

FIRST QUARTERLY DISTRIBUTION 2021 OF CFE FIBRA E

During the current distribution period, electricity consumption was in line with the seasonality of the Mexican Electricity Market, which reflects a decrease in energy demand compared to 4Q20. This distribution shows the performance of the electricity transmission sector during the gradual economic reactivation of the productive sectors, where there was an increase in reimbursements made to CFE Transmission. In the first quarter of 2021, the amount to be distributed to holders is \$651,315,392.86 Mexican pesos¹.

CFE FIBRA E is a resilient instrument with solid fundamentals that have allowed it to overcome the effects of an adverse economic environment caused by the pandemic. It is expected that its performance for 2021 will be as it has historically performed, delivering attractive and competitive results to investors. We are confident that, once the increase in transmission reimbursements due to the economic reactivation has dissipated, the subsequent quarters will return to normal as the economic situation progresses.

Mexico City, March 19th, 2021.- CFECapital S. de R.L. de C.V. has announced the distribution of CFE FIBRA E, corresponding to the first quarter of 2021, which will be effective to investors on March 31st of the current year. In accordance with the regulation, the announcement was published through *EMISNET*².

The year 2020 was a very complex year for the global economy due to the SARS COV-2 pandemic. Despite the multiple negative effects it had on all productive sectors of the Mexican economy, electricity transmission sector proved to be resilient and maintained a good performance though all the year.

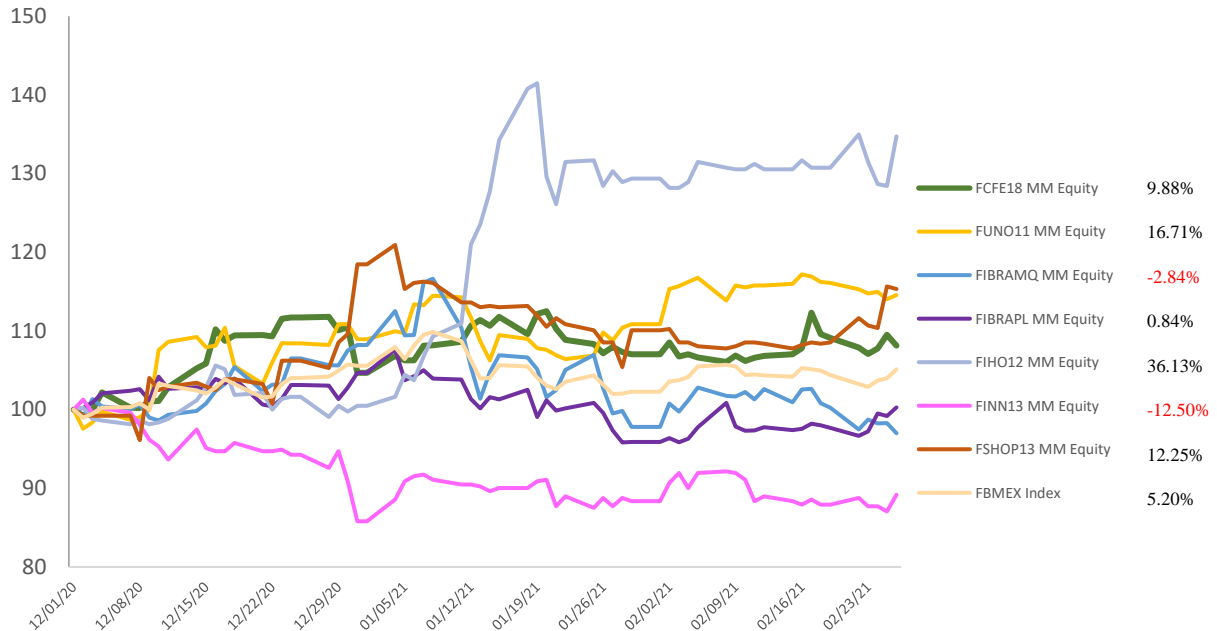
Compared to other similar instruments, CFE FIBRA E has had a positive performance, showing the profitability of the transmission sector. The annual dividend yield for 2020 was 10.58%, which demonstrates the strength of the instrument and the fundamentals despite the national and international situation.

