

QUARTERLY REPORT CFE FIBRA E

Q4 2018

Wednesday, February 27, 2019



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I. CFECapital senior management updates

- a) Carmen Serdán Banda, Investor Relations Director
- b) Ernesto Lichtle Menéndez, CFO
- c) José Arturo Cerón Vargas, CEO

II. Distribution payment

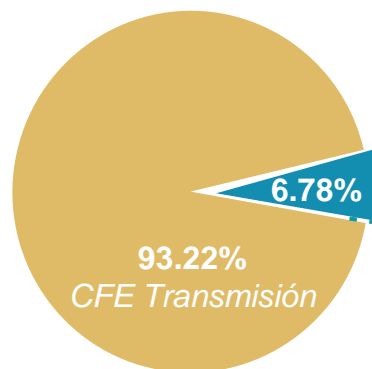
III. Promoted and the Issuer trusts

IV. Tariff methodology for the transmission of electricity in Mexico

CFE Fibra E is the first investment trust in energy and infrastructure specialized in the energy sector in Mexico.

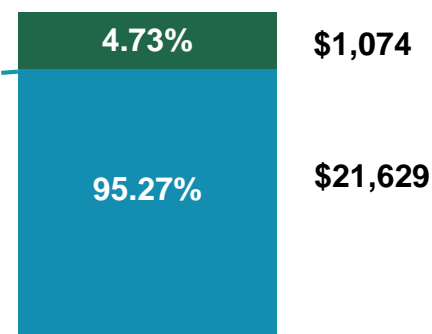
Aside from our initial asset, we did not have other revenue sources for the Q4 2018.

Beneficiary rights of the Promoted Trust



CFE FIBRA E

Assets as of December 31, 2018
(million MXN)



Promoted Trust, Q4 2018 account balance

Account balance Promoted Trust as December 31, 2018 (million MXN)

	October	November	December	Total
Initial balance	4,706 ⁽¹⁾	10,423.81	12,659.69	
+ Collection payments	7,310	5,333	5,117	17,761.05 ⁽²⁾
- Collection payments VAT	812	931	705	2,449
- Reimbursements and reliquidations	826	2,236	1,284	4,347
- Distribution to holders			15,541	15,541 ⁽³⁾
Gross balance	10,377	12,589	245	23,210
+ Interest	49.68	74	61	186 ⁽⁴⁾
- Interest tax	2.89	4	3	10 ⁽⁵⁾
Final balance	10,423	12,659	304	

Q4 balance began with MXN 4,706 million⁽¹⁾. Collection payments for the period summed up to MXN 17,761 million⁽²⁾, with interests of MXN 186 million⁽⁴⁾ which generated MXN 10 million⁽⁵⁾ of interest tax. Expenditures (collection payments VAT, reimbursements, and reliquidations) for the period summed up to MXN 6,796 million, and the distribution amount to holders was MXN 15,541 ⁽³⁾ million.

Issuer Trust, Q4 2018 account balance

Account balance Issuer Trust as of December 31, 2018 (million MXN)

	October	November	December	4Q18
Initial Balance	42.40 ⁽¹⁾	28.79	24.06	
+ Promoted trust distribution	0	0	1,053.09	1,053.09 ⁽²⁾
- Distribution to holders	0	0	0	0
- Trust Expenses	13.82	4.88	6.02	24.72 ⁽³⁾
Gross balance	28.58	23.01	1,071.13	
+ Interest	0.21	0.15	2.64	3.0 ⁽⁴⁾
Final balance	28.79	24.06	1,073.77	
Accrued interest	0	0	0	
Portfolio value	28.79	24.06	1,073.77	

The fourth quarter began with a balance of 42.40 mdp (1), to which was added 1,053.09 mdp (2), which includes the third distribution received on December 17 of the F / 80758 Trust (840.34 mdp), and the distribution corresponding to December that will be part of the fourth distribution to be made on March 29, 2019 (212.75 mdp). During the quarter, interest was generated by 3.0 million pesos (4). Disbursements amount to 24.72 million pesos (3), which correspond to expenses of the Issuer Trust. The amount corresponding to the third distribution was kept in banks as a result of the change in distribution date from December 31, 2018 to January 4, 2019.

