



**Earning Release**

**Second Quarter 2022**

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Mexico City, July 6th, 2022.

Dear Investors,

It is an honor for me to address you on behalf of the CFECapital team (CFECapital, S. de R.L. de C.V.) in our capacity as Settlor and Administrator, to present the report for the Second Quarter of 2022 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 April, May and June 2022 have occurred in a complex scenario: the pandemic caused by the SARS-CoV2 virus and the appearance of new variants, the interruption in the international supply chain due to geopolitical conflicts, as well as the growing inflationary pressure, has maintained uncertainty in some productive sectors. However, the CFE FIBRA E has maintained a firm sailing with a long-term horizon, maintaining attractive distributions per year.

In relation to the events that occurred during the Second Quarter of 2022, on **April 20th, 2022**, a results report was issued to the Board of Directors of CFE Transmission, which includes investment projects for the period 2022-2024, which they will contribute to satisfying the growing demand for electrical energy and guarantee the provision of the service in a reliable and continuous manner. It is mentioned that the results of the National Transmission Network (RNT) are key to the development of the country's electricity sector.

On **April 29th, 2022**, the CFE reported its financial statements, revealing that revenues from the sale of energy for the First Quarter of 2022 grew 10.0%, while the costs of energy and other fuels decreased 36.1%, compared to the first quarter of 2021. On the same date, the CFE also presented its audited financial statements for the year 2021, in which it is reported that, at the end of 2021, the total income of the CFE presented an increase of 12.7% compared to the end of 2020.

On **May 31st, 2022**, the Ministry of Energy published the Program for the Development of the National Electric System (PRODESEN) 2022-2036, in which the planning of the National Electric System with a horizon of 15 years is disclosed. This document details the needs to be covered for the electricity supply in Mexico and contemplates the expansion and modernization program of the National Transmission Network.

On **June 9th, 2022**, the CFE carried out its first successful liability management operation in the international market, the operation consisted of the re-purchase of six bonds under favorable conditions, issued in the international market. It made it possible to reduce the risk of short-term refinancing, generate financial savings and reduce the debt balance in foreign currency, among other benefits.

On **June 26th, 2022**, progress was made on the financial and technical cooperation agreements between the Federal Electricity Commission (CFE) and the French Development Agency and Électricité de France. The project, which will have financial resources of 200 million euros, aims to increase the useful life of the hydroelectric plants, the safety of the infrastructure, promote the expansion and modernization of the generation park through clean, renewable, and stable sources.

On **June 30th, 2022**, the Board of Directors of the subsidiary company CFENERGÍA ratified that the Master Investment Trust, approved by the Board of Directors of the Federal Electricity Commission (CFE), will allow financing the priority strategic projects that are entrusted the foregoing, under the premise of respecting the presidential mandate of not indebtedness and financial independence.

In the macroeconomic context, in line with the increase of the Federal Reserve of the United States, the Bank of Mexico has increased, on four occasions during this period, the target interest rate, establishing itself at **7.75%**.

Compared to other REITs, CFE FIBRA E certificates have maintained a positive yield, and a stable dividend payment, showing the profitability of the transmission sector and its solvency in expected cash flows. FIBRA E's dividend yield has maintained a double-digit performance (12%) well above its peers.

The distribution corresponded to a total period of 13 weeks of operation, where the Technical Committee of the Issuing Trust approved the amount to be distributed to the holders of \$975,605,464 MXN. Resulting in a distribution of \$0.8576 MXN/CBFE for Series "A" and for Series "B". Of the previous amount, \$0.4284 MXN corresponded to capital reimbursement, while the remainder was tax result for both series. The purpose of this composition is to ensure compliance with the CFE FIBRA E regime.

