

2Q21 SECOND QUARTERLY DISTRIBUTION IN 2021 OF CFE FIBRA E

Economic reactivation: key factor in the outstanding distribution of CFE FIBRA E

During the current distribution period, electricity consumption was consistent with the seasonality of the Mexican Electricity Market, which reflects an increase in energy demand compared to 1Q21. This distribution shows the performance of the electricity transmission sector during the greatest economic reactivation in the country so far.

Electricity demand during the quarter showed an exceptional recovery, showing levels above the equivalent months of 2020 and even 2019,¹ exceeding the expectations made by the market. The defensive nature of the sector, together with the fundamentals of the instrument, have made it possible to cope with the effects of the pandemic in a shorter period than expected for which the present distribution shows the highest of the distributions of the second quarters of previous years. There was an increase in relation to 1Q21 of 35.36% of the amount approved for the respective distribution for this period.

Mexico City, June 28, 2021.- CFECapital S. de R.L. de C.V. has announced the distribution of CFE FIBRA E, corresponding to the second quarter of 2021, which will be effective to investors on June 30th of the current year. In accordance with the regulation, the announcement was published through EMISNET.²

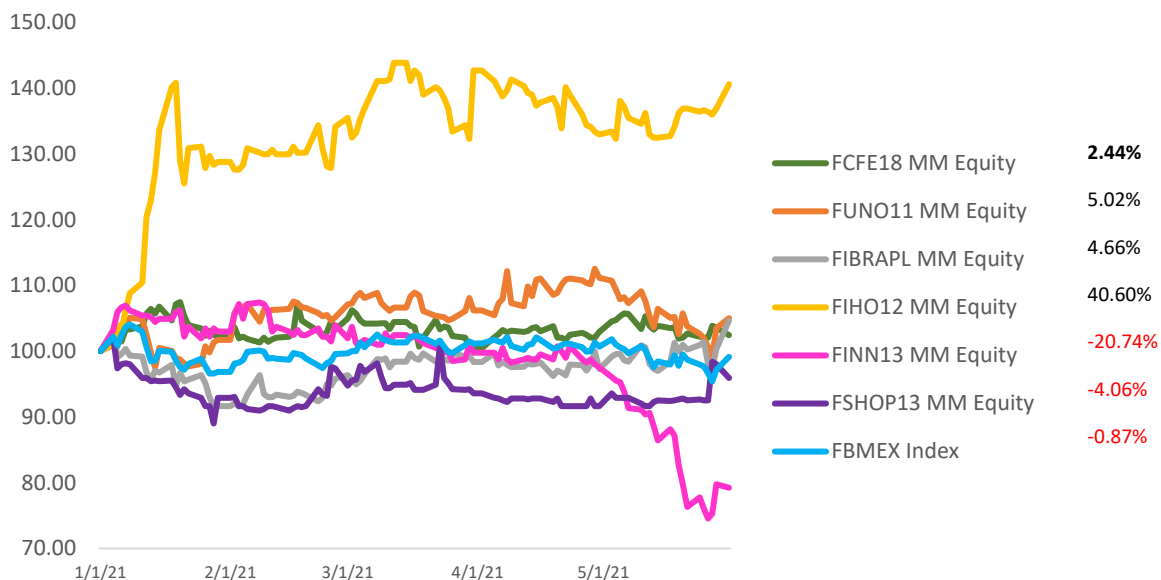
The year 2021 remains complex for the global economy due to the SARS-CoV2 pandemic. Despite this, the decrease in the contagion curve throughout the world, without any limitation in Mexico, has resulted in greater activity in all productive sectors. In addition, progress in the vaccination campaign against the SARS-CoV2 virus in Mexico has favored the reactivation of the productive sectors, which has promoted the electric power transmission sector to consolidate its recovery in electric transmission volumes in Mexico.

During this period, compared to other similar instruments, CFE FIBRA E has maintained a positive and outstanding performance in terms of distributions, showing the profitability of the transmission sector.

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 (BMV).

Graph 1. Performance of CFE FIBA E vs. Other REITs and Index of REITs



Source: CFECapital with data extracted from Bloomberg as of May 31, 2021.

Graph 1 shows the performance of CFE FIBRA E and other comparable REITs during the first 5 months of the year, which includes from January 1st to May 31st, 2021.

CFE FIBRA E has maintained a positive performance throughout the year. The difficult circumstances in which Mexico finds itself, due to the pandemic, have not been ended yet, even though most states are already on a green light, the containment measures are still latent. During this period, CFE FIBRA E has had an accumulated yield of 2.44%, which is in the median - taking the REITs presented as a reference. The expectation is that, given the present distribution, the accumulated yield may present future growth.

