



Earning Release

Fourth Quarter 2021

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Dear Investors,

It is an honor for me to address you on behalf of the CFECapital S. de R.L. 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 third quarterly performance report of 2021 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 October, November and December of 2021 were: the COVID-19 virus pandemic that has mutated into various variants, with Ómicron and Delta being the ones that are currently emerging in most countries, including Mexico. In this context, CFE FIBRA E has remained stable, since the Trust has operated normally and without setbacks, maintaining attractive distributions per certificate during the four distributions of the immediately preceding year.

In relation to the events of the last quarter of the year (October, November, and December), **on October 1st**, the Federal Executive Power sent to the Honorable Congress of the Union the Reform initiative by which Articles 25, 27 and 28 of the Political Constitution of Mexico, to strengthen the CFE and guarantee the supply of electricity at fair prices for all Mexicans. The proposed initiative establishes electricity as a strategic area in charge of the State, in the terms that founded the national electrical development.

On the other hand, on **October 28th**, the Federal Electricity Commission (CFE) presented the financial statements corresponding to the third quarter of 2021. They include: the increase in accumulated revenues of 12.5%, compared to the same period of 2020, the accumulated net result, which registered an improvement of 79.8% compared to 3Q20. The CFE shows financial strength and operating profitability, since in the third quarter of 2021 an EBITDA of 63,199 million pesos was registered.

In relation to the transmission rates that will apply from January 1st to December 31st, 2022, on December 19th the Energy Regulatory Commission in its Ordinary Session, determined to continue with the extension of the validity of the initial rate period of the Public Service of Transmission of Electric Power, modifying the sole annex to Agreement A/045/2015, and determining the final regulated rates for the SPTEE.¹

On **December 15th**, the CFE Board of Directors held its 46th and 47th Ordinary Sessions, where the 2022-2026 Business Plan, the planning mechanism and the Annual Financial Program were presented, including the constitution of the FIEL² and FPGC³ trusts; defines

¹ Public Electric Power Transmission Service.

² Clean Energy Trust.

³ Trust for Conventional Generation Programs.

hydroelectric power plant projects and new projects with renewable sources, which will give certainty to generation projects. The financial budget situation was also disclosed.