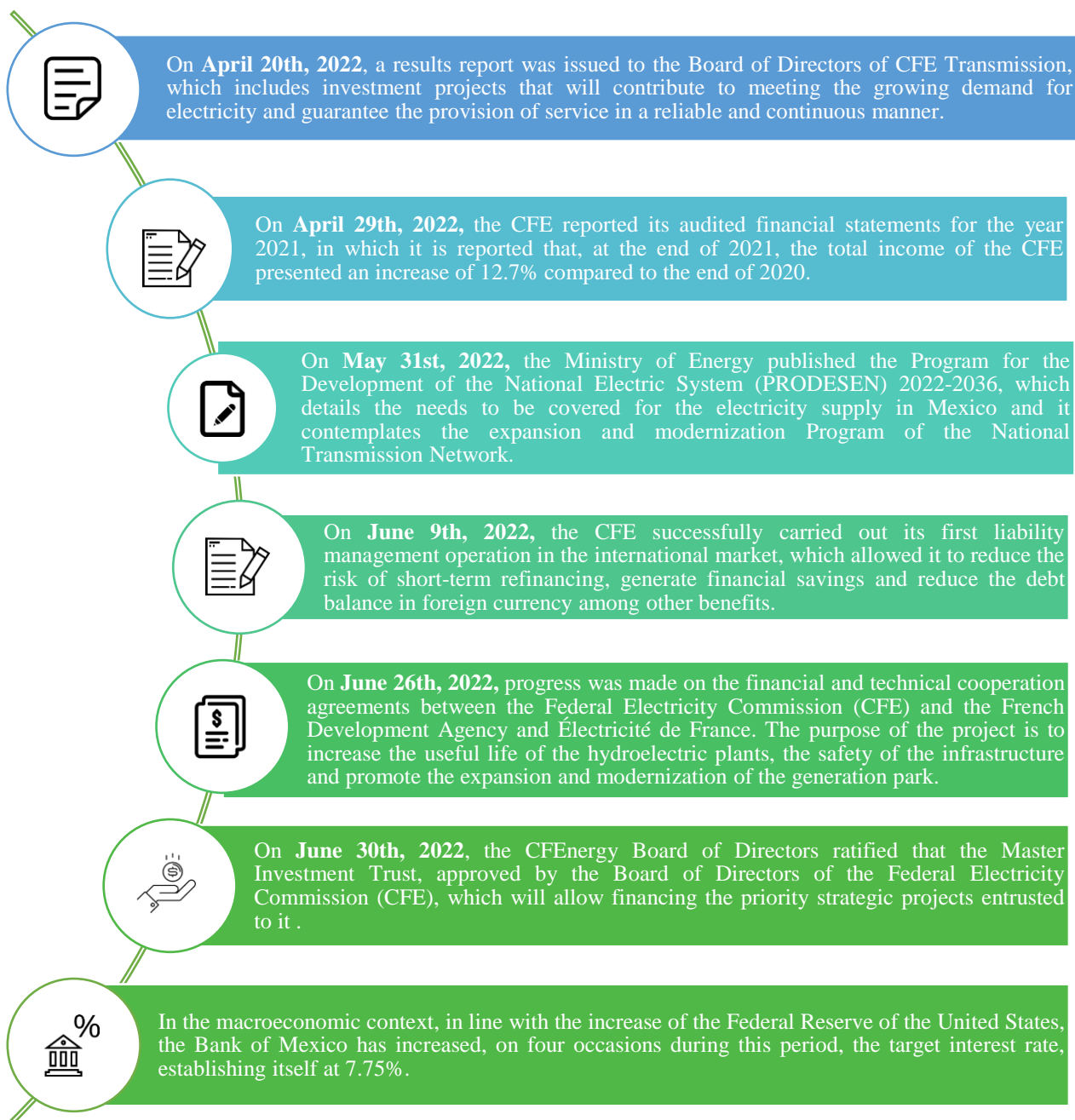
It is important to note that the distribution reflects a growth in the demand for electricity compared to the immediately previous quarter, however, it is not the quarter with the highest consumption of electricity. This period was in accordance with the seasonality of the Mexican Electricity Market.

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.

To conclude, I want to reiterate that electricity demand during the Second Quarter showed an exceptional recovery, showing levels above the equivalent months of 2021, and even 2019, exceeding market expectations. The defensive nature of the sector coupled with the fundamentals of the CFE FIBRA E has allowed it to maintain firm sailing, despite the challenges posed by the current macroeconomic horizon.

**José Arturo Cerón Vargas, General Director CFECapital**

## II. Relevant Events for CFE FIBRA E during the 2Q2022

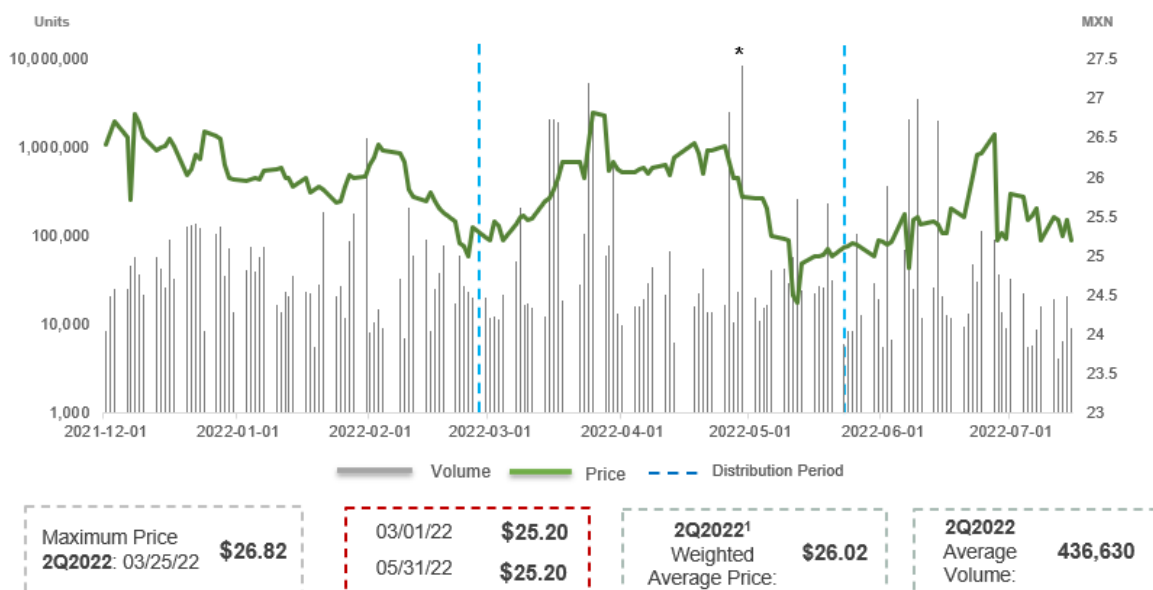


Source: CFECapital with information from CFE Press Releases from April to June 2022 and Banco of Mexico.

