

EARNINGS RELEASE

Fourth Quarter 2023



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Mexico City, February 28th, 2024

Dear investors,

It is a pleasure to address you on behalf of the CFECapital team (CFECapital, S. de R.L. de C.V.) in our capacity as Trustor and Administrator, to present the information related to the fourth quarter of 2023 of CFE FIBRA E (Irrevocable Trust Number CIB /2919).

The economic outlook continues to be complex at a global level, largely because of the monetary policy decisions that most of the central banks of the main economies have taken to maintain their reference rates at high levels for a longer period, due, among other reasons, to the still persistent inflationary pressures.

In our country, the Bank of Mexico, in its latest monetary policy announcement for 2023, stated that the economy has maintained a robust growth, and the labor market continues to show strength. Likewise, annual general inflation showed a certain increase, reaching 4.66% in December 2023, due to the increase in the non-core component. However, core inflation continued to decline, reaching 5.09% in the same month. In this sense, the reference rate has remained unchanged in the announcements made in the last quarter of the year (November and December), standing at 11.25%.¹

On the other hand, at the end of 2023 Mexican economy showed signs of growth and strength, exceeding expectations in this regard. The Gross Domestic Product reached a growth of 3.4%, located it in fourth place among OECD countries;² exceeding the world average growth³

Likewise, Foreign Direct Investment in Mexico has shown notable growth linked to nearshoring expectations and the confidence of foreign investors in the country's economic stability.⁴ This investment flow, among other factors, has been reflected in the levels of economic growth at a national level, positioning Mexico in 12th place among the largest economies worldwide in 2023.⁵

In addition, the National Institute of Statistics and Geography (INEGI, by its initials in Spanish) reported the Monthly Indicator of Gross Fixed Capital Formation with figures as of October 2023, showing an increase of 24.7% compared to the same period of the previous year. This indicator shows how a large part of the new gross value added to the economy is invested rather than consumed. Reflecting, among other factors, the investment program that the Federal Electricity Commission (CFE) has undertaken for the development of energy-productive infrastructure.

In the same line, **on November 14th, 2023**, the General Director of CFE, Manuel Bartlett Díaz, appeared before the Energy Commission of the Deputies Chamber, highlighting the rescue of

¹ Monetary Policy Announcement, Banco de México, December 14th, 2023. Available at: <https://www.banxico.org.mx/publicaciones-y-prensa/anuncios-de-las-decisiones-de-politica-monetaria/anuncios-politica-monetaria-t.html>

² Organization for Economic Cooperation and Development.

³ Data from the Organization for Economic Cooperation and Development. Available at: <https://data.oecd.org/gdp/real-gdp-forecast.htm>

⁴ Secretary of Economy, November 8th, 2023. Available at: <https://www.gob.mx/se/prensa/de-enero-a-septiembre-de-2023-mexico-recibio-32-mil-926-millones-de-dolares-de-inversion-extranjera-directa>

⁵ International Monetary Fund. Available at <https://www.imf.org/en/Countries/MEX#featured>

generation, distribution, and transmission electricity capacity, as well as supply and sell of natural gas through strategic alliances with international companies.⁶

It is highlighted that **on December 5th, 2023**, CFE successfully carried out its third emission of Stock Certificates (CEBURES) on the Mexican Stock Exchange for a total amount of 10,000 million pesos with a sustainable label. This emission will support investments for the resilience and adaptation of electrical infrastructure to the climate change impacts.⁷

In addition to these actions, **on December 19th, 2023**, the 57th, and 58th, ordinary sessions of CFE Directors Board were held. In these sessions, the content of the Business Plan of the Federal Electricity Commission (2024-2028) was reviewed. In this session, the projects to reinforce electricity generation, the expansion of the electrical network, and the strategic alliances that have strengthened the company were highlighted.⁸

Likewise, **on December 21st, 2023**, the CFE signed a strategic alliance with Grupo Carso, S.A.B. DE C.V. for the development, construction, and operation of a gas pipeline in the northwest of the country which will have an approximate length of 416 kilometers and will allow CFE to guarantee the natural gas supply at competitive prices to the electricity generation plants of CFE in the states of Baja California and Sonora.⁹

Regarding CFE FIBRA E, the distribution for the fourth quarter of the year amounted to **\$0.7545 MXN** per certificate for both Series “A” (FCFE18) and Series “B” (FCFE18-2), 31.2% above the Minimum Quarterly Distribution. This distribution, in accordance with the distribution policy, was paid on December 29th, and corresponded to the operation of the transmission of electrical energy in Mexico in the months of September, October, and November 2023. Given the seasonality of the sector, through this period a lower demand for electrical energy was registered compared to the summer period, despite this, through 4Q2023 the volumes of electrical energy registered an increase of **5.81%** compared to the same period in 2022.

CFE FIBRA E continues to be an attractive financial vehicle that, through the fourth quarter of 2023, granted certificate holders a dividend yield of **11.12%**; above the performance offered by comparable instruments (FBMEX: 6.12%). The price range of the certificate through the quarter was from \$26.42 to \$27.83 pesos, with an average daily volume exchanged of 30,601 certificates.