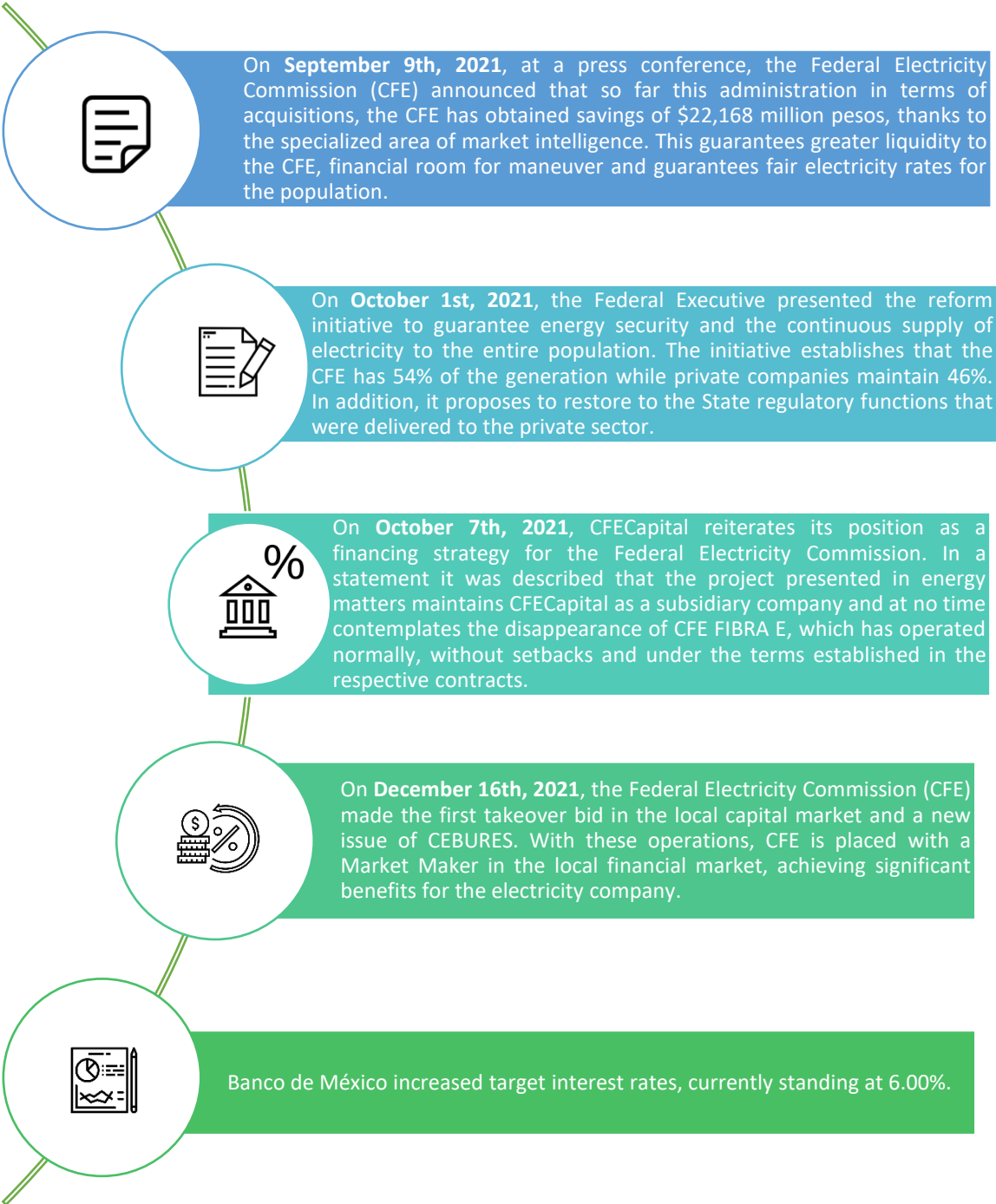
Regarding the result of CFE FIBRA E, the distribution of 4Q21 was announced on December 21st and took place on the 31st of the same month. The amount to be distributed for this quarter is \$963,685,390. The fourth distribution of 2021 showed an increase in collection rights of 4.6% compared to the immediately previous quarter and 3.98% compared to the equivalent quarter of the previous year, implicitly showing the recovery in the demand for electricity.

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

To conclude, I inform that the CFECapital team works together with the CFE with the aim of providing knowledge that generates value. I am confident that the collaboration will bring positive externalities for CFECapital and CFE FIBRA E.

José Arturo Cerón Vargas
CFECapital CEO

II. Relevant Events during the Fourth Quarter 2021



Source: Press releases of the Federal Electricity Commission (CFE) September to December 2021, information from the Bank of Mexico.

III. Performance of CFE FIBRA E, Fourth Quarter of 2021

Graph 1 shows the price and volume of the Infrastructure and Energy Stock Certificates (CBFEs) from September 1st 2021 to January 31st, 2022. During the fourth distribution period, the weighted average price of the instrument was \$27.06 pesos. During the fourth quarter, the price has been within a range between \$28.49 and \$26.00 pesos.

Graph 1. CFE FIBRA E Price and Volume
(September 1st, 2021 to January 31st, 2022)