### III. CFE FIBRA E performance 2Q2022

**Graph 1. Price and Volume of CFE FIBRA E for 2Q2022**

December 1st, 2021, to July 15th, 2022



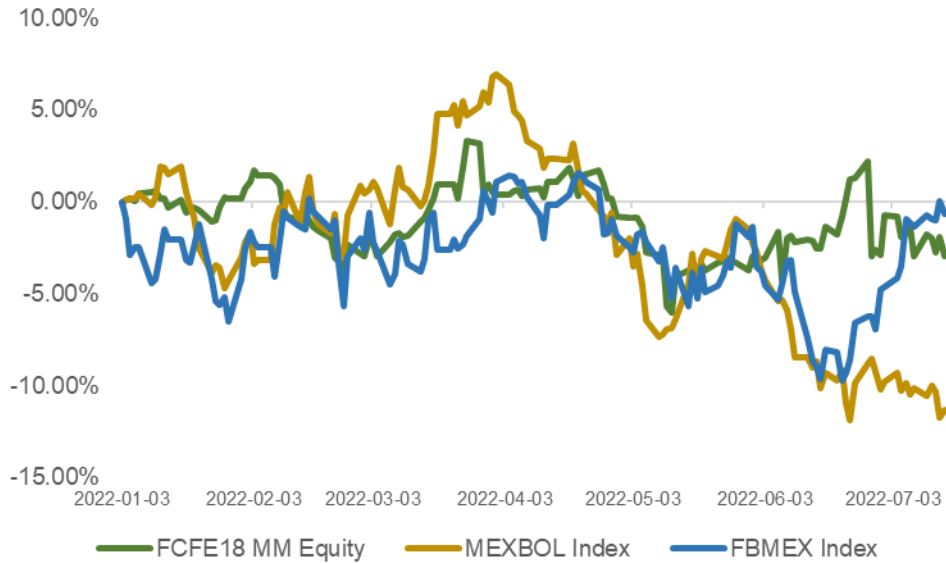
**Source:** CFECapital with information extracted from Bloomberg on July 15th, 2022.

**Note:** <sup>1</sup>The second distribution quarter of 2022 is from March 1st, 2022, to May 31st, 2022.

\*The volume of certificates traded exceeded 1% of the securities in circulation on April 29th, 2022.

Graph 1 shows the price and volume of the Infrastructure and Energy Stock Certificates (CBFE) from December 1st, 2021, to July 15th, 2022. During the period that includes the distribution (March 1st, 2022, to May 31st, 2022). These results show the confidence of the investing public in defensive instruments such as the CFE FIBRA E.

**Graph 2. Performance CFE FIBRA E vs IPC and FBMEX**  
January 1st to July 15th, 2022



Source: CFECapital with information extracted from Bloomberg on July 15th, 2022

Graph 2 shows the comparable performance of 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 FBMEX index (reflects the performance of the 10 main Real Estate Investment Trusts in Mexico).

During the period of the second distribution of 2022 (from March 1st, 2022 to May 31st, 2022), it can be seen that CFE FIBRA E has proven to be a defensive instrument that, despite the global economic situation, with inflation that continues to be pushed upwards by the interruption in the supply chain, increases in energy prices and other raw materials such as corn and wheat, coupled with the fifth wave of infections caused by the Centaurus variant of the COVID virus -19, geopolitical tensions, increases in the reference rates of central banks, to mention some of the main events.

The CFE FIBRA E investment instrument has achieved outstanding performance compared to other similar variable income instruments on the Mexican Stock Exchange.

**Table 1. Dividend Yield<sup>1</sup> Indicative of the CFE FIBRA E vs other FIBRAS**  
(March 1st, to May 31st, 2022)

Real Estate Investment Trust	31/03/2022	29/04/2022	31/05/2022	30/06/2022
FCFE18 MM Equity	12.1050	12.2696	12.8750	12.8698
FUNO11 MM Equity	11.7228	9.0238	9.7186	10.0825
DANHOS13 MM Equity	9.8139	10.1621	9.7031	10.3387
FNOVA17 MM Equity	6.4087	7.6332	7.7769	7.4823
FIBRAMQ MM Equity	7.9798	8.4295	7.2436	7.9586
FIBRAPL MM Equity	4.2235	4.3592	4.6405	4.5270
TERRA13 MM Equity	6.5401	6.7672	6.9784	7.6456

Source: CFECapital with information extracted from Bloomberg on July 15th, 2022.




Note: <sup>1</sup>It is estimated by multiplying the most recent dividend by the number of dividends issued each year and divided by the instrument's current price.

Table 1 shows the dividend yield of CFE FIBRA E compared to other REITs, which was above its peers during the first quarter of this year. Considering: i) the structure and advantages of financial instruments such as REITs; and ii) the resilient behavior of the electricity transmission sector; capital 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 solid and has shown constant and sustained growth.



**Graph 3. Analyst coverage of CFE FIBRA E**

<b>Banking Institution</b>	<b>Target Price estimated by analysts<sup>1</sup> MXN</b>	<b>Recommendation</b>	<b>Last update</b>
	\$32.50	Buy	06/29/2022
	\$33.00	Buy	06/23/2022
	\$32.80	Buy	06/21/2022
	\$26.00	Sell	05/06/2022
	\$27.63	Hold	05/01/2022
Morgan Stanley	\$25.00	Sell	12/16/2021
	\$30.00	Hold	07/08/2022

Source: CFECapital with information extracted from Bloomberg on July 15th, 2022.

Note: <sup>1</sup>Estimated target prices are defined by analysts for the banking institutions they represent.