The collection period of the 2nd quarterly distribution of 2021 comprises 13 weeks of operation -corresponding to the months of March, April and May 2021- and considers a total distribution of \$ 0.7725 MXN / CBFE³ for Series A (FCFE18) and \$ 0.7824 MXN / CBFE for Series B⁴ (FCFE18- two). **This distribution has been the highest of the second quarters of previous years since the constitution of CFE FIBRA E**, showing consistency in the growth premises.

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

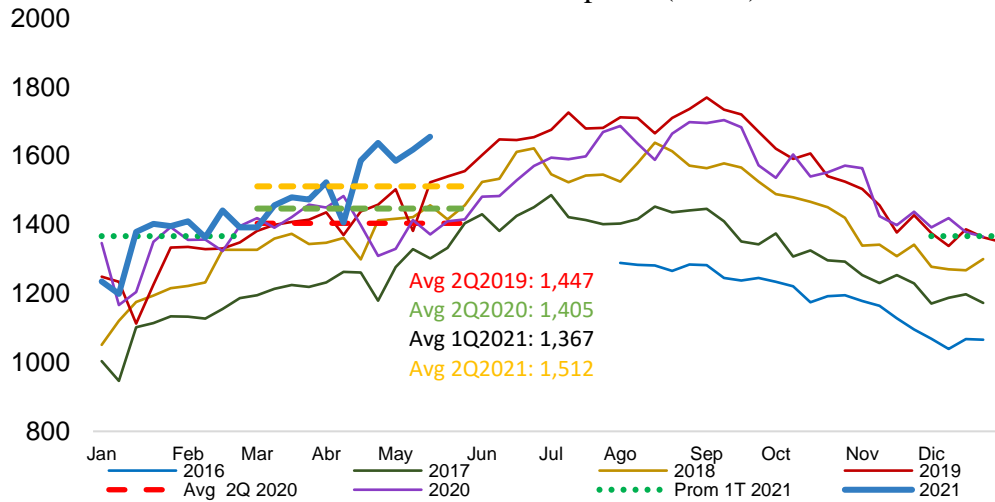
³ Trust Stock Certificate of Investment in Energy and Infrastructure.

⁴ This amount already considers the total amount for unpaid DTM per Series “B” certificate corresponding to 1Q21 for \$0.01 pesos. Rounded figure.

- The economic opening of the productive sectors in Mexico as the vaccination campaign against the SARS-CoV2 virus progresses.
- Due to the seasonality of the electricity transmission sector, during this distribution there is a growth 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 1 to December 31 of the current year (or until the approval of the new rate methodology) **had a weighted increase of 2.04%.⁵**
- As commented, most of the states in Mexico are on a green epidemiological traffic light, so some measures have been relaxed. Given this, in the not distant future, the economic activity in Mexico is expected to return to normal (pre-pandemic), increasing the amount of goods and services produced in the country, and, therefore, an increase in electrical demand.
- Collection rights during the second distribution period registered an **increase of 7.65% compared to the equivalent period of the previous year.**
- Because 2020 was an atypical year, if we compare the collection rights with the same period in 2019, they showed an increase of 4.46%, exceeding the previous expectations that had been made.
- If the revenues are compared with the previous period -1Q21-, due to the seasonality of the transmission sector, there is an increase in the demand for energy, therefore the collection rights increased by 10.58%.

⁵ 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.

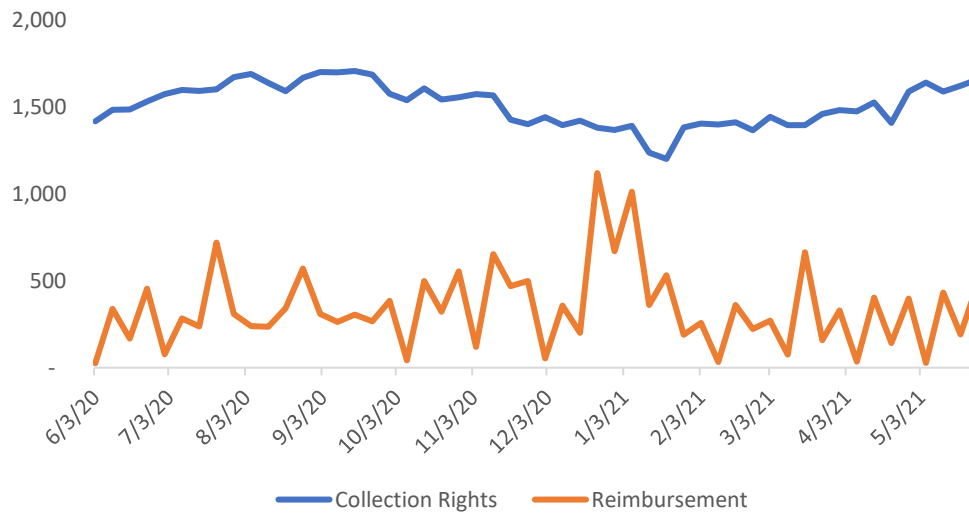
Graph 2. Weekly income of CENACE
Millions of pesos (MXN)