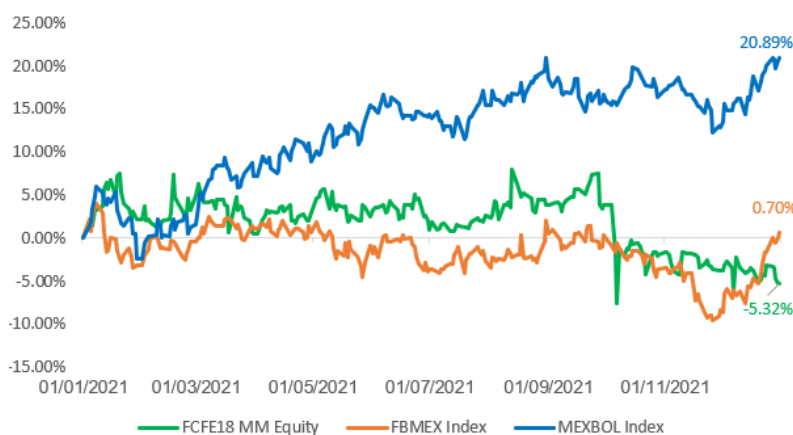
Source: CFECapital with information extracted from Bloomberg on February 8, 2022. ¹ The 2021 distribution quarter runs from September 1st to November 30th, 2021.

It is important to mention that, during the months that comprise the fourth distribution period of 2021, the price reached a historical maximum price of \$29.51 MXN/CBFE.

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 FBMEEX index (reflects the performance of the 10 main Real Estate Investment Trusts in Mexico). During the period (from January 1st to December 31st, 2021) some factors of the macroeconomic environment, among which the following stand out: 1) the rapid spread of the Omicron variant, 2) inflationary pressure, 3) the uncertainty that exists in the face of the problems of

supply reflected in an increase in consumer prices and 4) the expectation of a rise in interest rates, had an impact on the yield per price of CFE FIBRA E.

Graph 2. CFE FIBRA E Yield and Comparable Indexes
January 1st to December 31st, 2021



Source: CFECapital with information extracted from Bloomberg as of December 31st, 2021

Table 1 shows the indicative dividend yield of CFE FIBRA E (FCFE18 MM Equity) compared to the main FIBRAS in Mexico such as: FIBRA Uno, FIBRA Macquarie, FIBRA Prologis, FIBRA Inn and FIBRA Shop. The dividend yield presented by CFE FIBRA E in October, November and December 2021 has been higher. This is due to the attractive distributions it has offered to the investing public.

Table 1. Indicative Dividend Yield⁴ of CFE FIBRA E vs other REITS,
October to December 2021







Instrument	10/29/2021	11/30/2021	12/31/2021
FCFE18 MM Equity	9.9113	10.1029	13.0427
FIHO12 MM Equity	1.0263	1.0263	1.0263
FUNO11 MM Equity	7.2336	7.5127	6.8392
DANHOS13 MM Equity	3.6885	9.5985	9.0043
FNOVA17 MM Equity	9.0664	8.0527	7.2689
FIBRAMQ MM Equity	7.7362	7.6861	7.2436
FIBRAPL MM Equity	4.628	4.5474	3.8593
TERRA13 MM Equity	1.5938	6.6365	5.9513

Source: CFECapital with information from Bloomberg as of December 31st, 2021.

⁴ It is calculated by multiplying the most recent dividend by the number of dividends issued each year and dividing by the current price of the instrument.

Table 2 shows the recommendations by the analysts who cover the instrument, on average they estimate that the target price was \$29.38. 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 REITs. Analysts are positive about the future of CFE FIBRA E and are in constant communication with CFECapital and the Investor Relations team.

Table 2. Analyst Coverage to CFE FIBRA E

Analyst	Target Price ¹ MXN	Recommendation	Last Update
	\$31.00	Maintain	07/12/21
	\$30.00	Sell	12/21//21
	\$32.50	Buy	07/12/21
	\$32.50	Buy	02/02/21
	\$27.00	Sell	11/10/21
Morgan Stanley	\$25.00	Maintain	12/16/21
	\$27.63	Maintain	01/17/21