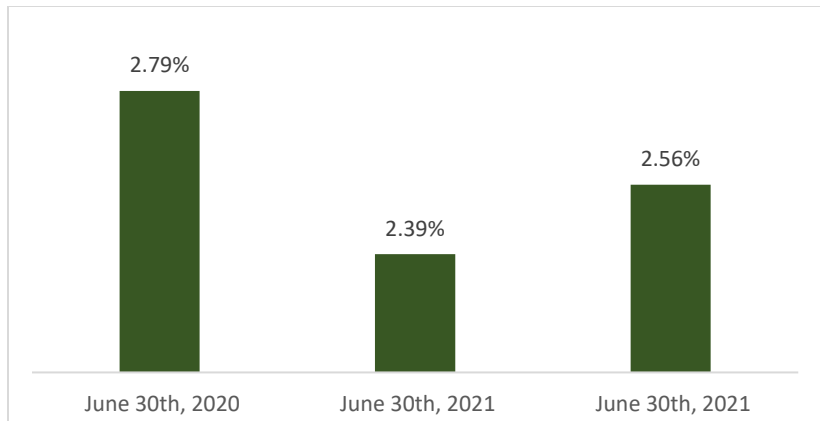
Table 2 shows the analysts' recommendations on the instrument, on average the target price was \$29.56. According to their analyses, the resilience of the instrument is recognized despite the complex context generated by the pandemic, geopolitical tensions, and a complex macroeconomic environment, in addition to the solvency of the distributions and the historical high yield compared to other FIBRAS. Analysts are positive about the future of CFE FIBRA E and are in constant communication with CFECapital and the Investor Relations team.

**IV. Operating results of the Transmission Sector**

Chart 3 shows the index that corresponds to the percentage of transmission losses.

**Chart 3. Transmission Losses**

(Percentage)

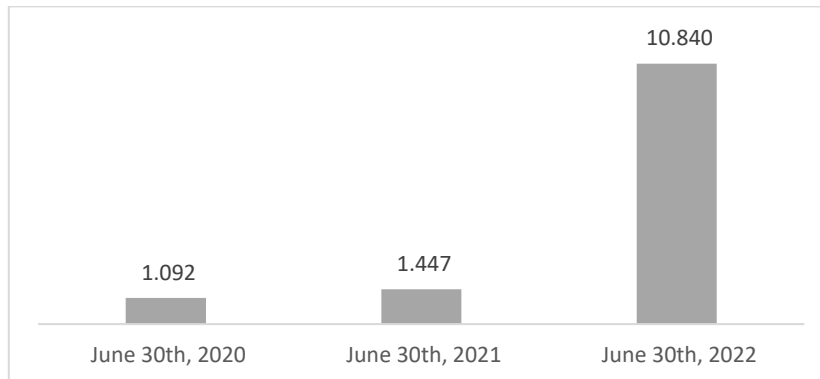


Source: CFECapital with information from CFE Transmission.

Chart 4 shows the average duration of interruptions in minutes of the electricity supply for an end-user.

**Chart 4. System Average Interruption Duration Index**

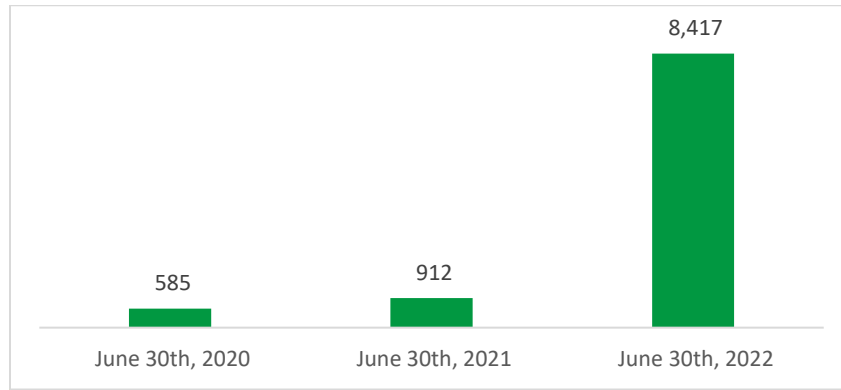
(Minutes)



Source: CFE Transmission March 31st, 2022.

Chart 5 shows the energy not supplied to users due to interruptions for periods longer than five minutes that occur because of failures in the National Transmission Network (NTN). The units of measurement are megawatt-hour or one thousand kilowatt-hours.

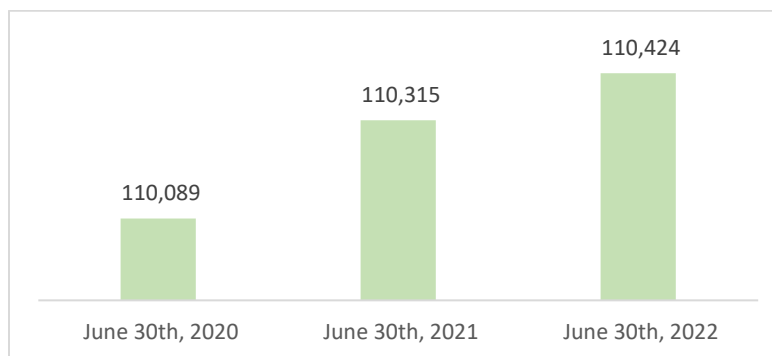
**Chart 5. Energy not delivered**  
(MWh)<sup>2</sup>



Source: CFE Transmission March 31st, 2022.

Chart 6 shows the number of kilometres that the National Transmission Network has increased, which as of March 31<sup>st</sup>, 2022, has reached 110, 414 kilometres.