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CFE Transmisión kept its regular functioning during the period the last quarter of 2018

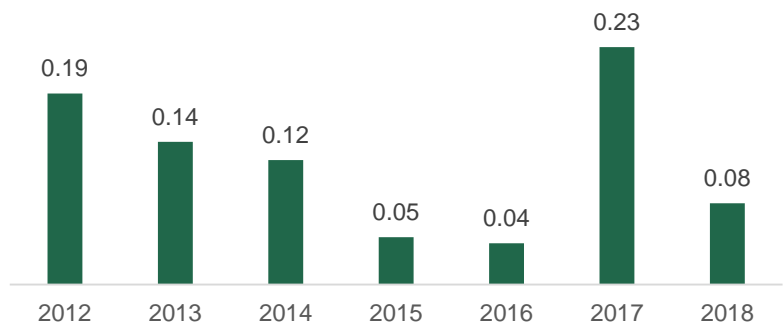


Promoted
Trust

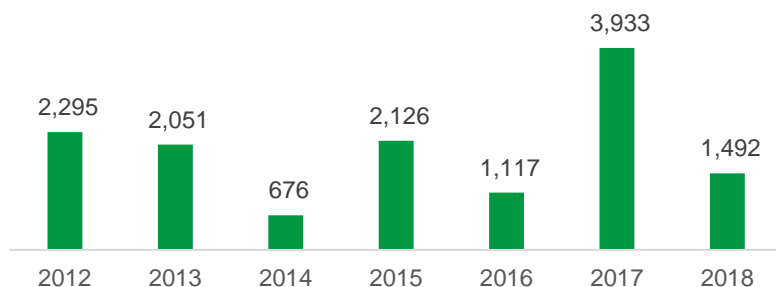
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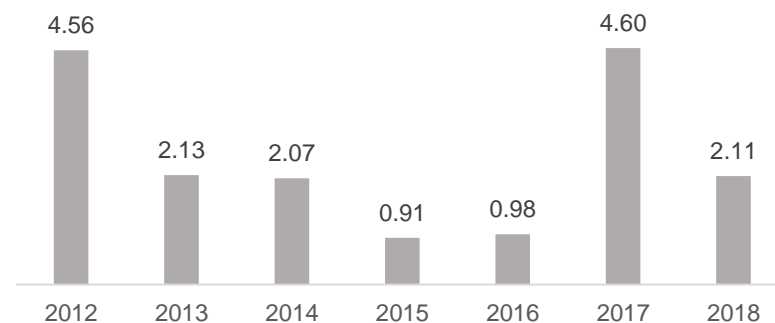
System Average Interruption Frequency Index¹
(interruptions)



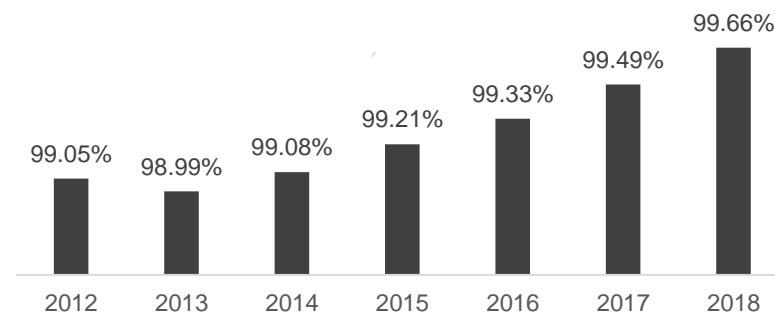
Energy not delivered³
(MWh⁴)



System Average Interruption Duration Index²
(minutes)



Transmission System Availability Index⁵
(percentage)



Source: CFE Transmisión. ¹Average number of service interruptions due to failure in the National Transmission Network (NTN) for a final user. ²Average interruption duration of electricity supply to a final user. ³Energy not supplied to users due to interruptions for periods longer than five minutes that occur as a consequence of failures in the NTN. ⁴Means megawatt-hour, or one thousand kilowatt-hours. ⁵Availability of all component elements of the NTN. Information as of December 31 of 2018.