It is important to note that, during 2020, CFE FIBRA E has made competitive distributions to its investors, -given the complexity and adverse economic situation that existed-, for more than 3 billion pesos, delivering \$2.9 pesos for certificate's holders for both Series "A" and Series "B", and managed to distribute a pro-rata amount in all its distributions.

¹ Amount that includes the extraordinary distribution approved by the Technical Committee of the Promoted Trust and distributed by December 31st, 2020.

² *Sistema Electrónico de Comunicación de Emisores, de la bolsa Mexicana de Valores (BMV)* by its initials in Spanish

Graph 1. Performance of CFE FIBRA E vs REIT's and FIBRAS Index



Source: CFECapital with data extracted from Bloomberg as of February 28th, 2021.

Graph 1 shows the performance of CFE FIBRA E and other comparable instruments during this distribution period, which is from December 1st, 2020, to February 28th, 2021.

CFE FIBRA E had an attractive performance during the current period, despite the pandemic, during 1Q21 it had a cumulative performance of 9.88%, which was **higher** than FIBRAS Index (FBMEX) of 5.20%, and the average of the comparable FIBRAS in the market, which was 8.43%.

The collection period of the first quarter distribution of 2021 comprises 13 weeks of operation -corresponding to the months of December 2020, January and February 2021. It considers a total distribution of \$0.575 MXN/CBFE³ for Series “A” (FCFE18) and \$0.565 MXN/CBFE for Series “B” (FCFE18-2).

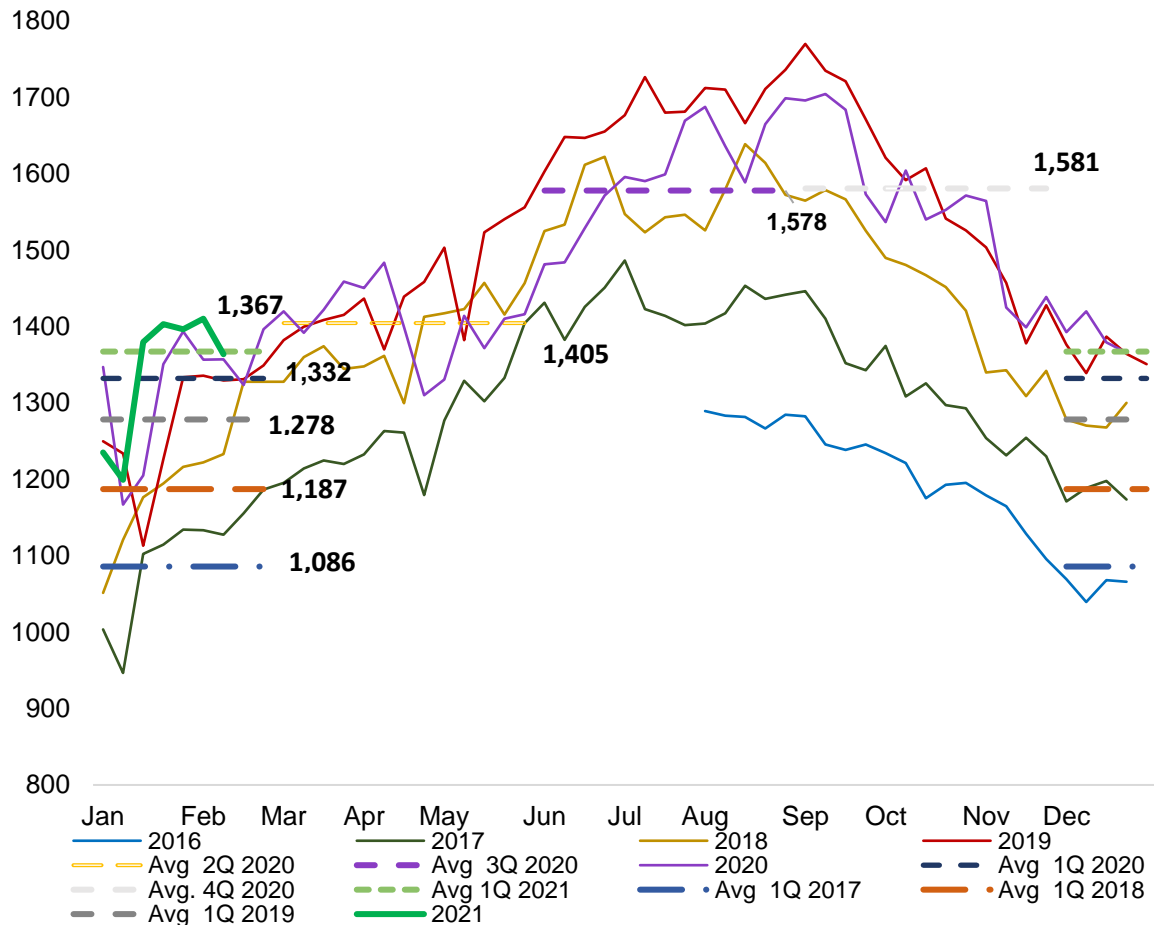
The most relevant aspects of the distribution, as well as its composition, are detailed below:

- The gradual economic reactivation in the productive sectors of the economy as the vaccination campaign against COVID-19 virus has progressed.
- Due to seasonality of the transmission sector, this distribution corresponds to the period with the lowest consumption of electricity in the year, attributable to meteorological factors.

³ Certificado Bursátil Fiduciario de Inversión en Energía e Infraestructura by its initials in Spanish.

- The tariff for the provision of the electricity transmission service in Mexico, from January 1st to December 31st (or until the approval of the new methodology tariff) had a weighted increase of 2.04%⁴.

Graph 2. Weekly revenues from CENACE⁵
(Million MXN)



Source: Promoted Trust Account (February, 2021).

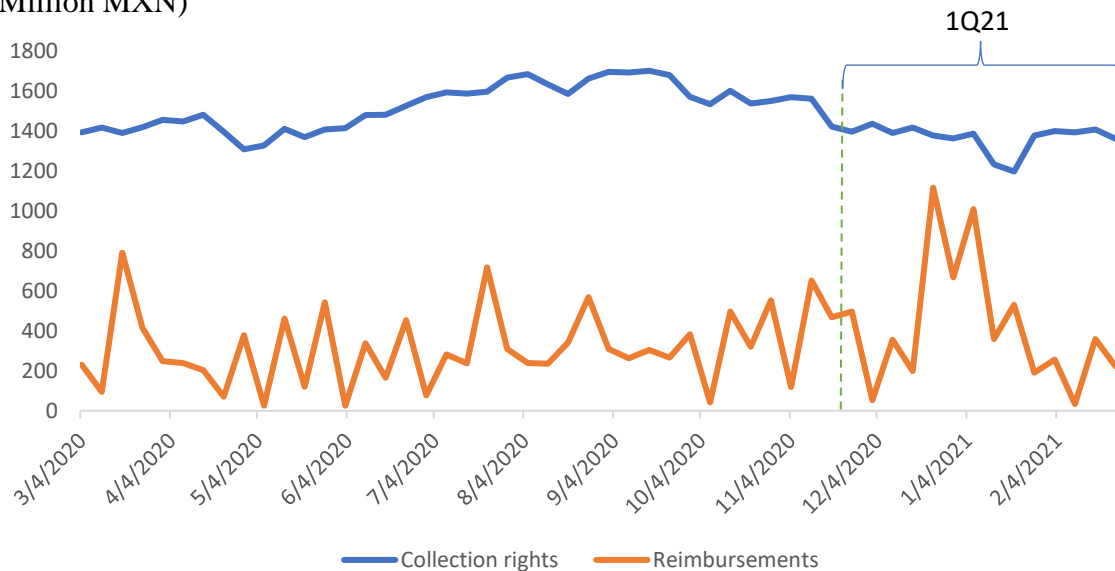
Note: Distribution of the first quarter of 2021: From December 1st 2020- February 28th, 2021. Rounded figures

- The collection rights during the first distribution period, registered an increase of 2.63% compared to the equivalent period of the previous year. As mentioned, the increase approved for electricity transmission tariffs for 2021 was reflected in the months of January and February 2021. Compared to the same months mentioned, there is an increase of 1.8% YoY.