**Chart 6. Transmission Lines**  
(kilometres)



Source: CFE Transmission March 31st, 2022.

Table 3 shows that of the total approved budget of the Promoted Trust for 2022, the equivalent of 21% of the total budget was spent in the Second Quarter. During this quarter, an update to the budget was approved, primarily in the areas of operation and minor maintenance, as well as major maintenance. It should be noted that this adjustment is related to budget projects for the maintenance of transmission lines, power substations, as well as projects instructed by SENER.

According to PRODESEN 2022-2036, the National Transmission Network expansion projects instructed by SENER to CFE Transmission constitute a total of 4,239.6 km<sup>2</sup> of Transmission Lines and constitute a total of 15,504 MVA of transformation capacity and 9,912.3 MVar of compensation of dynamic and fixed reactive power in shunt or series.

**Table 3. Reimbursements made up to the end of 2Q2022 vs Budgets approved (MXN)**

Category	Budget 2022	Exercised 2Q2022	%
Intercompany Expenses	8,850,867,412	258,984,546	3%
Operation and minor maintenance	9,394,016,047	2,880,624,786.27	31%
Obligation expenses	4,441,042,701	1,769,240,483	40%
Major maintenance	8,006,916,238	1,553,858,926	19%
Trust expenses	19,001,646	5,743,276	30%
Financing costs	0	0	0%
<b>Total</b>	<b>30,711,844,044</b>	<b>6,468,452,017</b>	<b>21%</b>

Source: CFE Transmission.

Note: Figures rounded in MXN.

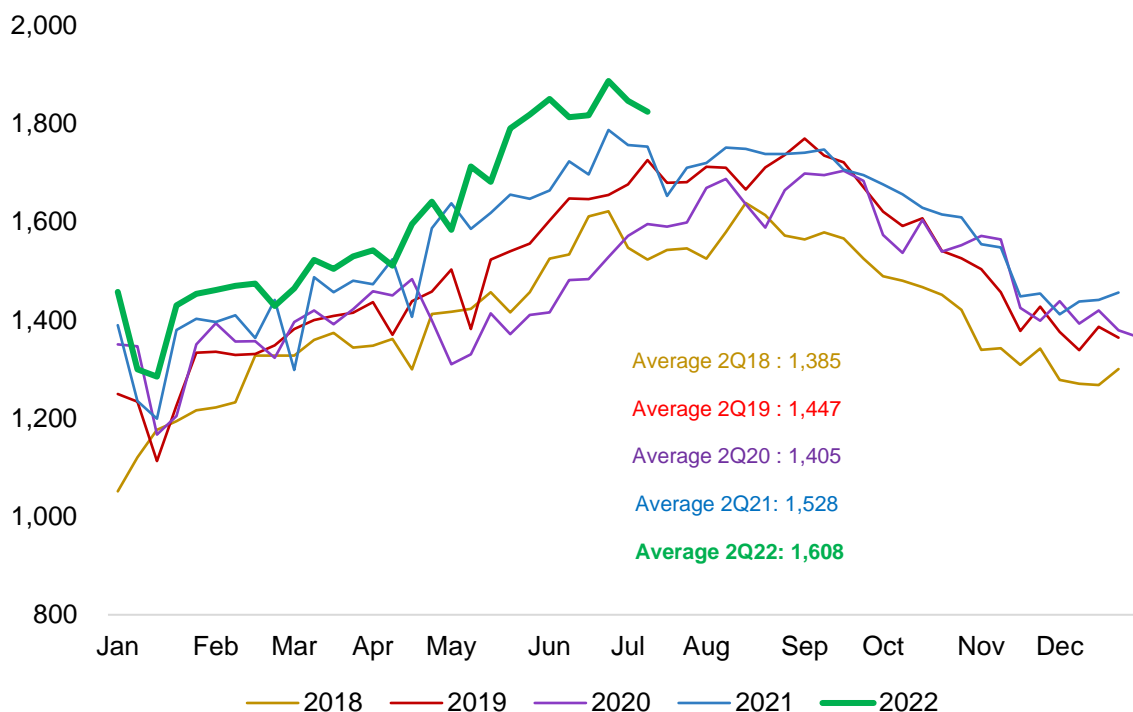
Graph 7 shows the performance of collection rights. In the 2Q2022 distribution period, electricity consumption in Mexico increased compared to the first quarter, however, it is not the period with the highest consumption, due to the seasonality of the sector. In the second distribution period, collection rights had an increase of **4.36%** compared to the equivalent period of the previous year, and **12.34%**

compared to the Second Quarter of 2020, which had an impact due to the pandemic due to the SARS-CoV2 virus.

The increase in collection rights is mainly attributable to:

- 1) The increase in transmission volumes
- 2) The increase in the transmission rate
- 3) The gradual recovery of the economy