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

Carmen Serdán Banda
CEO

⁶ CFE press release, November 14th, 2023. Available at: <https://app.cfe.mx/Aplicaciones/OTROS/Boletines/boletin?i=5975>

⁷ CFE press release, December 12th, 2023. Available at: <https://app.cfe.mx/Aplicaciones/OTROS/Boletines/boletin?i=6021>

⁸ CFE press release, December 19th, 2023. Available at: <https://app.cfe.mx/Aplicaciones/OTROS/Boletines/boletin?i=6022>

⁹ CFE press release, December 21st, 2023. Available at: <https://app.cfe.mx/Aplicaciones/OTROS/Boletines/boletin?i=6024>

II. Relevant Events for CFE



On **November 14th, 2023**, the General Director of CFE, Manuel Bartlett Díaz, appeared before the Energy Commission of the Deputies Chamber, highlighting the rescue of generation capacity, distribution, and electricity transmission, as well as supply capacity and sell of natural gas through strategic alliances with international companies.



On **December 5th, 2023**, CFE successfully carried out its third emission of Stock Certificates (CEBURES) on the Mexican Stock Exchange **for a total amount of 10,000 million pesos with a sustainable label**. This emission will support investments for the resilience and adaptation of electrical infrastructure to the climate change impacts.



On **December 19th, 2023**, the 57th and 58th ordinary sessions of CFE Directors Board were held. In these sessions, the content of the Business Plan of the Federal Electricity Commission (2024-2028) was reviewed. In this session, **the projects to reinforce electricity generation, the expansion of the electrical network, and the strategic alliances that have strengthened the company were highlighted**.



On **December 21st, 2023**, CFE signed a strategic alliance with Grupo Carso, S.A.B. DE C.V. for the **development, construction, and operation of a gas pipeline** in the northwest of the country which will have an approximate length of **416 kilometers and will allow CFE to guarantee the natural gas supply, at competitive prices**, to the electricity generation plants of CFE in the states of Baja California and Sonora.



On **January 11th, 2024**, in the presidential morning conference, the CEO of CFE reported the investment of **9,171 million dollars** to strengthen electricity generation, through 35 generation projects, which will add **13,920 MW of installed capacity**, allowing CFE to reach a 52% participation in September 2024. In addition, he highlighted that between 2018 and 2023, **2,600 km were added to the National Transmission Network and that an additional 4,038 km of transmission lines are currently being built**.



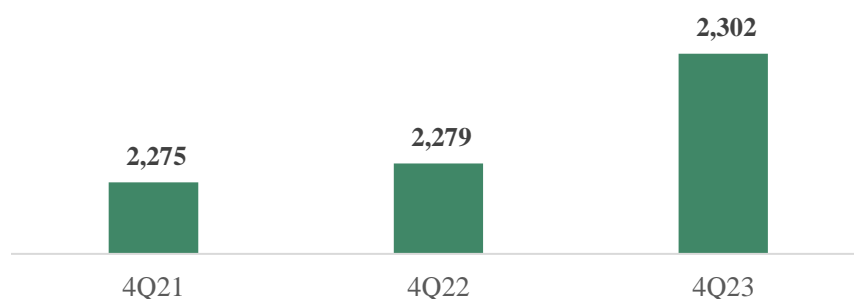
On **January 29th, 2024**, CFE Transmission held the 18th ordinary session of its Directors Board, in which Eng. Héctor Lizárraga Robles was ratified as the new CEO of the Productive Subsidiary Company. In addition, they reported their financial results at the end of October 2023, reaching **an income of 72,318 million pesos, which is, 13% higher than the previous year's income**.

Source: CFE press releases.

III. Operating Results of the Transmission Sector

In the fourth quarter of 2023, the number of substations increased, reaching 2,302 substations as of December 31st, 2023, which represents 23 new substations compared to the same date of the previous year.

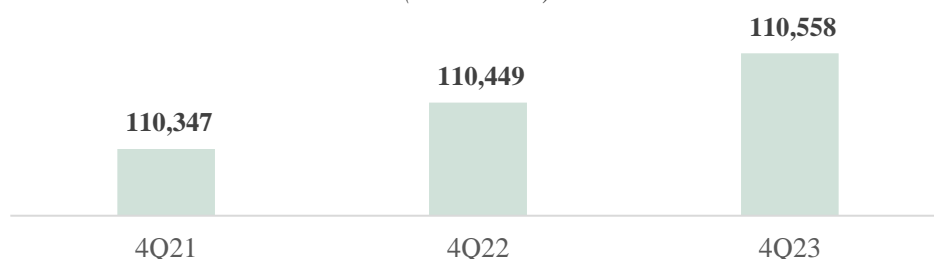
Chart 1. Number of substations
(Number)



Source: Own elaboration with data from CFE Transmission, December 31st, 2023.

Chart 2 shows that transmission lines had a growth of 109 km as of December 31st, 2023, reaching 110,558 km.

