CFE FIBRA E (FCFE18)

Santander's 28th Annual Mexico Conference

Cancun, Mexico
January 2023

DISCLAIMER

IMPORTANT: You must read the following before continuing. This presentation has been prepared by CFECapital, S. de R.L. de C.V. ("CFECapital" or the "Manager") and is being provided to you for informational purposes only.

Neither the Manager nor any of its affiliates or representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein or in any other written or oral communication transmitted or made available to any recipient, and nothing shall be relied upon as a promise or representation as to the performance of any investment or otherwise. The Manager and its affiliates and representatives expressly disclaim any and all liability based, in whole or in part, on such information, errors therein or omissions therefrom. This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be used or relied upon in evaluating the merits of any investment. The information in this presentation is current only as of the date hereof. For any time after the date hereof, the information, including information concerning the CFE FIBRA E's business, financial condition, results of operations and prospects may have changed. The delivery of this presentation shall not, under any circumstances, create any implication that there have been no changes in the Company's affairs after the date hereof.

This presentation contains forward-looking statements. All statements other than statements of historical fact included in the presentation are forward-looking statements. Forward- looking statements give the CFE FIBRA E's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "assume," "budget," "continue," "estimate," "future," "objective," "outlook," "plan," "potential," "predict," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the CFE FIBRA E's control that could cause the CFE FIBRA E's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the CFE FIBRA E's present and future business strategies and the environment in which it will operate in the future.

The presentation is confidential and may not be reproduced, redistributed, published or passed on to any other person, directly or indirectly, in whole or in part, for any purpose. This document may not be removed from the premises. If this document has been received in error it must be returned immediately to the Manager.