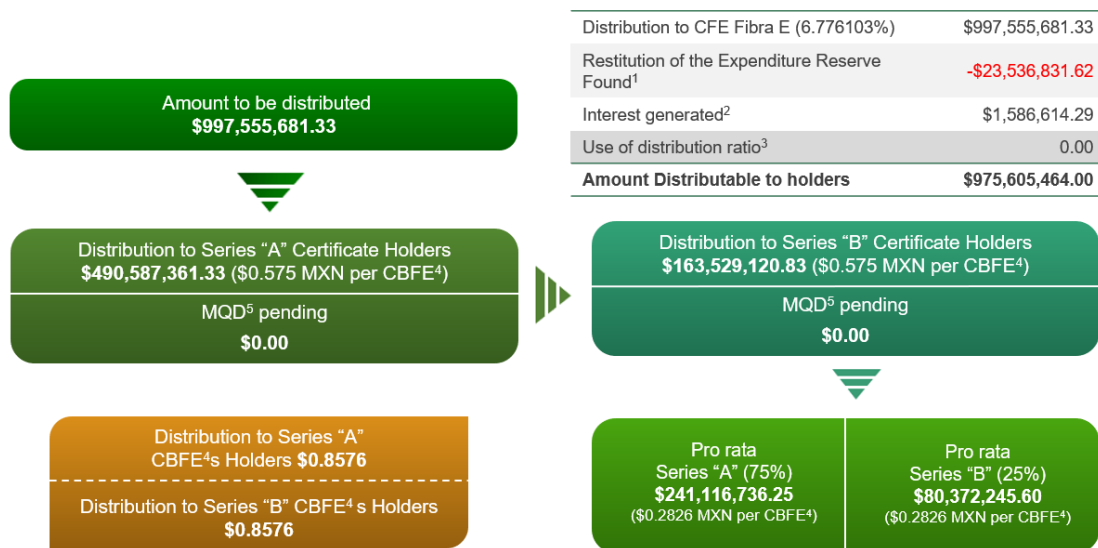
**Chart 7. Collection right of the National Control Center of Energy (CENACE)<sup>1</sup>  
January 2018 – July 15th, 2022  
(Millions MXN)**



Source: Promoted Trust Account (As of July 15th, 2022). Note: Distribution 2Q2022: March 1st to May 31st, 2022; Distribution 2Q2021: March 1st to May 31st, 2021; 2Q2020 Distribution: March 1st to May 31st, 2020; Distribution 2Q2019: March 1st to May 31st, 2019; Distribution 2Q2018: March 1st to May 31st, 2018; <sup>1</sup>National Energy Control Center.

## V. CFE Fibra E distribution 2Q2022

**Diagram 1. Amount distributed 2Q2022**  
(Millions of pesos)



Source: Presentation of the Technical Committee of the Issuing Trust (June 20th, 2022).

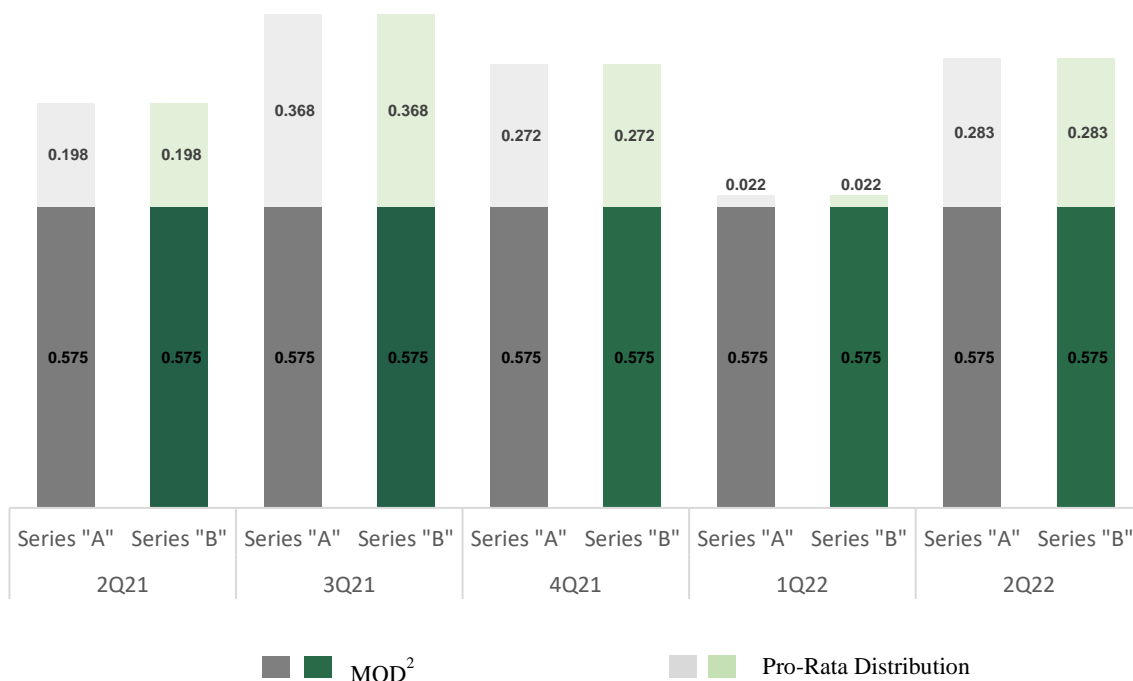
Notes: <sup>1</sup> An estimated Expense Reserve Fund of 45 million pesos is maintained at the date of calculation of the distribution. <sup>2</sup> Interest generated in the period. <sup>3</sup> The distribution ratio was changed from a ratio of 1/1.1 to a ratio of 1/1 (Conflict Committee of last December 3rd, 2021); Therefore, no cash reserves will be made in the General Account. <sup>4</sup> Trust Stock Certificate in Energy and Infrastructure. <sup>5</sup> Minimum Quarterly Distribution.

The amount distributed in 2Q2022 comprises a total of 13 weeks of operation from March 1st, 2022, to May 31st, 2022.