Chart 2. Transmission Lines
(Kilometers)



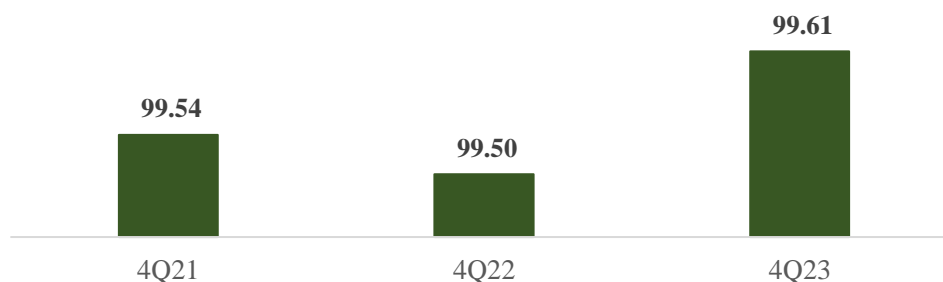
Source: Own elaboration with data from CFE Transmission, December 31st, 2023.

Finally, chart 3 shows the Availability Index of the National Transmission Network, which refers to the availability of all the elements that comprise the National Transmission Network, and which includes: transmission lines of different voltages, transformation equipment, compensation equipment, power reactors, compensation batteries, inductive branches of volt-ampere reactive compensators (VARs) and their capacitive branches.

The Regional Management Bureau must comply with a minimum availability of 97%; as of December 31st, 2023, an availability rate of 99.61% was recorded.¹⁰

¹⁰ The index established for the evaluation of the availability of the NTN is applicable on two scales: at the Regional Transmission Management level and the national level. Source: National Electrical System Reliability Report 2021. Energy Regulatory Commission. Available at: <https://drive.cre.gob.mx/Drive/ObtenerAcuerdoAnexo/?id=MWEyZjhiZTctZmY0MC00NWl2LTl1NS1iZWZmZWJhMzdiYzk=>

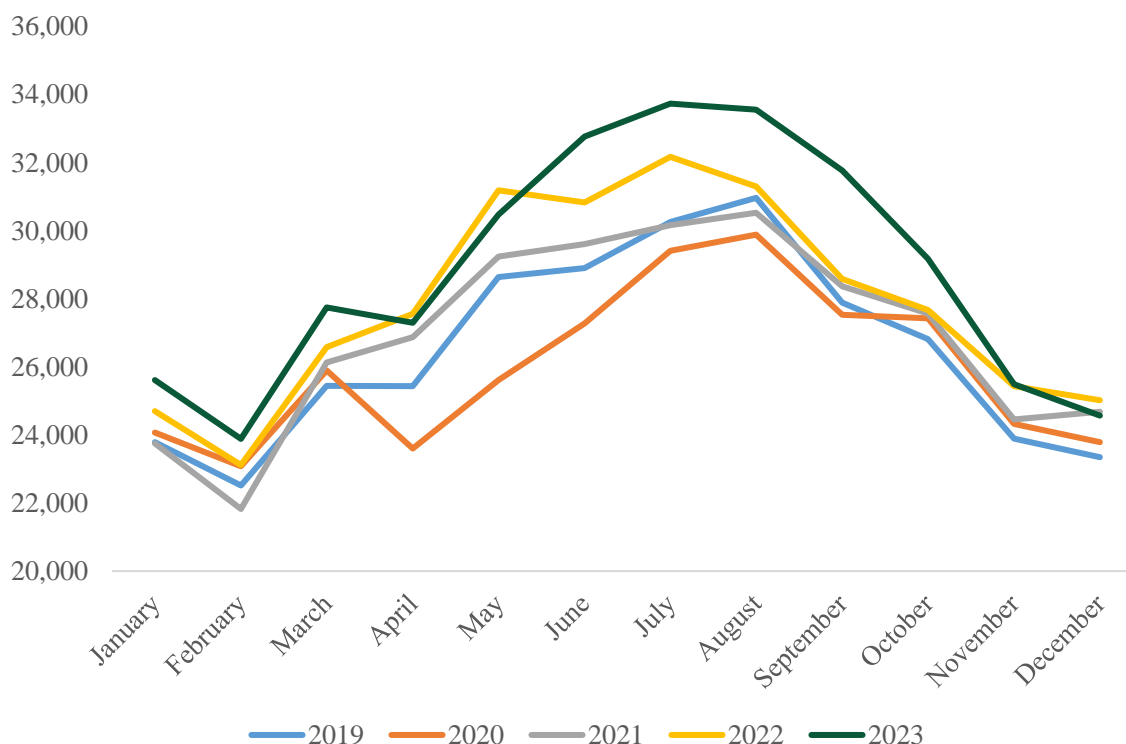
Chart 3. Availability Index of the National Transmission Network (NTN)
(Percentage)



Source: Own elaboration with data from CFE Transmission, December 31st, 2023.

The fourth quarter of the year registers a lower demand for electrical energy compared to previous quarters due to the seasonality characteristic of the sector; however, as shown in chart 4, the volumes of electrical energy have increased through the fourth quarter of 2023, recording a growth of **1.42%** compared to the same period of the previous year and if compared to the same quarter of 2021 they had an increase of 3.30%.