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

Note: Distribution of the Second Quarter of 2021: From March 1st, 2021 to May 31st, 2021. Rounded figures.

Graph 3. Collection and Reimbursement Rights (last four distributions)
Millions of pesos (MXN)

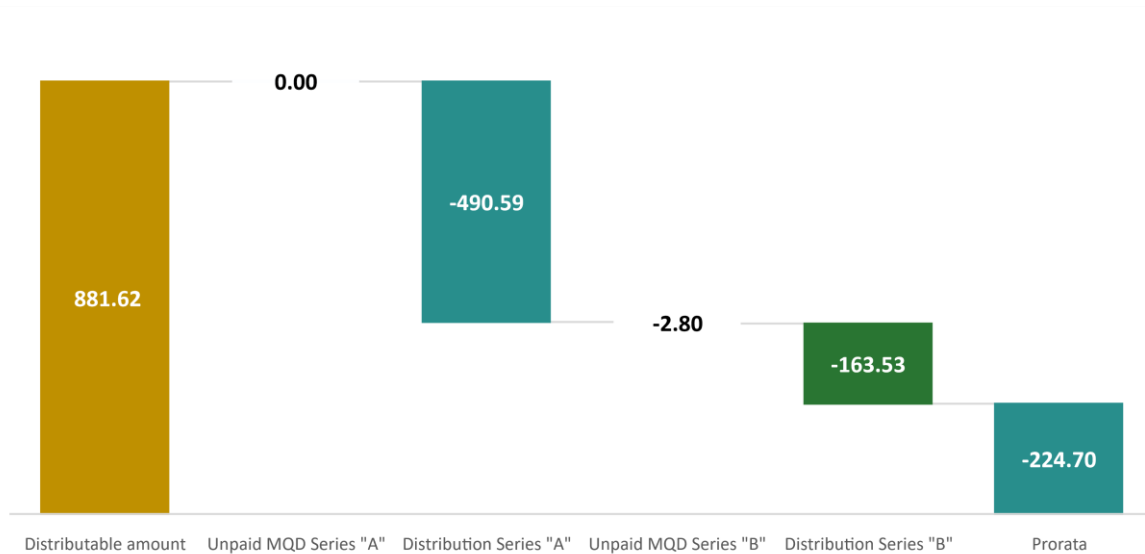


Source: Statement of Account of the Promoted Trust (June 2021).

- Refunds without VAT during the second distribution period showed a decrease compared to 1Q21.

- During the second quarter of distribution, Mexican Bank (Banxico) reference rate remained at the same levels, currently standing at 4.00%, which makes the implicit yield offered by CFE FIBRA E more attractive compared to the risk-free rate, given that the present distribution was greater than expected.

Graph 4. Comparison of the CFE FIBRA E 2Q21 distribution
(Millions of Mexican pesos)



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

Note: The total amount for unpaid DTM for Series "B" for the last period was \$ 2,801,089.29 pesos, which is made effective in the 2Q21 distribution.

Table 1. Distribution Breakdown
(Millions of Mexican pesos)