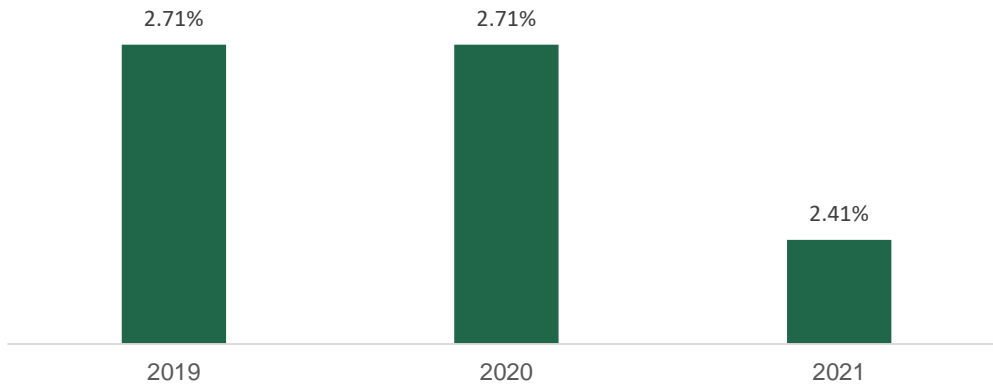
Note: ¹Price estimated by analysts who provide coverage to CFE FIBRA E.

Source: CFECapital with information extracted from Bloomberg as of February 8th, 2022.

IV. Operating results of the transmission sector

Below are some indicators on the performance of the CFE's transmission sector. Graph 3 shows the transmission losses, which refer to the percentage of energy that is lost in the National Transmission Network. It can be seen that as of December 31st, 2021, there was a decrease of 0.30% compared to the previous year and compared to 2019.

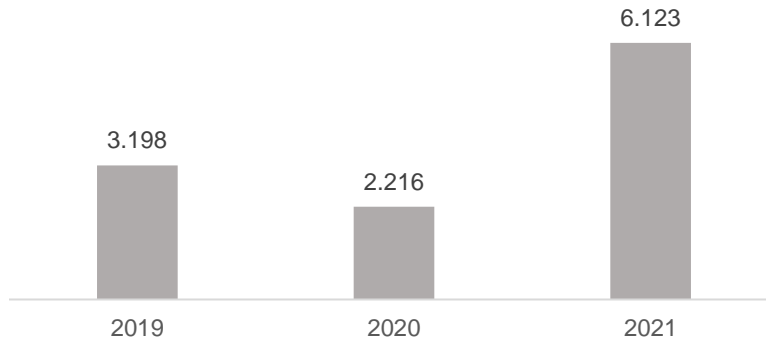
Graph 3. Transmission Losses
(Percentage)



Source: CFE Transmission to December 31st, 2021.

Graph 4 shows the average duration index of the interruption of the electricity supply to an end user.

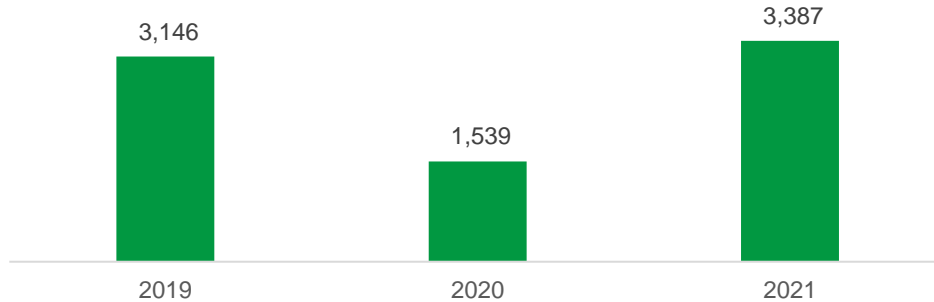
Graph 4. System Interruptions Duration Average Index (SAIDI)
(Minutes)



Source: CFE Transmission to December 31st, 2021.

Graph 5 shows the energy not supplied to users due to interruptions for periods greater than five minutes that occur because of failures in the National Transmission Network (RNT).