⁴ Weighted average of electricity transmission tariffs (required income= 30% generators, 70% consumers).
http://www.dof.gob.mx/nota_detalle.php?codigo=5610652&fecha=29/01/2021.

⁵ Centro Nacional de Control de Energía by its initials in Spanish, independent operator and collector.

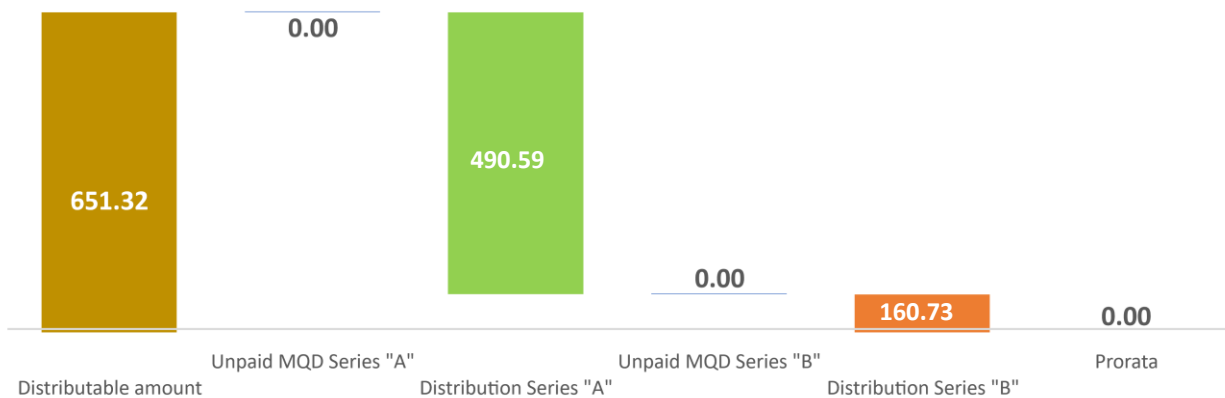
Graph 3. Collection Rights and Reimbursements (last four distributions)
(Million MXN)



Source: Promoted Trust Account (February, 2021).

- For this distribution period, average reimbursements increased by 31.5% compared to the same period of the previous year.
- During the first quarter of distribution, *Banxico*'s reference rate decreased on one occasion, currently standing at 4.00%, which makes the implicit yield offered by CFE FIBRA E more attractive.

Graph 4. Composition of the Distribution of CFE FIBRA E 1Q21
(Million MXN)



Source: Presentation of the Technical Committee of the Issuer Trust (March 2020).

Note: The total unpaid amount for Series "B" is \$2,801,089.29 Mexican pesos, which will be effective next distribution period. All information includes VAT.

Chart 1. Distribution Breakdown

(Million MXN)

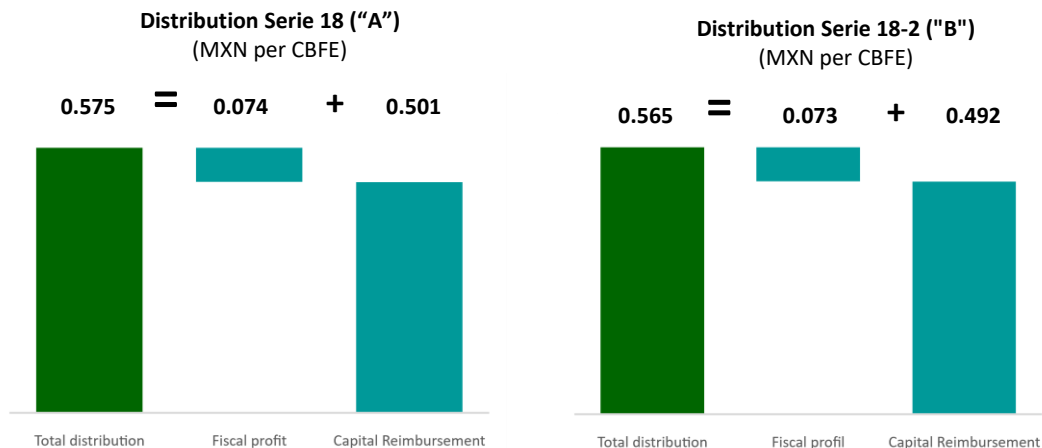
Distribution to CFE FIBRA E (6.776103%)	677.31
Restitution to reserve fund	-28.81
Interests from last period	2.82
Use of distribution ratio	0.00
Distribution amount to CFE FIBRA E holders	651.32