01

Mexican Electricity Sector

02

Comisión Federal de Electricidad

03

Transmission Sector

04

CFE FIBRA E

05

Annexes

01

Mexican Electricity Sector

02

Comisión Federal de Electricidad

03

Transmission Sector

04

CFE FIBRA E

05

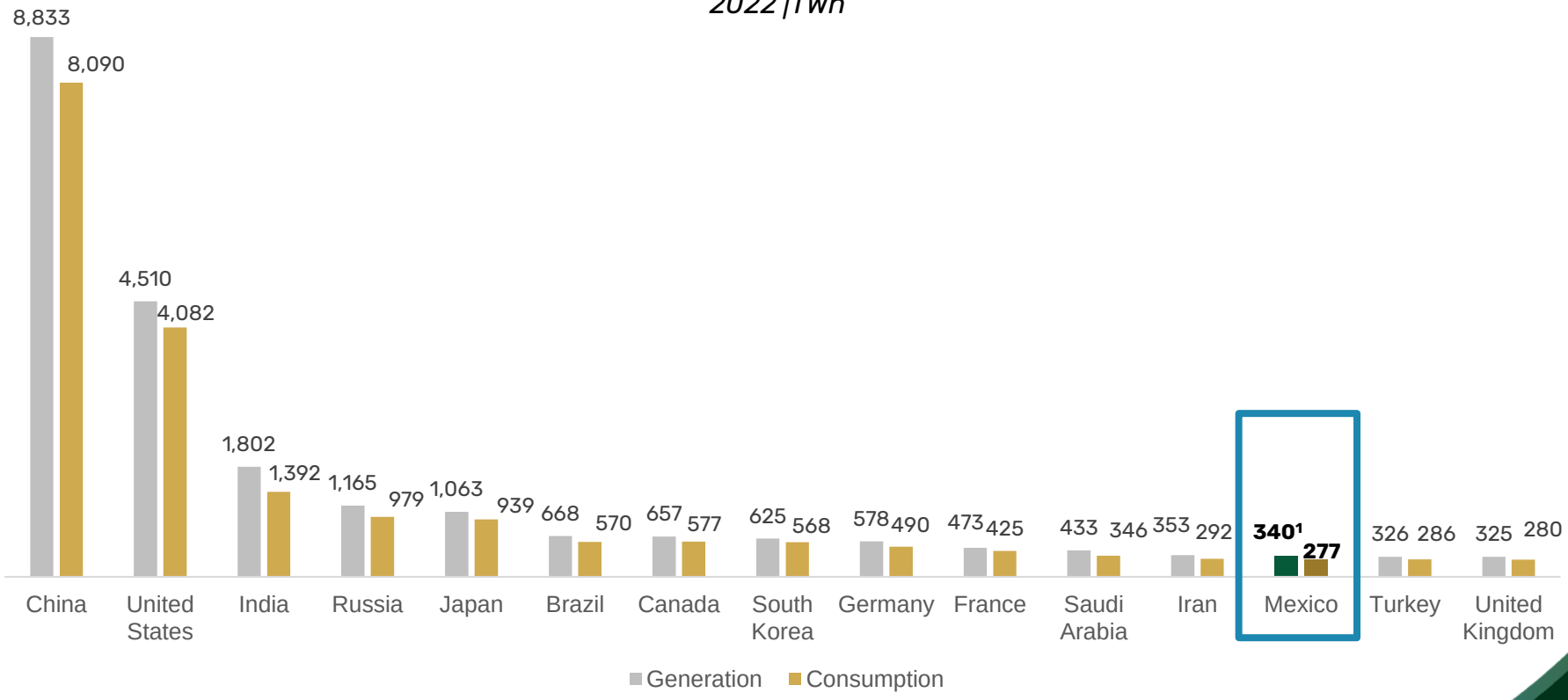
Annexes

Generation and Consumption of Electricity

During 2022, Mexico was ranked **#13** for electricity generation in the country.

Comparison of Electricity Generation and Consumption by Country

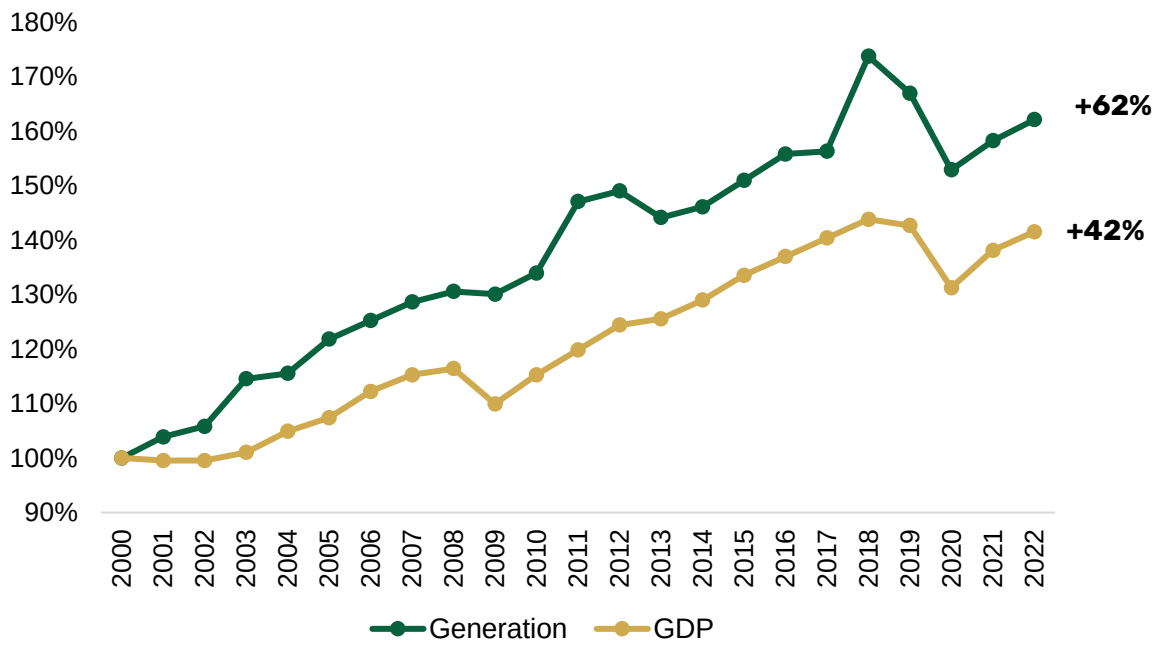
2022 |TWh



Note: [1]The most recent data available for Mexico is taken from PRODESEN 2023-2037.
Source: Own elaboration with data extracted from Enerdata as of January 8th, 2024.

Generation Growth vs. GDP Growth

Electricity Generation Growth Rate and Real GDP[1] Growth Rate in Mexico
2000 – 2022 | %



From 2000 to 2022, GDP[1] in Mexico has grown by **42%**, while electricity generation has grown by **62%** in the same period.