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Due to seasonality, the consumption of energy started to decreased compared to the last quarter

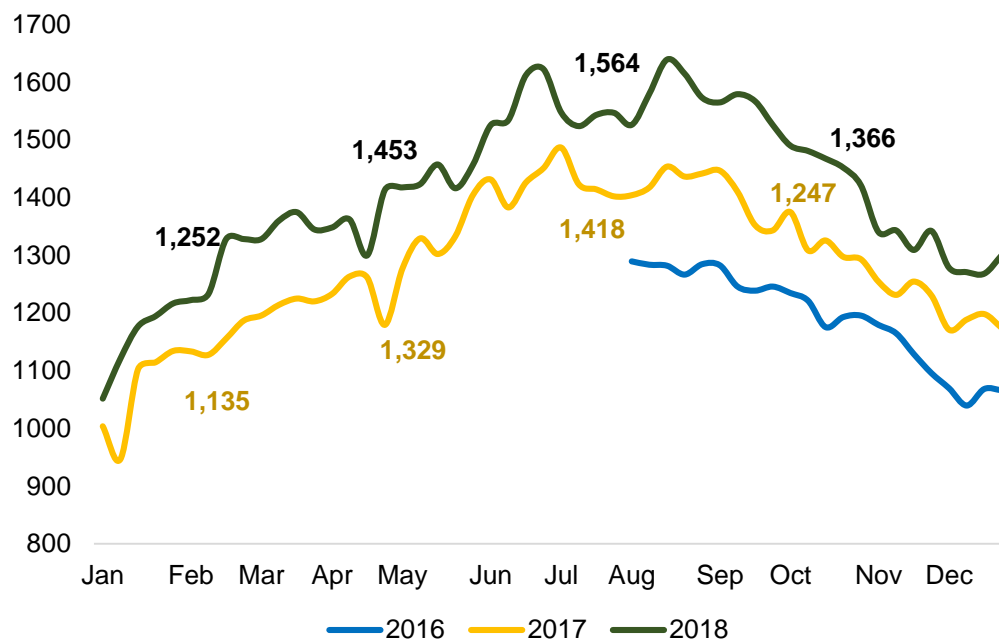


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Collection rights from CENACE¹ (million MXN)



Note: The figures in the 2017 line were calculated under the assumption of the distribution periods according to the structure of CFE Fibra E. The 2018 line starts with the structure of CFE Fibra E. Last update: 10/24/18.

- During the last quarter of 2018, the **average weekly revenue** increased 9.54% compared to the same period of 2017.
- The growth showed in the previous quarters was consolidated, volume grew at an average weekly of around 4.0%²
- An increment of 4.9% in tariffs of transmission of electricity for 2019 has been announced.³



Source: CFE Transmisión and CFECapital. Revenues in the graph include VAT (IVA). ¹Centro Nacional de Control de Energía (CENACE). ²Comparing information 4th quarter 2018 vs 4th quarter 2017- Estimated by CFE Transmisión. ³Energy Regulatory Commission announced on December 28 an extend to the current methodology with an increment of 4.9% <http://drive.cre.gob.mx/Drive/ObtenerAcuerdo/?id=692>

Collections rights behave according to seasonality and reimbursements we made based on the approved budget