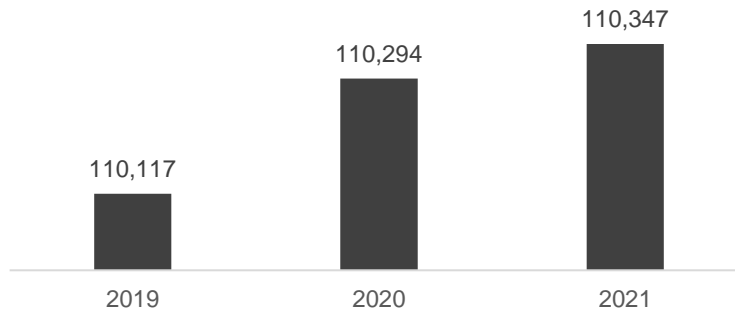
Graph 5. Energy not supplied
(Megawatt-hour)



Source: CFE Transmission to December 31st, 2021.

Graph 6 shows the number of kilometers of the National Transmission Network (RNT) and what has been its increase with respect to previous years. It can be seen that as of December 31, 2021, the conformation of the asset has a length of 110,347 km.

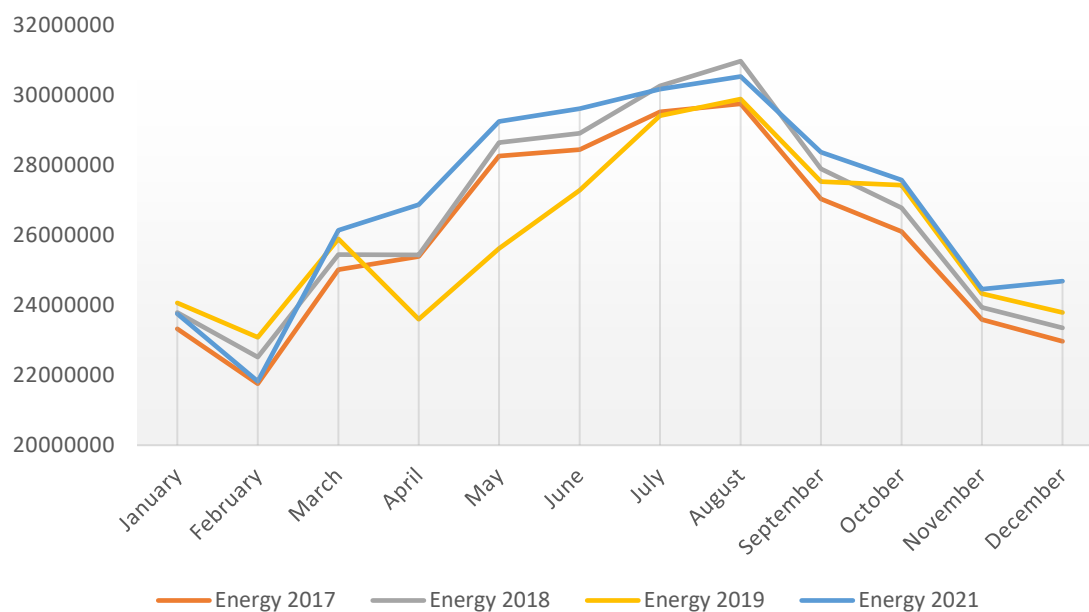
Graph 6. Transmission Lines
(Kilometers)



Source: CFE Transmission to December 31st, 2021.

Graph 7 explains the volume of electrical energy received in the National Transmission Network (RNT) from January 2018 to December 2021. Since March of the current year, the volumes have presented a sustained increase, exceeding the expectations made by the National Center for Energy Control (CENACE). The volumes of electricity transmission during 2021 had a growth of 3.62% compared to 2020 and a growth of 1.66% compared to 2019. This recovery is since, during the last months, most of the productive sectors of the Mexican economy have returned to normal, so there is a greater than expected increase in the demand for electricity.

Graph 7. Volume of Electric Power received in the National Transmission Network (RNT) (MWh)



Source: CFE Transmission Finance Unit Headquarters (December 31st, 2021).

Table 3 shows the reimbursements made at the end of the fourth quarter of 2021 against the approved budget of \$21,293 million pesos, of which 66% of the total has been spent. It should be noted that the expenses for operation and minor maintenance continue to be the most significant amount of the budget exercised during the fourth quarter of 2021.