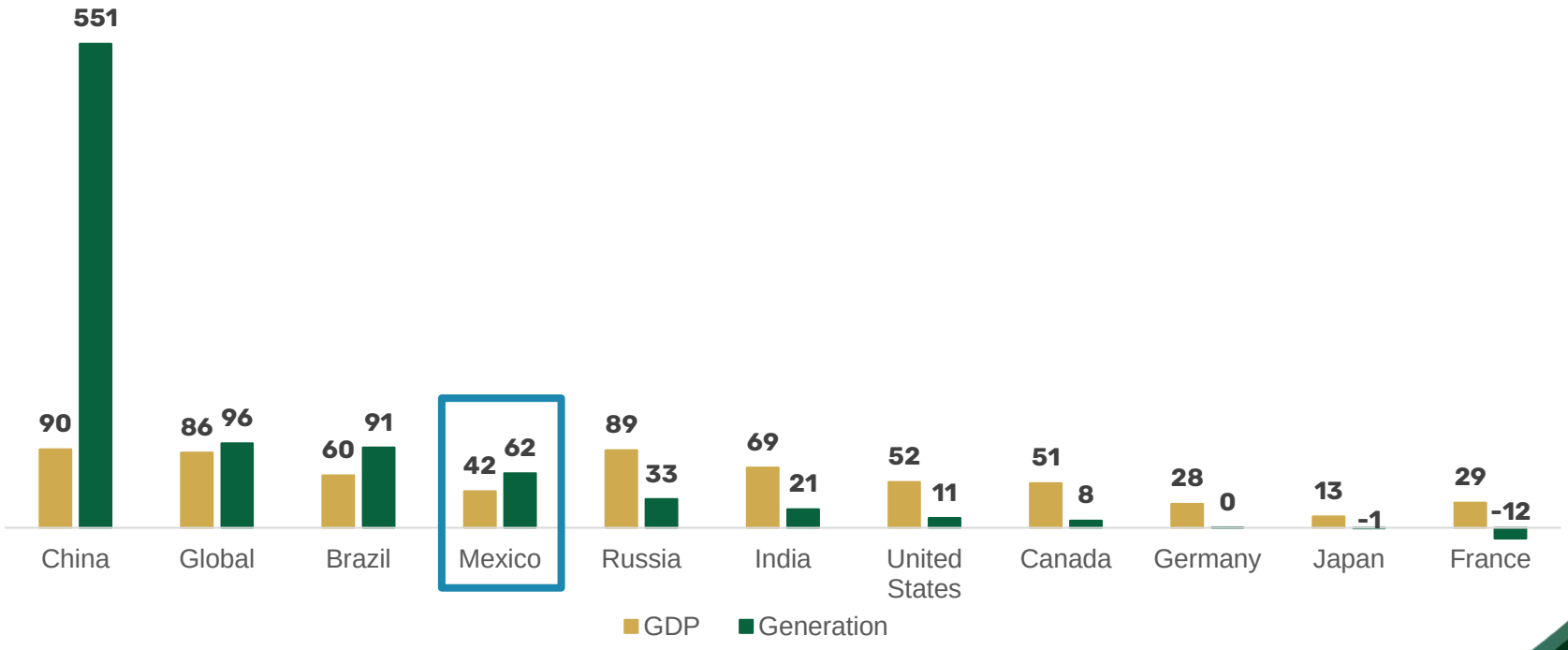
Note: It is a base 100 graph, that is, the data for 2000 is taken as a reference and is our 100%, the data for each year is compared against it.
[1]The Gross Domestic Product (GDP) was taken in dollars at constant 2010 prices.
Source: Own elaboration with generation data extracted from Enerdata and GDP data extracted from the World Bank as of January 8th, 2024.

Growth of the Mexican Electricity Sector

Mexico is in the **third place** for the differential indicator between GDP[1] growth respect the growth of electricity generation.

Comparison of the Cumulative Growth Rate of GDP[1] and the Cumulative Growth Rate of Electricity Generation by Country

2000 – 2022 | %



Note: [1]The Gross Domestic Product was taken in dollars at constant 2010 prices.
Source: Own elaboration with generation data extracted from Enerdata and GDP data extracted from the World Bank as of January 8th, 2024.