The distribution of the Promoted Trust was for \$997.55 million pesos, which includes the restitution of the expense reserve fund and the interest generated in the period, resulting in an amount to be distributed to the holders of \$975.61 million pesos.

Graph 8 shows the distribution composition for 2Q2022. The result was a distribution of \$0.575 MXN/CBFE for Series "A" and for Series "B" and a pro-rata distribution of \$0.2826 MXN/CBFE for both series.

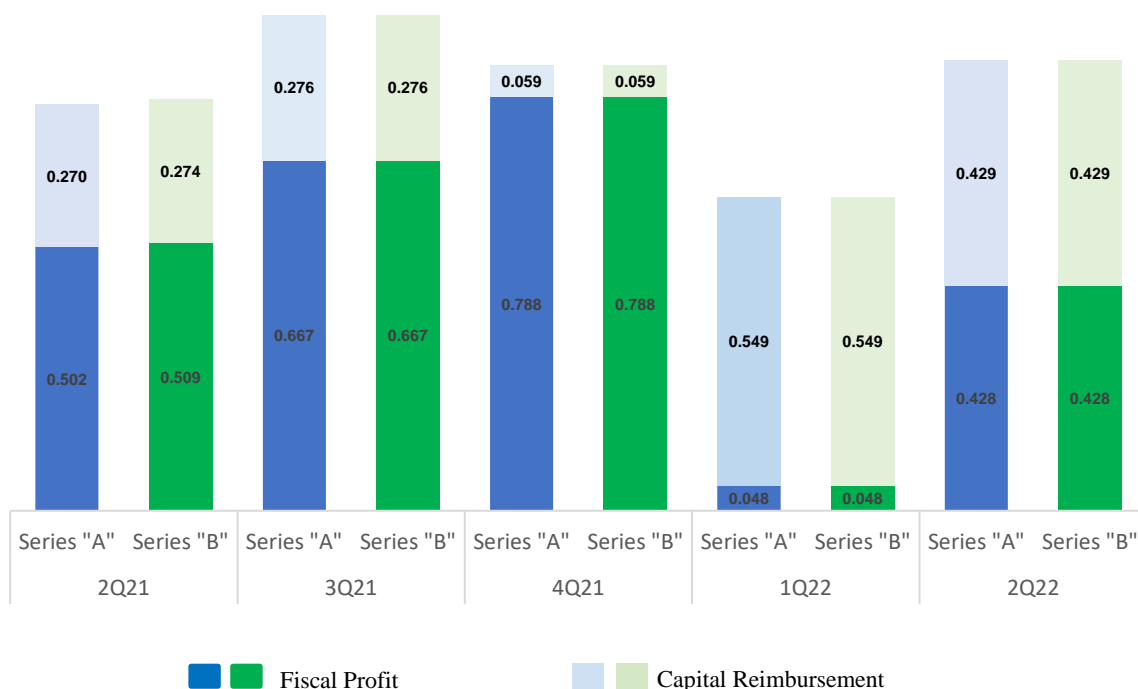
**Chart 8. Fiscal Composition per CBFE of CFE FIBRA E Distribution for both series**  
(MXN per CBFE<sup>1</sup>)



**Source:** Presentation of the 19<sup>th</sup>, 20<sup>th</sup>, 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> Sessions of the Technical Committee of the Issuing Trust (2021 and 2022).  
**Note:** <sup>1</sup> Stock Exchange Trust Certificate for Investment in Energy and Infrastructure. CFECapital gives the distribution to the trustee, who makes the deposit to the Institute for the Deposit of Securities (INDEVAL), the central depository of the Mexican Securities Market. The custodian acts as the agent who withholds the taxes. <sup>2</sup>Minimum Quarterly Distribution. Rounded figures.

Graph 9 shows the tax composition of the distribution, the amount corresponding to the tax profit was \$0.428 cents per certificate for Series “A” and for Series “B”. The corresponding part for capital reimbursement was \$0.429 cents per certificate for Series “A” and 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.

**Chart 9. Fiscal Composition per CBFE of CFE FIBRA E Distribution for both series (MXN per CBFE<sup>1</sup>)**



**Source:** Presentation of the 19<sup>th</sup>, 20<sup>th</sup>, 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> Sessions of the Technical Committee of the Issuing Trust (2021 and 2022).

**Note:** <sup>1</sup>Stock Exchange Trust Certificate for Investment in Energy and Infrastructure. The distribution strategy is approved by the Technical Committee and is determined based on the fiscal requirements of the Income Tax Law. Rounded figures.

## VI. Quarterly Financial Statements

### VI.1 Promoted Trust

The Second Quarter began with a balance of \$5,356,709,345<sup>(1)</sup> to which was added \$22,249,363,344<sup>(2)</sup>, for collection rights for the period received from CENACE (VAT included), withdrawals for the period amounted to \$6,183,032,686<sup>(3)</sup>. In June, the Quarterly Distribution was carried out for \$14,721,672,344<sup>(4)</sup>. During the period, interest was generated for \$194,417,463<sup>(5)</sup> and whose ISR amounted to \$2,252,404<sup>(6)</sup>.