Table 3. Reimbursements made up to the Fourth Quarter of 2021 compared to the Approved Budget

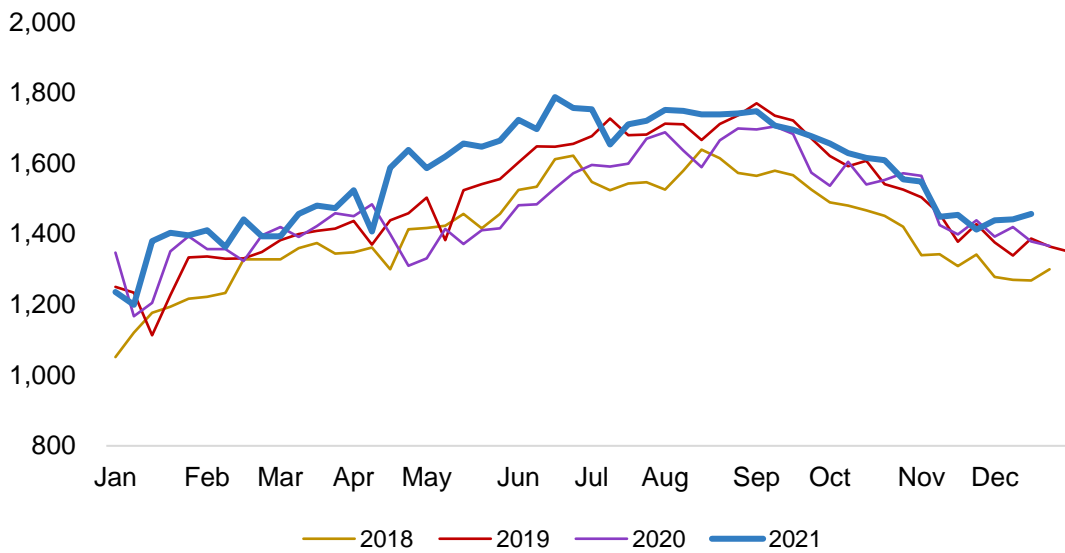
Category	Budget 2021	Exercised 4Q21	%
Intercompany expenses	8,331,012,247	2,197,747,699	26%
Operation and minor maintenance	7,574,550,788	6,488,492,943	86%
Obligation expenses	3,786,815,105	3,721,243,142	98%
Major maintenance	1,583,072,360	1,583,072,360	100%
Trust expenses	17,885,586	12,621,717	71%
Financing costs	0	0	0%
Total	21,293,336,086	14,003,177,861	66%

Source: CFE Transmission. Note: Rounded figures in MXN.

Graph 8 shows the behavior of collection rights. During the distribution period of the Fourth Quarter of 2021, electricity consumption in Mexico shows a decrease in relation to the previous period due to seasonality, however, it is not the period that records the lowest consumption.

For the fourth quarter of 2021, collection rights had an increase of **3.98%** compared to the equivalent period of the previous year and with the Fourth Quarter of 2019, which shows the normalization of the electricity transmission sector in the country. This increase is mainly attributable to the reactivation of the productive sectors, the greater industrial demand for electrical energy and higher transmission and sub-transmission rates.

