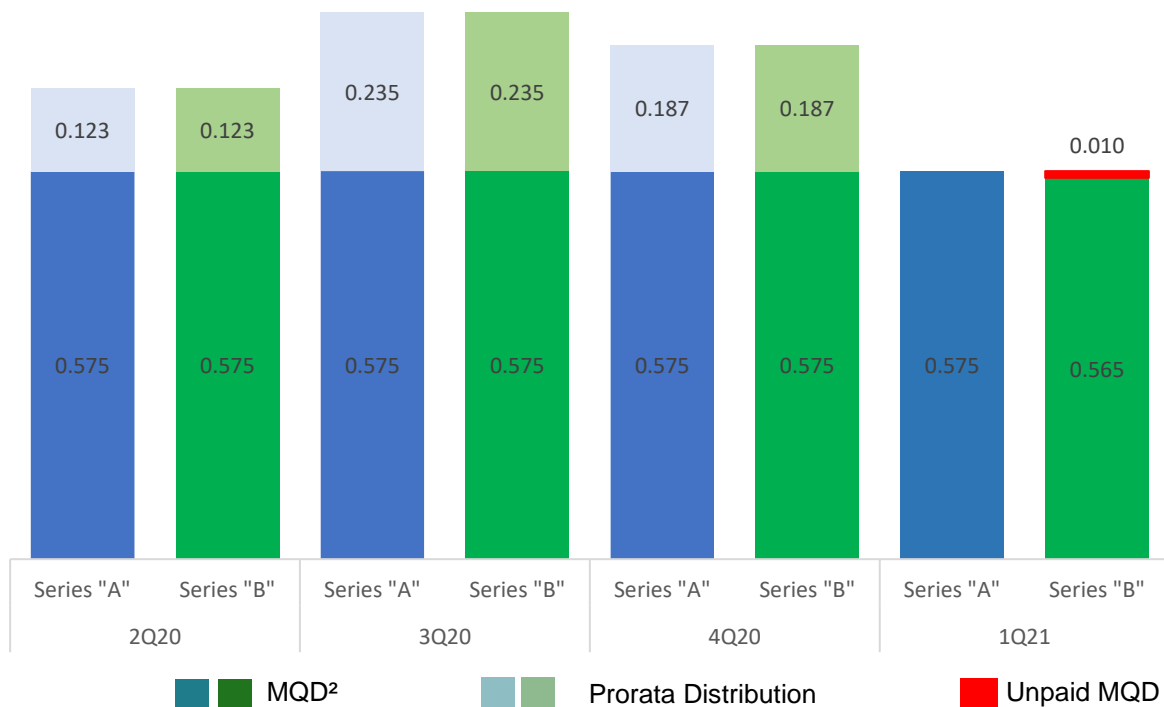
Note: All information includes VAT, all information in million MXN. <sup>1</sup>As issuer's trust agreement establishes, it must maintain a MXN 45 million expenses reserve fund. Thus, the Trust Technical Committee approved its replenishment. <sup>2</sup>*Certificados Bursátiles Fiduciarios de Inversión en Energía e Infraestructura*, CBFE. Rounded figures.

The distribution ratio of 1 / 1.1 provided for in the contract is used to distribute the period and is not kept in cash in the General Account.

The amount distributed in 1Q2021 comprises a total of 13 weeks of operation from December 1, 2020 to February 28, 2021.

The distribution of the Promoted Trust was for \$ 677.31 million pesos, which includes the extraordinary distribution by the Promoted Trust in December 2020 for \$ 212.37 million pesos and the amount distributed in March 2021 for \$ 464.94 million pesos, resulting in an amount to be distributed to the holders for \$ 651.32 million pesos.