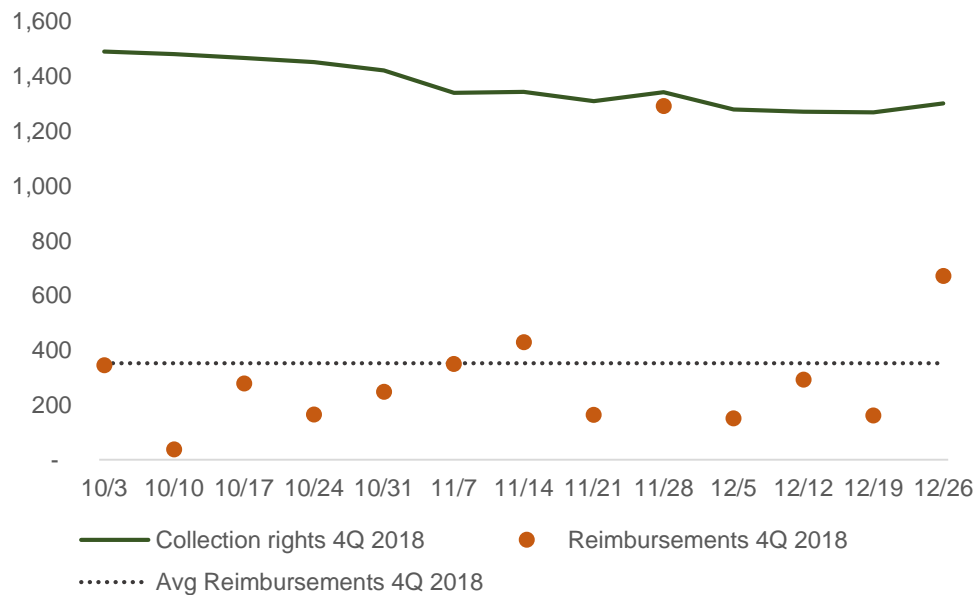


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Collection rights and reimbursements to CFE Transmisión (million MXN)



- On average, **weekly collection rights** from July to September were **MXN 1,366 million pesos**.

- On average, **each reimbursement¹** was of **MXN 353 million pesos**.

Last update: 12/31/18. Reimbursements according to annual budget.



Source: CFE Transmisión and CFECapital. ¹ Average weekly reimbursements.

By the end of 2018, there are savings of MXN 3.5 billion based on the approved budget¹



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Reimbursements made vs 2018 budget (million MXN)

Category	2018 budget	End of 2018	% against budget
Intercompany expenses	6,789	4,926	73%
Operation and maintenance	5,998	5,623	94%
Obligations expenses	3,134	2,480	79%
Major maintenance	856	210	25%
Trust expenses	15	1	4%
Financing	0	0	0%
Total	16,792	13,240	79%

The budget approved for the promoted trust contemplates 46 weeks of operations since February 12 2018 until the end of 2018.

It is expected that budget for 2019 is only considering an increment based on the inflation.²



Source: CFE Transmisión and CFECapital.

Note: All rounded and preliminary figures. ¹Final figures may differ. ²Base budget was 2018 original budget. This figure may vary due to CFE Holding budget adjustments.

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The Promoted Trust has received all income derived from the collection rights minus approved reimbursements.



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Account balance Promoted Trust
(million MXN)

	September	October	November	Total
Initial balance	14,289	4,706	10,423	
+ Collection payments	6,235	7,310	5,333	18,879
- Collection payments VAT	860	812	931	2,603
- Reimbursements and reliquidations	1,053	826	2,236	4,115
- Distributions	13,969			13,969
Final balance	4,644	10,377	12,588	27,609



Source: CFECapital. Rounded figures. June initial balance includes the account reserve of MXN 250 million.