Chart 4. Electrical Energy Volumes in the NTN
(TWh)¹

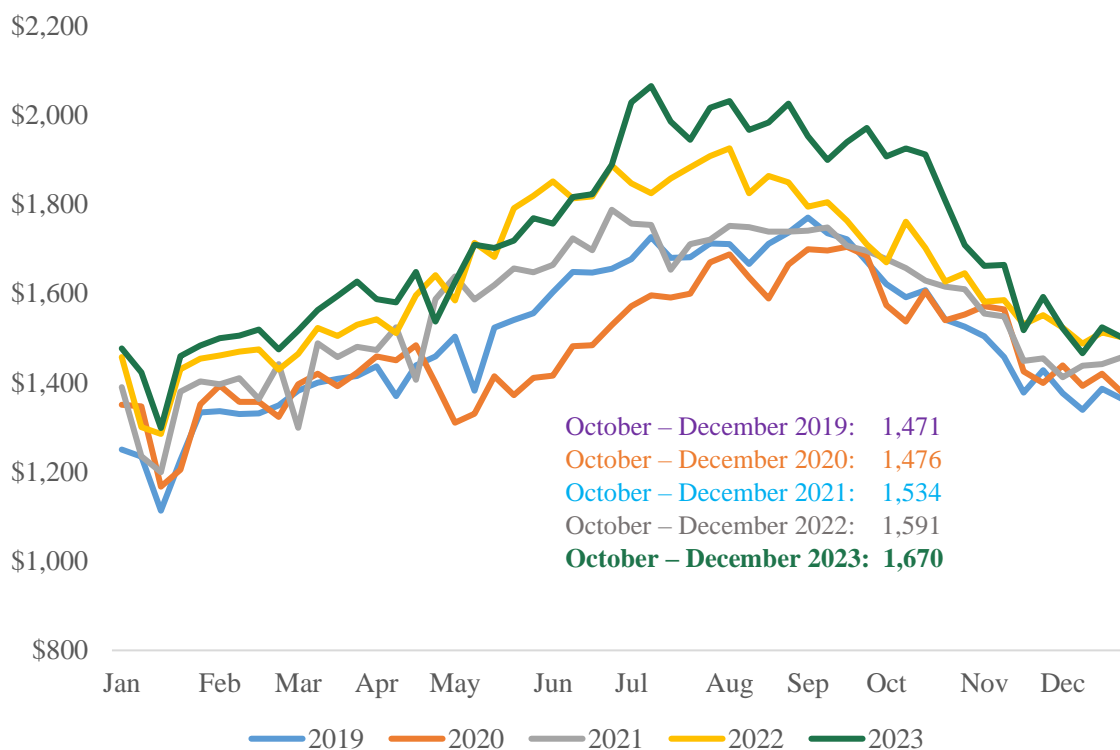


Note: ¹Terawatt hour. NTN: National Transmission Network.

Source: CFE Transmission with information as of December 31st, 2023.

Chart 5 shows the performance of National Energy Control Center, (CENACE, by its initials in Spanish) revenues from January to December 2023 and previous periods. The weekly average of collection rights increased 4.99% compared to the same period in 2022 and 8.86% compared to 2021.

Chart 5. National Center for Energy Control (CENACE)¹ Revenues
(2019-2023 | Weekly Average | Million pesos)



Note: The figures shown correspond to the quarterly average of weekly distributions from October 1st to December 31st, 2023, applicable for each year shown. Income in the graph includes VAT. Figures rounded in millions of pesos. ¹ National Energy Control Center.

Source: CFE Transmission with information as of December 31st, 2023.



IV. Quarterly Financial Statements

IV.1 Promoted Trust

The fourth quarter began with a balance of \$5,216,671,175 pesos, to which \$21,709,980,057 pesos were added for the collection rights for the period received from CENACE (VAT included), withdrawals for the period amounted to \$12,136,003,680 pesos. In October¹¹ the distribution of the Promoted Trust corresponding to the collection rights for the month of September for \$4,966,226,448 pesos was carried out, in November¹² the distribution corresponding to the collection rights for the month of October for \$5,231,437,151 pesos, and in December¹³ the distribution corresponding to collection rights for the month of November for \$2,560,658,343 pesos, which results in a total distribution for 4Q23 of \$12,758,321,942 pesos. Throughout the period, interest was generated for \$148,930,036 pesos whose ISR amounted to \$1,965,199 pesos.

Table 1. Movements in the Account Statement of the Promoted Trust F/80758
(MXN)

	October	November	December	4Q23
Initial Balance	5,216,671,175	5,481,954,005	2,811,295,471	
+ Collection Rights	7,551,642,887	8,144,108,093	6,014,229,077	21,709,980,057
– Withdrawals	2,377,272,798	5,644,775,405	4,113,955,477	12,136,003,680
– Distribution	4,966,226,448	5,231,437,151	2,560,658,343	12,758,321,942
Gross Balance	5,424,814,816	2,749,849,542	2,150,910,728	
+ Interest	59,549,703	62,267,100	27,113,233	148,930,036
– Interest tax	786,606	821,171	357,422	1,965,199
Final Balance	5,483,577,913	2,811,295,471	2,177,666,539	
Accrued Interest	-1,623,908	0	1,368,300	
Portfolio Value	5,481,954,005	2,811,295,471	2,179,034,839	

Note: Rounded figures in MXN.

Source: Account Statements of the Promoted Trust (F/80758) consulted in the NAFIN Trust System.