**Chart 10. CFE Fibra E last 12 months distributions**  
(MXN per CBFE)<sup>1</sup>

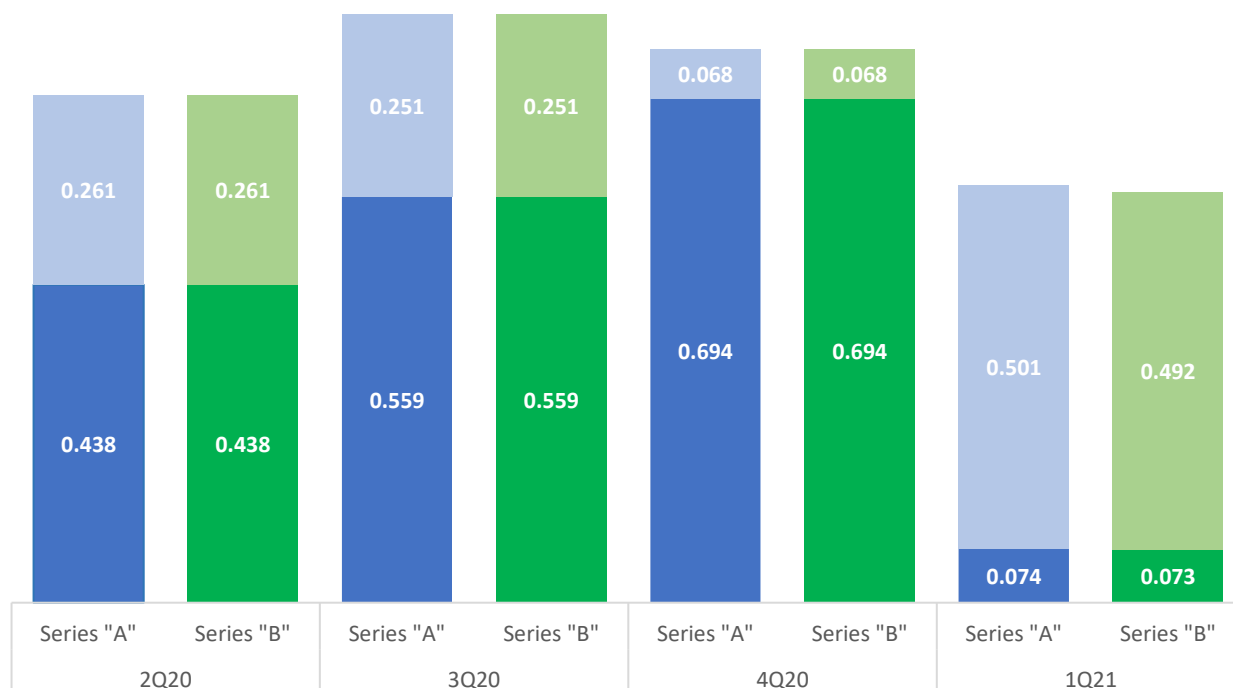


Source: Presentation from the 14<sup>th</sup>, 15<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> Session of the Technical Committee of the Issuer Trust (2020 and 2021).

Note: <sup>1</sup>*Certificado Bursátil Fiduciario de Inversión en Energía e Infraestructura*. CFECapital gives the reimbursement instruction to the Trustee, who makes the deposit to INDEVAL, the central securities depository for the Mexican Securities Market. The custodian acts as the tax withholding agent. <sup>2</sup>Minimum Quarterly Distribution. The total amount of Unpaid MQD per certificate of the series "B" is \$0.01 pesos, which will be effective in the next distribution period. Rounded figures.

Graph 10 shows the distribution composition for 1Q2021 as established in the Offer Memorandum, which defines the subordination of Series "B" with respect to Series "A", which means that Series "A" has a priority of payment for the Minimum Quarterly Distribution of \$ 0.5750 pesos per CBFE. The result was a distribution of \$ 0.575 MXN / CBFE for Series "A" and \$ 0.565 MXN / CBFE for Series "B". The total unpaid amount per certificate for Series "B" was \$ 0.01 MXN / CBFE, which will be effective in the next distribution period.



**Chart 11. Fiscal Composition per CBFE of CFE Fibra E Distribution for both series**


Note: <sup>1</sup> *Certificado Bursátil 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. Rounded figures.

Source: Presentation from the 14<sup>th</sup>, 15<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> Session of the Technical Committee of the Issuer Trust (2020 and 2021).

Graph 11 shows the tax composition of the distribution, the amount corresponding to the tax profit was \$ 0.074 cents per certificate for Series "A" and \$ 0.073 cents for Series "B". The corresponding part for capital reimbursement was \$ 0.501 cents per certificate for Series "A" and \$ 0.492 cents per certificate for Series "B". It is important to mention that the distribution strategy is approved by the Trust's Technical Committee and is determined based on the fiscal requirements of the current Income Tax Law.

## VI. Quarterly Financial Statements

### VI.1 Promoted Trust

**Table 3. Account Balance Promoted Trust as March 31<sup>st</sup>, 2021**  
(MXN)

	January	February	March	1Q2021
<b>Initial Balance</b>	<b>771,222,397</b> <sup>(1)</sup>	<b>3,168,803,389</b>	<b>7,113,599,512</b>	
+ Collection Rights	5,204,771,885	5,573,557,246	7,165,257,260	17,943,586,390 <sup>(2)</sup>
– Withdrawals	2,812,439,841	1,641,869,990	1,956,493,060	6,410,802,891 <sup>(3)</sup>
– Distribution to holders	-	-	6,861,407,131	6,861,407,131 <sup>(4)</sup>
<b>Gross Balance</b>	<b>3,163,554,441</b>	<b>7,100,490,645</b>	<b>5,460,956,581</b>	
+ Interest	5,794,747	16,018,086	21,695,536	43,508,369 <sup>(5)</sup>
– Interest tax	1,299,090	3,740,319	5,211,745	10,251,154 <sup>(6)</sup>
<b>Final Balance</b>	<b>3,168,050,098</b>	<b>7,112,768,412</b>	<b>5,477,440,372</b>	
Accrued interest	-753,291	-831,101	1,584,403	
<b>Portfolio Value</b>	<b>3,168,803,389</b>	<b>7,113,599,512</b>	<b>5,475,855,969</b>	

Source: CFECapital, with information from Account Balance of Promoted Trust.