The distribution reflected the second lowest power consumption period in Mexico



**Promoted
Trust**

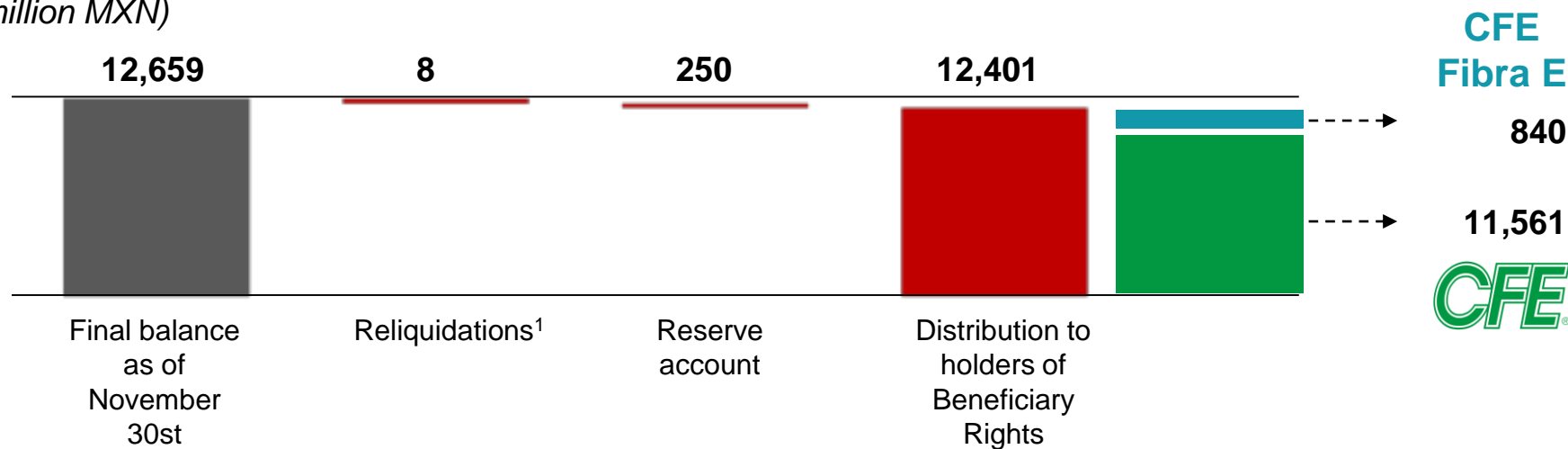
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The distribution corresponding to December will be part of the fourth distribution to be made on March 29, 2019 (212.75 mdp), the amount was reserved in order to comply with the fiscal requirements to maintain the quality of FIBRA.

Calculation of the distribution amount

(million MXN)



Source: CFECapital.¹Defined as adjusted payments resulting from disputes due to discrepancies. Reliquidations generate credit or debit notes in the daily account statements. There are 4 types: initial (49 days after the operation), intermediate (105 days), final (210 days) or controversy (no defined term). This item was approved to be reimbursed on the Technical Committee session of the Promoted Trust.

Taxable treatment of distributions that maximizes value for our investors and increases transparency in operations.



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Promoted Trust taxable result 4Q18
(million MXN, cumulative amount)

Income from CENACE	49,365
(+) Interests	476
(-) Reimbursements	(12,662)
(-) Intangible asset amortization	(11,936)
(-) Taxable income (cumulative)	(17,576)
Taxable income (4Q)	7,667

(+) Capital reimbursements	4,734
Distribution to holders	12,401

Issuer Trust taxable result 4Q18
(million MXN)

Taxable income from the Promoted Trust	519
(-) Trust expenses – earned interests	(21)
(-) Issuance expenses amortization	(9)
(+) Taxable income estimated	242
Taxable income	731

(+) Capital reimbursements	320
(+) Issuance expenses amortization	9
(-) Taxable income estimated	(242)
CFE Fibra E Distribution	819

(x 6.78%)

Source: CFECapital and accounting advisor of the Promoted Trust. Income from CENACE and reimbursements exclude Value Added Tax (IVA).