**Graph 8. Weekly income of the National Energy Center (CENACE),
January 2018 – December 2021**
(Million pesos)

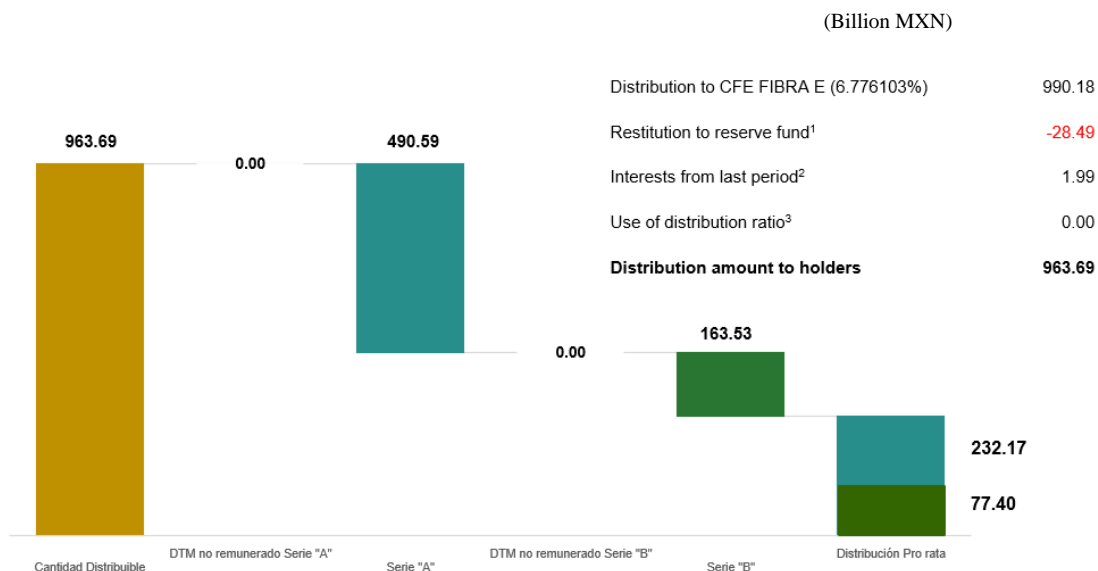


Note: Distribution 1Q21: December 1st, 2020 to February 28, 2021; Distribution 2Q21: March 1st to May 31st; Distribution 3Q21: June 1st to August 31st; 4Q21 Distribution: September 1st to November 30th. Comparatives for 4Q18, 4Q19, 4Q20, 4Q21 consider equivalent periods.
Source: Promoted Trust Account (As of November 30th, 2021).

V. Distribution of CFE FIBRA E in the Fourth Quarter of 2021

The amount distributed in the fourth quarter of 2021 comprises a total of 13 weeks of operation from September 1st to November 30th, 2021. Graph 9 shows the distribution of the Promoted Trust, which was for \$990.18 million pesos, which, after subtracting the Restitution from the estimated Expense Reserve Fund and adding the interest generated by the previous distribution, resulted in the amount distributable to CFE FIBRA E holders for \$963.69 million pesos.

Graph 9. Amount distributed for Series “A” and Series “B” of CFE FIBRA E, Fourth Quarter of 2021



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

Note: 1 An estimated Expense Reserve Fund of 45 million pesos is maintained at the date of calculation of the distribution. 2 Interest generated in the period. 3 The distribution ratio was modified from a ratio of 1/1.1 to a ratio of 1/1 (Conflict Committee of last December 3, 2021); therefore, no cash reserves will be made in the General Account.

VI. Quarterly financial statements

VI.1 Promoted Trust

Table 4 shows that fourth quarter began with a balance of \$6,218,640,626⁽¹⁾, to which \$19,942,418,304⁽²⁾ were added for the collection rights for the period received from CENACE1 (VAT included), withdrawals for the period amounted to \$6,536,399,423⁽³⁾. In December, the Quarterly Distribution was carried out for \$14,612,898,165⁽⁴⁾. During the period, interest was generated for \$133,103,324⁽⁵⁾ whose income tax amounted to \$26,087,704⁽⁶⁾.

Table 4. Statement of Account of the Promoted Trust F/80758, Fourth Quarter of 2021
(MXN)

	October	November	December	4Q2021
Initial Balance	6,218,640,626 (1)	11,070,809,177	14,888,118,495	
+ Collection Rights	6,577,846,105	6,161,620,804	7,202,951,395	19,942,418,304 (2)
– Withdrawals	1,754,218,809	2,387,745,380	2,394,435,234	6,536,399,423 (3)
– Distribution to holders	-	-	14,612,898,165	14,612,898,165 (4)
Gross Balance	11,042,267,922	14,844,684,601	5,083,736,491	
+ Interest	32,073,220	57,682,531	43,347,573	133,103,324 (5)
– Interest Tax	6,471,093	11,309,525	8,307,086	26,087,704 (6)
Final Balance	11,067,870,049	14,891,057,607	5,118,776,978	
Accrued interest	-2,939,128	2,939,112	7	
Portfolio Value	11,070,809,177	14,888,118,495	5,118,776,971	

Notes: Rounded Figures in MXN. ¹ National Center for Energy Control.