From the approved budget of the Promoted Trust for 2023, in the fourth quarter the equivalent of 66% of the total budget was exercised.

Table 2. Approved Budget VS. Exercised as of December 31st, 2023
(MXN)

Category	Budget 2023	Exercised 4Q23	%
Intercompany expenses	11,160,579,377	6,058,909,659	54%
Operation and minor maintenance	10,257,710,550	8,787,996,856	86%
Obligation expenses	5,179,639,857	4,843,011,949	94%
Major maintenance	11,339,574,698	5,494,500,902	48%
Trust expenses	20,356,463	14,921,461	73%
Financing costs	-	-	0%
Total	37,957,860,945	25,199,340,828	66%

Note: Rounded figures in MXN.

Source: CFE Transmission.

¹¹ Distribution approved by the Technical Committee of the Promoted Trust in the 8th Extraordinary Session on October 12th, 2023.

¹² Distribution approved by the Technical Committee of the Promoted Trust in the 9th Extraordinary Session on November 22nd, 2023.

¹³ Distribution approved by the Technical Committee of the Promoted Trust at the 24th Ordinary Session on December 11th, 2023.

IV.2 Issuer Trust

The Issuing Trust, 4Q23 began with a balance of \$52 million pesos, to which \$865 million pesos were added corresponding to the distributions of collection rights for the months of September, October, and November of the Promoted Trust, the same which were received on October 18th, November 28th, and December 14th, 2023, respectively.

As of December 31st, disbursements amounted to \$19.5 million pesos, which correspond to expenses of the Issuing Trust, with a final balance in the quarter of \$50.9 million pesos. Additionally, through the fourth quarter, interest of \$12 million pesos was generated.

The distributed amount corresponding to 4Q23 was \$858,318,149 pesos on December 29th, 2023.

Table 3. Account Statement of the Issuing Trust as of December 31st, 2023
(MXN)

	October	November	December	4Q23
Initial Balance	52,268,262	372,221,619	729,805,302	
+ Deposits	336,516,619	354,487,570	173,512,847	864,517,036
- Withdrawals	18,173,787	344,080	1,017,944	19,535,811
Distribution to holders	0	0	858,318,149	858,318,149
Gross Balance	370,611,094	726,365,110	43,982,056	
Interest charged	1,610,525	3,440,192	6,923,120	11,973,837
Final Balance	372,221,619	729,805,302	50,905,176	

Note: Figures rounded in MXN.

Source: CFE Capital with information from the Account Statements of the Issuing Trust as of December 31st, 2023.

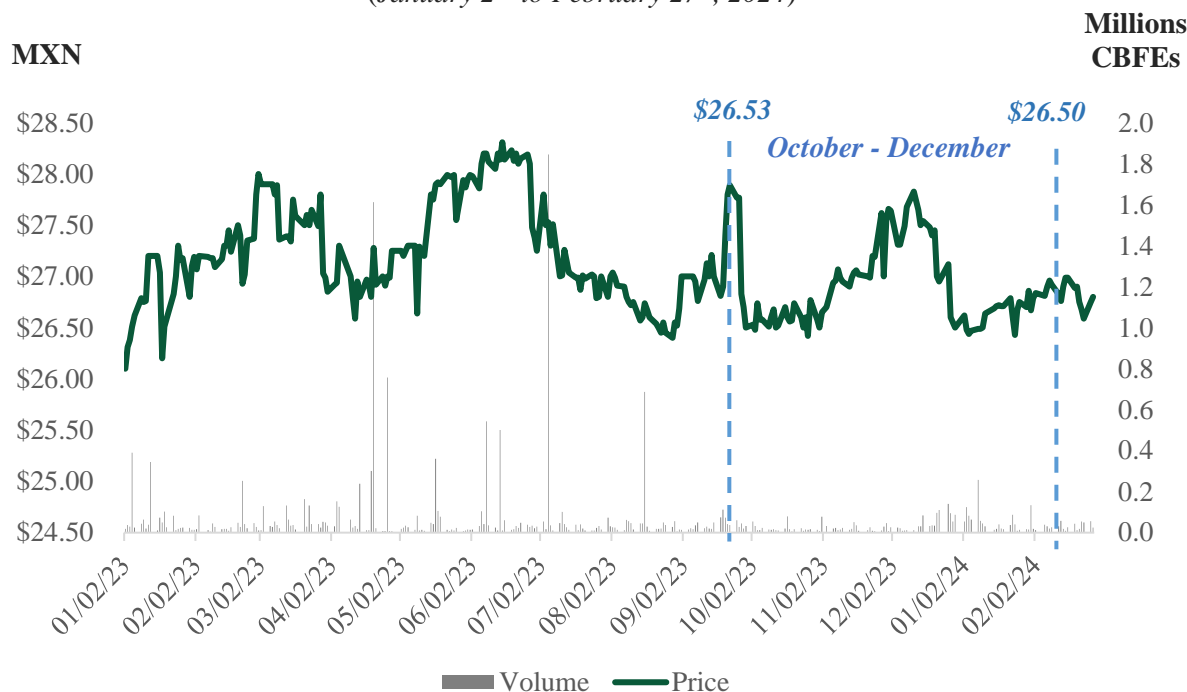


V. CFE FIBRA E Performance

The price of the Energy and Infrastructure Investment Trust Certificates (CBFEs, by its initials in Spanish), through the fourth quarter of 2023, ranged between \$26.42 and \$27.83 pesos, with a weighted average price of \$26.95 per CBFE and an average daily volume of 30,601 certificates.