Distributable amount per Series



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Distributable amount **819.25**

Distribution to CFE Fibra E (6.776103%) 840.34

Trust expenses – earned interests¹ (21.09)

Distribution amount to CFE Fibra E holders 819.25

(million MXN)

Distribution to Series “A” holders
490.58 (MXN. 0.575 per CBFE²)

Unpaid MQD
0.00

Distribution to Series “B” holders
163.52 (MXN 0.575 per CBFE)

Unpaid MQD
0.00

Distribution to each Series “A”
CBFE
0.72017

Distribution to each Series “B”
CBFE
0.72017

Pro rata
Series “A” (75%)

124 (MXN 0.14517 per CBFE)

Pro rata
Series “B” (25%)

41 (MXN 0.14517 per CBFE)



Source: CFECapital. All information includes VAT, all information in MXN million. ¹As issuer's trust agreement establishes, it has to maintain a MXN 45 million expenses reserve fund. Thus, the Trust Technical Committee approved its replenishment. ²Certificados Bursátiles Fiduciarios de Inversión en Energía e Infraestructura, CBFEs. Rounded figures.

In the 2018 4Q distribution, all CBFE¹ holders received MXN 0.72 per certificate

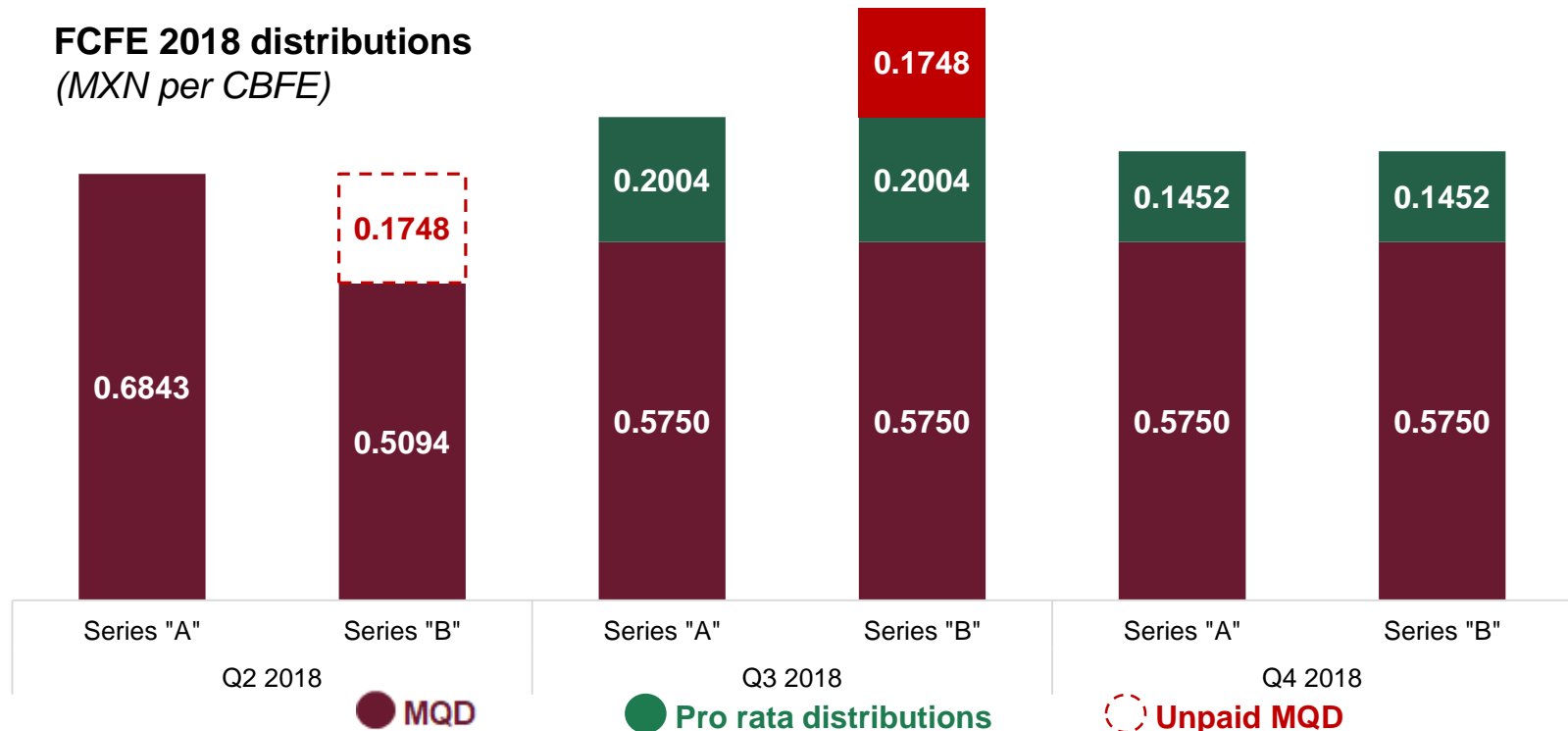


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FCFE 2018 distributions (MXN per CBFE)



Note: ¹Certificado Bursatil Fiduciario de Inversión en Energía e Infraestructura. CFECapital gives the reimbursement instruction to the Trustee, who makes the deposit at INDEVAL, the central securities depository for the Mexican securities market. The custodian acts as the tax withholding agent.

Source: CFECapital. Rounded figures.

Average collection rights behave according to seasonality of energy consumption in Mexico