Note: Rounded figures.

Table 3 shows that the first quarter began with a balance of \$ 771,222,397 pesos <sup>(1)</sup>, to which \$ 17,943,586,390 pesos <sup>(2)</sup> were added for the collection rights for the period received from CENACE (VAT included), withdrawals for the period amounted to \$ 6,410,802,891 pesos <sup>(3)</sup>. In March, the Quarterly Distribution was carried out for \$ 6,861,407,131 pesos <sup>(4)</sup>. During the period, interest was generated for \$ 43,508,369 pesos <sup>(5)</sup> and whose income tax amounted to \$ 10,251,154 pesos <sup>(6)</sup>. In the month of March, for account statement purposes, a balance for reliquidations belonging to the previous period is integrated into the withdrawals for an amount of \$ 2,191,381. However, it should be considered that the collection rights corresponding to the last Wednesday in March (March 31) were reflected in April, so the total amount of reimbursements in March is \$ 2,487,395,410.

## VI.2 Issuer Trust

**Table 4. Account balance Issuer Trust as March 31<sup>st</sup>, 2021**  
(MXN)

	January	February	March	1Q2021
<b>Initial Balance</b>	<b>258,930,870</b> <sup>(1)</sup>	<b>235,757,197</b>	<b>234,751,595</b>	
+ Promoted trust distribution	-	-	464,936,014	464,936,014 <sup>(2)</sup>
- Distribution to holders	-	-	651,315,393	651,315,393 <sup>(3)</sup>
- Trust Expenses	24,032,128	1,486,938	7,114,891	32,633,957 <sup>(4)</sup>
<b>Gross Balance</b>	<b>234,898,742</b>	<b>234,088,259</b>	<b>41,257,325</b>	
+ Interest	676,455	663,336	1,359,962	2,699,753 <sup>(5)</sup>
<b>Final balance</b>	<b>235,575,197</b>	<b>234,751,595</b>	<b>42,617,287</b> <sup>(6)</sup>	

Source: CFECapital, with information from Account Balance of Issuer Trust up to March 31<sup>st</sup>, 2021.

Note: Rounded figures

Table 4 shows that the first quarter began with a balance of \$ 258,930,870 <sup>(1)</sup>, which includes the extraordinary distribution for \$ 212,376,610 approved by the Technical Committee of the Promoted Trust in December 2020, to which \$ 464,936,014 <sup>(2)</sup> corresponding to the twelfth distribution received on March 16 from the Promoted Trust F / 80758. As of March 31, disbursements amount to \$ 32,633,957 <sup>(4)</sup>. On the other hand, the amount distributed was for \$ 651,315,393 <sup>(3)</sup>, which was distributed on March 31. Distributions as of 1Q2021 total \$ 651,315,393 (Tax profit and Repayment to capital). The \$ 32,633,957 <sup>(4)</sup> of disbursements correspond to expenses of the Issuing Trust. The ending balance at the end of the quarter was \$ 42,617,287 <sup>(6)</sup>. In the period, interest was generated for \$ 2,699,753 <sup>(5)</sup>.

## VII. Issuer Trust Administration and Expenses

**Table 5. Maintenance expenses**  
(MXN)

	January	February	March	1Q2021	Accumulated
Administration fee <sup>i</sup>	22,812,932	-	-	22,812,932 <sup>(1)</sup>	22,812,932
Fiduciary and common representation fees	238,049	585,378	-	823,427	83,427
Independent members fees	65,000	65,000	357,190	487,190	487,190
Expenditures of maintenance and registration of CBFEs	-	-	1,657,527	1,657,527	1,657,527
External audit fees, accounting services, fiscal advisers and any other professional services	657,427	787,640	5,065,174	6,510,241	6,510,241
Insurance	-	-	-	-	-
External Audit fees tax	258,720	35,000	35,000	328,720	328,720
Other expenses	-	13,920	-	13,920	13,920
<b>Total</b>	<b>24,032,128</b>	<b>1,489,938</b>	<b>7,114,891</b>	<b>32,633,957 <sup>(2)</sup></b>	<b>32,633,957</b>

i Includes the payment of advances to CFECapital and the 7% administration commission. The amount of administration commission corresponds to \$1,492,435 pesos.

Rounded Figures

Source: Finance and Administration Management, CFECapital.

Table 5 shows the maintenance expenses during the first quarter, the expenses amounted to \$32,633,957 pesos <sup>(2)</sup>, this amount includes the Administrator Expenses amounting to \$22,812,932 pesos <sup>(1)</sup> and the rest of the maintenance expenses for \$9,821,025 pesos.