Chart 6. Price and Volume of CFE FIBRA E (FCFE18)

(January 2nd to February 27th, 2024)



-- Indicates the period that includes the fourth calendar quarter.

Source: Own elaboration with data from Bloomberg as of February 27th, 2024.

Maximum Price ¹ 12/11/2023	\$27.83
Minimum Price ¹ 10/26/2023	\$26.42
Weighted Average Price 4Q23 ¹	\$26.95
Average Daily Volume 4Q23 ¹	30,601
Closing Price 02/27/2024	\$26.80

Notes: ¹ The fourth calendar quarter comprises from October 1st to December 31st, 2023.

CFE FIBRA E investment instrument has achieved outstanding performance compared to other similar variable income instruments on the Mexican Stock Exchange. Table 4 shows the dividend yield of the CFE FIBRA E, a financial vehicle that has granted double-digit dividend yields. The dividend yield presented by CFE FIBRA E as of December 31st, 2023, was **11.12%**, above the performance of comparable instruments.

Table 4. Indicative *Dividend yield*² of CFE FIBRA E vs others REITS³
(July 1st to December 31st, 2023/ %)

Instruments	October	November	December
FCFE18 MM Equity	11.33	11.15	11.12
FUNO11 MM Equity	8.51	8.33	7.62
DANHOS13 MM Equity	9.30	9.32	8.59
FNOVA17 MM Equity	7.30	8.15	7.96
FIBRAMQ MM Equity	7.52	6.92	6.32
FIBRAPL MM Equity	3.16	2.73	2.52
TERRA13 MM Equity	6.05	5.48	4.72
FBMEX INDEX	7.07	6.52	6.12

Note: ² It is calculated by adding the last four distributions and dividing by the weighted average price of the corresponding period. ³ For the other instruments, as well as for the Mexican REITS Index, the indicative dividend yield on the last day of the period is taken and does not consider extraordinary distributions.

Source: CFECapital with information extracted from Bloomberg as of December 31st, 2023.

CFE FIBRA E receives coverage from analysts from different banking institutions, which have determined an average target price of **\$31.21¹⁴** pesos per CBFE, reflecting a potential growth in the price per CBFE of **16.46%** compared to the price on February 27th, 2024, which was \$26.80.

Table 5. Analyst Coverage of CFE FIBRA E

Bank	Target Price Estimated by Analysts in MXN	Rating	Last Update
 BBVA	\$34.00	Overreturned	12/01/2023
 BANORTE	\$32.50	Buy	02/23/2024
 BARCLAYS	\$27.00	Subponderated	02/13/2024
Morgan Stanley	\$29.00	Hold	12/07/2023
 Santander	\$31.00	Overreturned	02/28/2024
 btgpactual	\$33.00	Buy	02/02/2024
 MONEX	\$32.00	Buy	09/20/2023

Source: Own elaboration with data from Bloomberg as of February 27th, 2024.

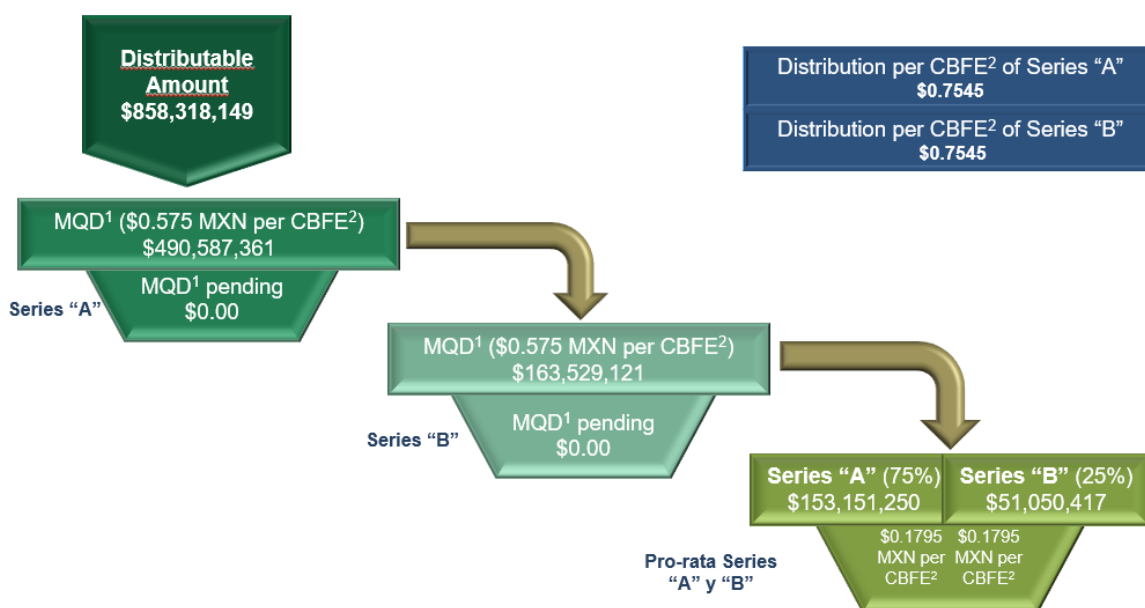
¹⁴ The target prices estimated by the analysts are defined by themselves for the banking institutions they represent.