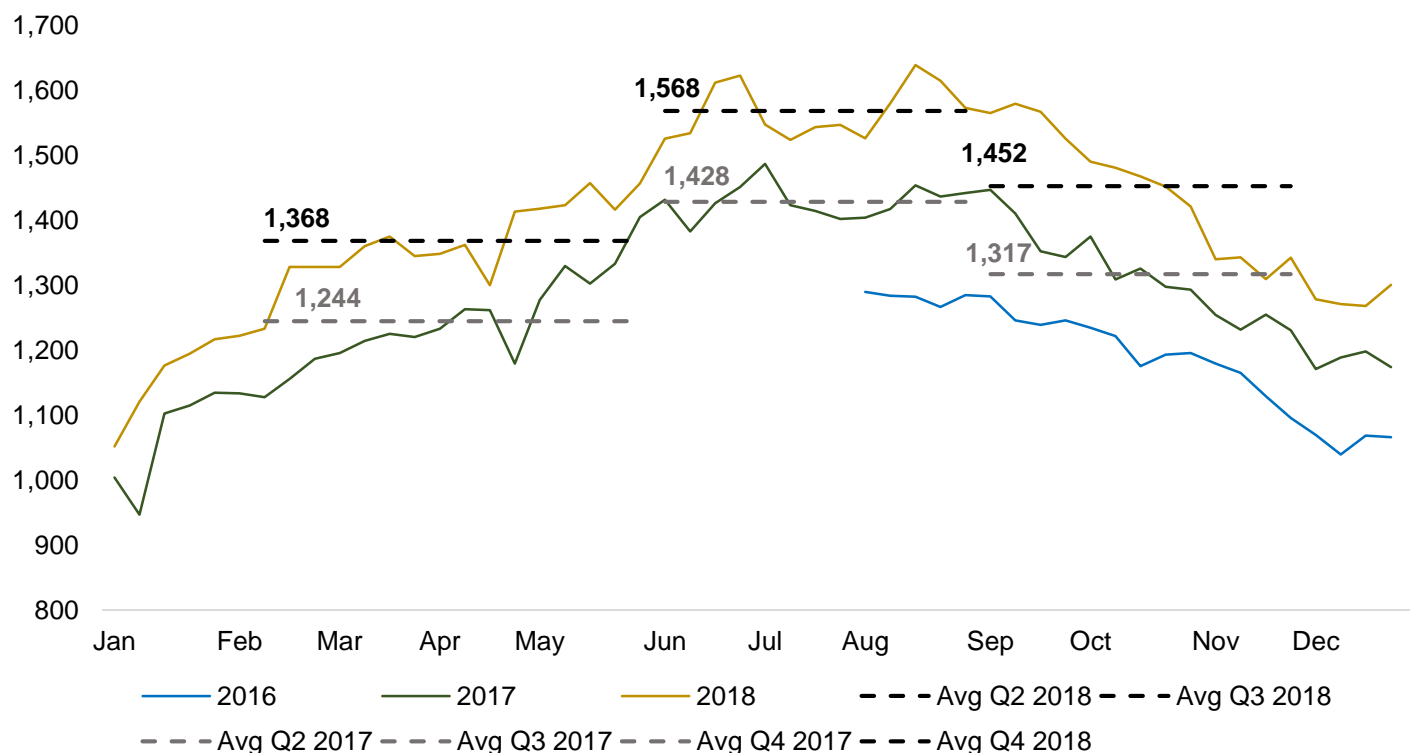


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Weekly revenues from CENACE (million MXN)



Source: CFE Capital and Promoted Trust statement of account.

Note: Q2 distribution: February 12 to May 31; Q3 distribution: June 1 to August 31; Q4 distribution: September 1 to November 30; Comparison for 2017 considers equivalent periods. Rounded figures. Last update: 12/31/2018.

Issuer Trust, 4Q 2018 balance sheet

Balance sheet Issuer Trust as of December 31, 2018
(million MXN)

	1Q18	2Q18	3Q18	October	November	December
Cash and equivalents	38.28	41.42	42.42	29.63	24.62	1,074.16
Fiduciary rights	20,859.22	20,137.25	19,190.71	19,190.71	19,190.71	21,629.23
Total assets	20,896.50	20,178.67	19,233.13	19,220.33	19,215.32	22,703.39
Short-term liabilities	0	1.14	0.0	0.15	0.16	0.22
Total liabilities	0	1.14	0.0	0.15	0.16	0.22
Previous equity	20,897.66	20,897.66	20,897.66	20,897.66	20,897.66	20,897.66
Cumulative capital reimbursement	0	(248.81)	(514.59)	(514.59)	(514.59)	(514.59)
Equity for the period	20,897.66	20,648.85	20,383.07	20,383.07	20,383.07	20,383.07
Cumulative taxable income	0.0	(479.87)	(1,145.88)	(1,145.88)	(1,145.88)	(1,145.88)
Cumulative result	(1.16)	(11.56)	(24.17)	(37.12)	(42.14)	(25.64)
Change in fair value	0	20.11	20.11	20.11	20.11	3,491.62
Total equity	20,896.50	20,177.53	19,233.13	19,220.18	19,215.16	22,703.17
Total liabilities & equity	20,896.50	20,178.67	19,233.13	19,220.33	19,215.32	22,703.39