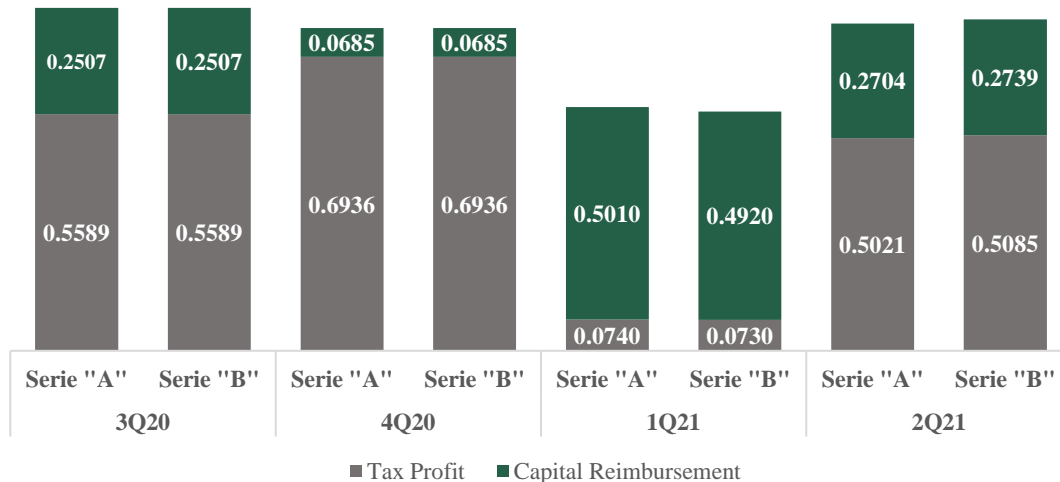
Distribution to CFE FIBRA E (6.776103%)	906.60
Restitution of the Expense Reserve Fund ¹	-26.49
Interest generated by the previous distribution	1.51
Use distribution ratio ²	0.00
Amount to be distributed to Holders	881.62

Source: Presentation of the Technical Committee of the Issuing Trust (June 16, 2021). Rounded figures.

Notes: 1) As specified in the Issuing Trust Agreement, an estimated Expenditure 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 will be used for distribution of the period and was not kept in cash in the General Account.

- CFE Capital maintains a complete distribution policy,⁶ by distributing the cash reserve of the general account,⁷ in accordance with the strategy of complying with the requirement of distributing at least 95% of the fiscal profit.

Graph 5. CFE FIBRA E distributions by certificate for both holders of the Series
(Mexican pesos)



Source: Presentations of the 15th, 17th, 18th and 19th Sessions of the Technical Committee of the Issuing Trust. (2020 and 2021).

Relevant events for the Federal Electricity Commission (CFE) during 2Q21:

- On **March 11th**, 2021, the CFE presented the priority electricity generation projects for the construction and expansion of six combined cycle plants in strategic regions of the country, in order to guarantee Mexico's energy security.
- On **April 29th**, 2021, the CFE reports audited annual financial statements as of December 31, 2020. Accumulated revenues amounted to \$ 502,859 million pesos and a reduction in energy and other fuel costs was reported for 80,680 million pesos. Despite the global economic crisis caused by the SARS-CoV2 virus pandemic, the CFE presented an Operating Result of 18,849 million pesos.

⁶ Page 93 of the Placement Prospectus – in Spanish- (<http://cfecapital.com.mx/wpcontent/uploads/2018/05/III-El-Fideicomiso-Emisor.pdf>).

⁷ 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).

- On **April 29th**, 2021, the CFE reports financial statements corresponding to the first quarter of 2021. The accumulated income of the CFE for the first quarter amounted to 152,578 million pesos, an increase of 22% compared to the same period of 2020.
- On **April 30th**, 2021, the CFE general director gave his annual report to the Corporate Board of Directors in its 43rd Ordinary Session of CFE Board of Directors and stated that the company is in a new stage of continuous strengthening without a breakdown in its public finances.
- On **May 12th**, 2021, the Corporate Directorate for Strategic Planning presented progress in a meeting with the CFE General Director in which the activities that support CFE planning were highlighted, through the preparation of forecasts of economic indicators, consumption of electric energy, fuel market, the analysis of the behavior of the Wholesale Electricity Market (MEM), to contribute to the formulation of tariff projections that allow the recovery of electricity costs.
- On **May 25th**, 2021, the CFE carried out a successful placement of stock certificates for \$ 10,000 million pesos, with a total demand of 1.82 times the maximum expected amount, which reflects the confidence of national investors in the State Productive Company. The use of the resources obtained is the refinancing of previously contracted obligations, so that the financial operation does not represent a greater debt for the CFE. The issues were rated “AAA” on a local scale by Fitch Ratings, Moody’s and Standard & Poor’s.
- On **May 26th**, 2021, Noé Peña Silva, CFE Transmission director, presented his results report to the CFE Transmission Board of Directors, in which he reported on the Expansion and Modernization projects required to carry out the 199 priority projects in the period 2020-2024, which will ensure the reliability and stability of the National Transmission Grid (RNT). These projects amount to a budget of 67,069 million pesos and 25,547 PIDIREGAS.⁸

⁸ PIDIREGAS is the acronym for "Productive Infrastructure Investment Project with Deferred Registration in Public Expenditure".