VI. CFE FIBRA E Distributions on 4Q23

The distribution period for the fourth quarter of 2023 includes 13 weeks of income from collection rights and 13 weeks of reimbursements corresponding to the months of September, October, and November. Following its holding factor of 6.78%, the CFE FIBRA E received \$864,517,036 pesos, of which the expense reserve fund was restored for \$19,016,386 pesos and interest was generated for \$12,817,499 pesos, therefore, the amount to be distributed to holders for the third quarter of 2023 was \$858,318,149 pesos.

Following the Distribution Policy, \$490.59 million for Series “A” certificates and \$163.53 million for Series “B” certificates were distributed to the investing public, successfully covering the Minimum Quarterly Distribution (MQD) for both series. In addition, both Series “A” and Series “B” received a pro-rata, Series “A” certificates received \$153.15 million and Series “B” certificates received \$51.05 million pesos.

Diagram 1. Distributed amount 4Q23
(Million pesos)

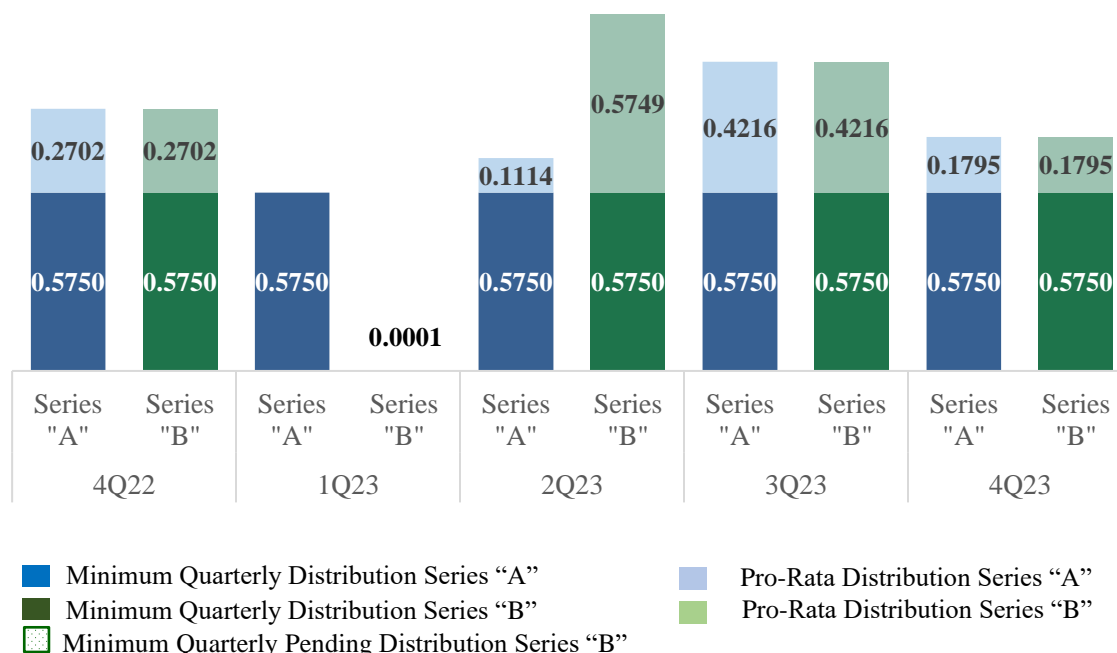


Notes: ¹ Minimum Quarterly Distribution ²Trust Stock Certificate in Energy and Infrastructure.

Source: Technical Committee of the Issuing Trust (December 18th, 2023).

The result of the 4Q23 distribution was \$0.7545 pesos per certificate for Series A (FCFE18) and \$0.7545 pesos per certificate for Series B (FCFE18-2). On December 29th, 2023, it was successfully distributed to certificate holders.

Chart 7. Income composition of CFE FIBRA E distributions for both Series
(MXN per CBFE¹⁵)