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Corporate governance activities.



Promoted Trust

On December 5, 2018, the Promoted Trust Technical Committee had its ordinary session. Key decisions were taken:

- **Review and reconciliation of the reimbursements to *CFE Transmisión*.**
- **Calculation of the distributed amount to holders of Beneficiary Rights.**

CFE Fibra E



On December 10, 2018 the Issuer Trust had one session of the Technical Committee, and one session of the Conflicts Committee. Key decisions:

- **Approval of the distribution amount to investors and of the debt coverage index.**
- **Appointment of key executives.**

CFE Capital expenditures are in line with the annual budget.



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Maintenance expenses (million MXN)

	1Q18	2Q18	3Q18	Oct.	Nov.	Dec.	4Q18	Cumulative
Administration fee	6.89	11.72	13.08	9.96	3.42	4.94	18.32	50.01
Fiduciary and common representative fees	-	0.03	-	-	-	-	-	0.03
Technical independent members fees	-	-	1.69	0.27	0.30	0.40	0.98	2.67
External audit fees, accounting services, fiscal advisers and any other professional services	-	-	1.50	0.13	1.02	0.52	1.67	3.17
Other expenses	-	0.06	-	3.46	0.15	0.16	3.77	3.83
Total	6.89	11.81	16.27	13.83	4.89	4.63	24.74	59.71

Administration fee annual budget vs utilization

Annual budget
MXN 79.7 million
100%



Remaining budget
MXN 19.99 million
25.08%

Budget utilization
MXN 59.71 million
74.91%

Source: CFE Capital.



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