**Table 4. Movements in the account statement of the Promoted Trust F/80758 during the Second Quarter of 2022**  
(MXN)

	April	May	June	2Q2022
<b>Initial Balance</b>	<b>5,356,709,345</b> <sup>(1)</sup>	<b>9,931,793,284</b>	<b>14,973,933,784</b>	
+ Collection Rights	6,290,814,562	6,770,359,896	9,188,188,886	22,249,363,344 <sup>(2)</sup>
– Withdrawals	1,755,984,209	1,801,477,959	2,625,570,518	6,183,032,686 <sup>(3)</sup>
– Distribution to Holders	0	0	14,721,672,344	14,721,672,344* <sup>(4)</sup>
<b>Gross Balance</b>	<b>9,891,539,698</b>	<b>14,900,675,221</b>	<b>6,814,879,808</b>	
+ Interest	38,917,450	75,950,116	79,549,897	194,417,463 <sup>(5)</sup>
– Interest Tax	473,314	882,085	897,005	2,252,404 <sup>(6)</sup>
<b>Final Balance</b>	<b>9,929,983,834</b>	<b>14,975,743,252</b>	<b>6,893,532,700</b>	
Accrued Interest	-1,809,450	1,809,468	39	
<b>Portfolio Value</b>	<b>9,931,793,284</b>	<b>14,973,933,784</b>	<b>6,893,532,661</b>	

Note: Figures rounded in MXN. <sup>1</sup>National Energy Control Center. <sup>\*</sup>The quarterly distribution covered the months of March, April, and May 2022, and took place on June 20th, 2022, which is why it is shown in the account statement for the month of June.

Source: Account Statements of the Promoted Trust (F/80758).

## VI.2 Issuer Trust

Table 5 shows that the Second Quarter began with a balance of \$44,960,298<sup>(1)</sup>, to which was added \$997,555,681<sup>(2)</sup> corresponding to the Seventeenth Distribution received on June 20th from the Promoted Trust F/80758. As of June 30th, disbursements amounted to \$22,600,127<sup>(3)</sup>. On the other hand, the amount distributed was \$975,605,464<sup>(4)</sup>, which was made on June 30th.

The \$22,600,127<sup>(3)</sup> of disbursements correspond to expenses of the Issuing Trust, ending with a final balance in the quarter of \$46,480,346<sup>(6)</sup>. During the Second Quarter interest was generated for \$2,169,958<sup>(5)</sup>.

**Table 5. Account balance Issuer Trust as of June 30th, 2022**  
(MXN)

	April	May	June	2Q2022
<b>Initial Balance</b>	<b>\$44,960,298</b> <sup>(1)</sup>	<b>\$23,426,421</b>	<b>\$23,125,072</b>	
Plus Deposits	--	--	\$997,555,681 <sup>(2)</sup>	
Minus Withdrawals	\$21,682,450	\$425,333	\$492,344	\$22,600,127 <sup>(3)</sup>
Distribution to Holders	--	--	\$975,605,464	\$975,605,464 <sup>(4)</sup>
<b>Gross Balance</b>	<b>\$23,277,848</b>	<b>\$23,001,088</b>	\$44,582,945	
Interest Charged	\$148,573	\$123,984	\$1,897,401	\$2,169,958 <sup>(5)</sup>
<b>Final Balance</b>	<b>\$23,426,421</b>	<b>\$23,125,072</b>	<b>\$46,480,346</b> <sup>(6)</sup>	

**Source:** CFECapital with information from the Account Statements of the Issuing Trust CIB/2919 as of June 30th, 2022.

**Note:** Figures rounded in MXN.

## VII. Issuer Trust Administration and Expenses

In the Second Quarter, expenses amounted to \$22,600,127<sup>(10)</sup>, the main disbursement corresponds to the Administrator's Expenses (CFECapital), corresponding to \$15,423,637<sup>(1)</sup>. The other expenses add up to \$7,176,490 and include: (i) Fees to the Common Representative for \$84,899<sup>(2)</sup>, (ii) Compensation to Independent Members for \$300,301<sup>(3)</sup>, (iii) Fees external auditors \$659,750<sup>(6)</sup>, (iv) Insurance \$5,820,059<sup>(7)</sup>, (v) Income tax withholding on fees assimilated to independent for \$250,409<sup>(8)</sup> y (vi) other expenses \$61,072<sup>(9)</sup>.

**Table 6. Maintenance expenses by Second Quarter 2022**  
(MXN)

	April	May	June	2Q2022	Accumulated
Administration Fee *	15,423,637	--	--	15,423,637 <sup>(1)</sup>	39,667,123
Fiduciary and Common Representation Fees	--	42,383	42,516	84,899 <sup>(2)</sup>	965,054
Independent Members Fees	43,334	43,334	213,634	300,301 <sup>(3)</sup>	677,042
Expenditures of Maintenance and Registration of CBFEs	--	--	--	-- <sup>(4)</sup>	1,580,799
Independent Appraiser's Fees and Price Providers	--	--	--	-- <sup>(5)</sup>	--
External Audit Fees, Accounting services, Fiscal Advisers, and any other Professional Services	153,410	293,480	12,860	659,750 <sup>(6)</sup>	2,024,258
Insurance	5,820,059	--	--	5,820,059 <sup>(7)</sup>	5,820,059
External Audit Fees Tax	203,742	23,333	23,334	250,409 <sup>(8)</sup>	386,022
Other Expenses	38,268	22,803	--	61,072 <sup>(9)</sup>	61,072
<b>Total</b>	<b>21,682,450</b>	<b>425,333</b>	<b>492,344</b>	<b>22,600,127<sup>(10)</sup></b>	<b>51,181,429</b>

**Source:** Finance and Administration Management of CFECapital.

**Notes:** \*Includes the payment of advances to CFECapital and the 7% commission for administration. The administration fee amount corresponds to \$1,586,022 pesos. Figures rounded in MXN.