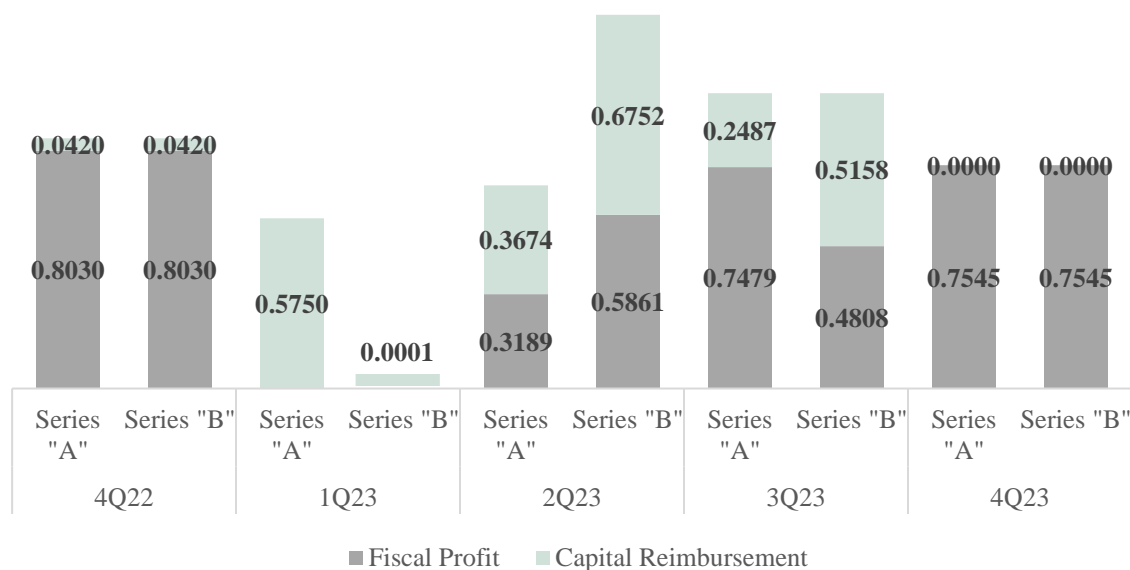
Note: CFECapital gives the distribution instruction to the trustee, who deposits the Institute for the Deposit of Securities (INDEVAL), the central depository of the Securities Market in Mexico. The custodian acts as the agent who withholds the taxes. Rounded figures.

Source: Technical Committee of the Issuing Trust (2022 and 2023).

Chart 8 shows the tax composition of the distributions for 4Q23, the amount corresponding to the tax profit was \$0.7545 cents per certificate for both Series "A" and Series "B". In this period there was no distribution for capital reimbursement. The purpose of said composition is to ensure compliance with the CFE FIBRA E regime, maintaining its tax benefits. It is important to mention that the distribution strategy is approved by the Technical Committee of the Issuing Trust and is determined based on the tax requirements of the current Income Tax Law.

¹⁵ Trust Stock Certificate for Investment in Energy and Infrastructure.

Chart 8. Fiscal Composition per CBFE of CFE FIBRA E Distribution for both series
(MXN per CBFE¹⁶)



Note: The distribution strategy is approved by the Technical Committee and is determined based on the fiscal requirements of the Income Tax Law. Rounded figures.

Source: Technical Committee of the Issuing Trust (2022 and 2023).



¹⁶ Trust Stock Certificate for Investment in Energy and Infrastructure.

VII. Issuer Trust Administration and Expenses

In the fourth quarter of 2023, maintenance expenses amounted to \$19.5 million pesos, the main disbursements corresponded to the Administrator Expenses (CFE Capital). Other expenses include fees of the External Auditor, accountants, tax, financial, and legal advisors, and Compensation to the Independent Members of the Technical Committee.

Table 6. Administrator maintenance expenses as of the fourth quarter of 2023
(MXN)

	October	November	December	4Q23
Administration Fee ⁽ⁱ⁾	17,833,901	0	0	17,833,901
Fiduciary and Common Representation Fees	45,768	0	5,800	51,568
Compensation to Independent Members of the Technical Committee	121,334	121,334	251,854	494,521
Independent Appraiser's Fees and Price Providers	13,340	157,412	680,456	851,208
Fees External Auditor, accountants, tax, financial, legal advisors, and advisors of the Common Representative and Trustee	148,494	65,334	65,334	279,162
Income tax withholding on fees assimilated to independent	10,950	0	14,500	25,450
Total	18,173,787	344,080	1,017,944	19,535,810

Notes: ⁽ⁱ⁾ Includes the payment of advances to CFE Capital and the 7% administration commission. The amount of administration commission corresponded to \$1,151,573 pesos. Rounded figures in MXN.

Source: Finance and Administration Management of CFE Capital.



VIII. Corporate Governance Activities

VIII.1 Technical Committee of the Irrevocable Trust CIB/2919 (*Issuer Trust*)

On December 5th, 2023, the 10th Session of the Conflict Committee of the Issuing Trust was held, in which the following topics were approved:

- **Appointment** of Ms. Patricia E. Millán Arroyo as **Key Official**.
- **Appointment** of Ms. Gilda Flores Buenfil as **Key Official**.
- **Removal of Key Officials** previously designated by the Conflict Committee.
- **Appointment of the non-member Secretary of the Conflict Committee**.

Likewise, the Conflict Committee **took cognizance** of the following matters:

- Presentation of the 2024 Annual Budget of the CFECapital Administrator.

VIII.2 Technical Committee of the Irrevocable Trust CIB/2919 (*Issuing Trust*)

The **Technical Committee**, in its 29th Ordinary Session, dated December 18th, 2023, **approved the following topics**:

- **Amount to be distributed and distributions proposed by the Administrator**, following Clause VI “Distribution Policy” of the Issuer Trust Agreement.

Likewise, the Technical Committee **took cognizance** of the following matters:

- Presentation of the Investor Relations Department.
- Presentation of the **Administrator's Performance Report**, corresponding to the Third Quarter of 2023.