Source: CFECapital, with information from Account Balance Promoted Trust (F/80758).

VI.2 Issuer Trust

Table 5 shows that the fourth quarter began with a balance of \$46,538,828⁽¹⁾, to which was added \$990,185,031⁽²⁾ corresponding to the fifteenth distribution received on December 15th from the Promoted Trust F/80758. As of December 31st, disbursements amounted to \$28,490,827⁽⁴⁾. On the other hand, the amount distributed was for \$963,685,390⁽³⁾, which was distributed on December 31st, 2021. Distribution for 2021 total \$3,569,021,397 (including Tax Income and Repayment of Capital), that belongs \$651,315,393, \$881,622,460, \$1,072,398,154, and \$963,685,390, to the First, Second, Third and Fourth Quarter, respectively. The \$28,490,827⁽⁴⁾ of disbursements correspond to expenses of the Issuing Trust. The ending balance at the end of the quarter was \$46,941,186⁽⁶⁾. In the period, interest was generated for \$2,393,544⁽⁵⁾.

Table 5. Statement of Account of the Issuing Trust as of December 31st, 2021
(MXN)

	October	November	December	4Q21
Initial Balance	46,538,828 (1)	25,204,008	24,747,722	
More deposits	-	-	990,185,031	990,185,031 (2)
Fewer withdrawals	21,437,511	554,099	6,499,217	28,490,827 (4)
Distribution to holders	-	-	963,685,390	963,685,390 (3)
Gross Balance	25,101,317	24,649,909	44,748,146	
Interest charged	102,691	97,813	2,193,040	2,393,544 (5)
Final Balance	25,204,008	24,747,722	46,941,186 (6)	

Fuente: CFECapital with information from Account Balance from Issuer Trust up to December 31st, 2021. Note: Rounded figures in MXN.

VIII. Administration and Expenses of the Issuing Trust

Table 6 shows in the fourth quarter, expenses amounted to \$28,490,828⁽⁶⁾, the main disbursement corresponds to the Administrator's Expenses, corresponding to \$27,189,161⁽¹⁾. Other expenses total \$1,312,667 and include: (i) Compensation to Independent Members for \$338,522⁽²⁾, (ii) External Auditors Fees for \$780,912⁽⁴⁾, (ii) ISR Withholding on fees like independents for \$182,279⁽⁵⁾, (iv) Fees to independent appraisers and price providers for \$10,954⁽³⁾.

Table 6. Maintenance expenses
(MXN)

	October	November	December	4Q21	Accumulated
Administration fee ⁱ	20,967,471	-	6,210,690	27,178,161 ⁽¹⁾	89,473,929
Fiduciary and common representation fees	-	-	-	-	1,073,075
Independent members fees	43,334	43,334	251,854	338,522 ⁽²⁾	1,464,536
Expenditures of maintenance and registration of CBFEs	-	-	-	-	1,657,527
Independent appraiser's fees and price providers	10,954	-	-	10,954 ⁽³⁾	21,639
External audit fees, accounting services, fiscal advisers and any other professional services	280,140	487,432	13,340	780,912 ⁽⁴⁾	10,179,111
Insurance	-	-	-	-	5,439,071
External audit fees tax	135,613	23,333	23,333	182,279 ⁽⁵⁾	911,700
Other expenses	-	-	-	-	134,999
Total	21,437,512	554,099	6,499,217	28,490,828⁽⁶⁾	110,355,587

Source: Finance Department and Administration Management of CFECapital. Notes: (i) Includes the payment of advances to CFECapital and the 7% commission for administration. The administration commission amount corresponds to \$1,229,558 pesos. Figures rounded in MXN.