Source: Presentation of the Technical Committee of the Issuer Trust (March, 2021).

Notes: All information includes VAT. Rounded Figures. 1) As specified in the Issuer Trust Agreement, an Expense Reserve Fund of 45 million pesos must be maintained. The corresponding estimate was made for this quarter. 2) The distribution ratio of 1/1.1 foreseen in the contract us used to distribute the period and is not kept in cash in the General Account.

- CFECapital maintains a complete distribution policy⁶, by distributing the cash reserve of the general account⁷, in accordance with the strategy of complying with the requirement of distributing at least 95% of fiscal profits before March 15th.

Graph 5. Distributions of Tax Profit and Capital Reimbursement to CFE FIBRA E holders



Source: Presentation from the 18th Session of the Technical Committee of the Issuer Trust (March 2021).

⁶ 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/OfferingMemorandumFCFE18.pdf>).

⁷ 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)

Relevant events during 1Q21:

- On **February 26th, 2021**, CFE reported its financial statements for the Fourth Quarter of 2020, in which the positive operating result is highlighted, originated by the operational and financial strength of CFE, its solid level of liquidity and its adequate ability to pay its commitments in a timely manner, this despite the impact on the Mexican economy by SARS CoV-2.
- On **February 3rd, 2021**, CFE placed in the financial market of the United States, two bonds for an amount of 2,000 million dollars with the participation of more than 500 investors from America, Europe and Asia, with a total demand of 5.2 times the amount placed. This international bond issue is rated Baa1 (Moody's), BBB (S&P) and BBB (Fitch). A part of the resources will be used to finance the Company's Investment Program considered in the 2021-2025 Business Plan.
- On **January 13th, 2021**, the 41st Extraordinary Session of the CFE Board of Directors was held in which the new public works contracting model was approved, which will improve the planning, design and costing of inputs, as well as the management of contracts and the monitoring of the execution of engineering works, which will allow for better efficiency and technological development in the generation plants with the contracting mechanism of the Master Investment Trust.
- On **December 15th, 2020**, CF Energía presented its 2020 report to the CFE Board of Directors. In which the renegotiation of 8 natural gas supply contracts was highlighted, obtaining more income than 200 million dollars. In addition, it was highlighted that the profitability of liquid fuels increased 10% for the 2020 period, with a profit of 130 million pesos. Finally, the strategic role of the Master Investment Trust was highlighted to finance the construction of new priority strategic plants throughout the country with profits generated by CF Energía and CFE FIBRA E.
- On **December 9th, 2020**, CFE established a cooperation agreement with France to develop geothermal energy that will use binary cycle technology, with resources from the Study Funds and Aid to Private Sector (FASEP) of the French government. With these studies, CFE will know the technical and economic feasibility of implementing binary cycle power generation units, with the aim of improving energy efficiency and increasing the company's geothermal power generation capacity.
- On **December 8th, 2020**, the 40th Session of the Board of Directors of CFE was held, in which the 2021-2025 Business Plan was presented, highlighting that it will serve to increase the assets of CFE, its EPS and its subsidiaries in order to allow it to comply with its investing program, mainly of those priority generation projects to guarantee the energy security of Mexico.