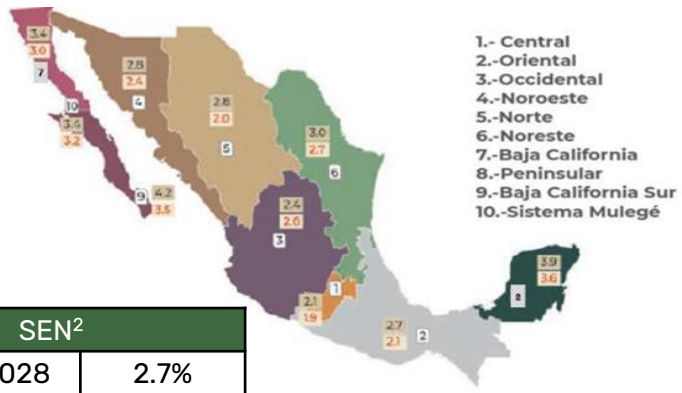
Company Located in a Defensive Sector and with Favorable Prospects

Factors that drive electricity demand and consumption in Mexico

- **Sustainable Economic Growth**
- **Integration with North America**
- **Nearshoring Opportunities**
- **Population growth**

Regional Forecast of Electricity Consumption

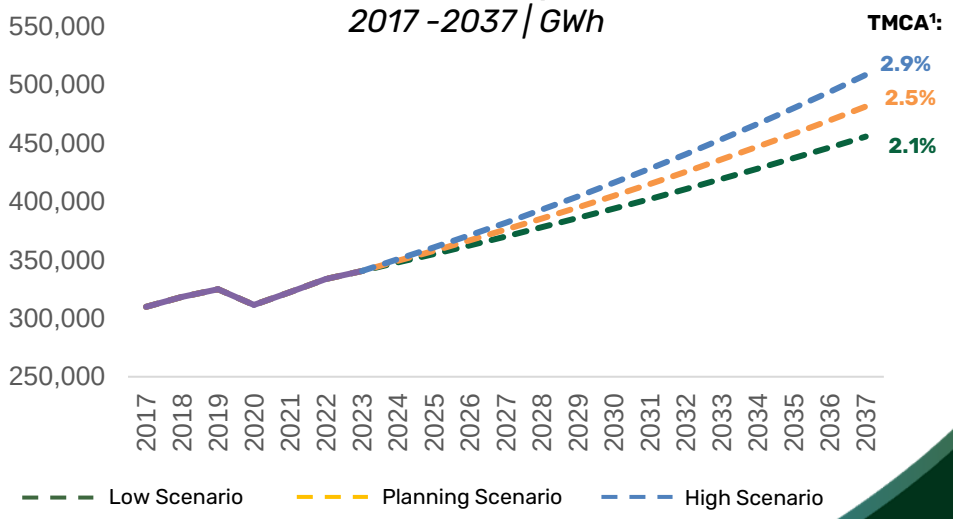
2023 -2037 | TMCA[1] % by region by two periods



SEN[2]	
2023 - 2028	2.7%
2023 - 2037	2.5%

Forecast of Net Consumption of the National Electrical System (SEN)[2]

2017 -2037 | GWh



[1]Average Annual Growth Rate. Reference year 2022. [2] National Electrical System.
Source: Program for the Development of the National Electrical System 2023-2037. Available in: https://www.gob.mx/sener/articulos/programa-de-desarrollo-del-sistema-electrico-nacional-2023-2037-335360

01 Mexican Electricity Sector

02 *Comisión Federal de Electricidad*

03 Transmission Sector

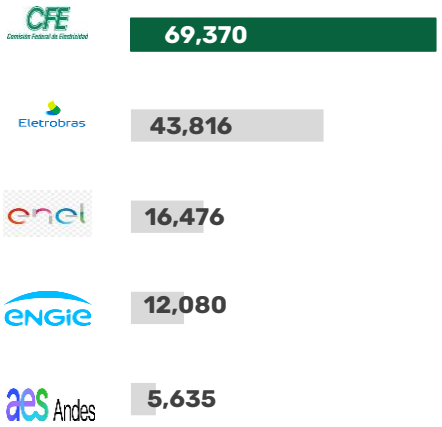
04 CFE FIBRA E

05 Annexes

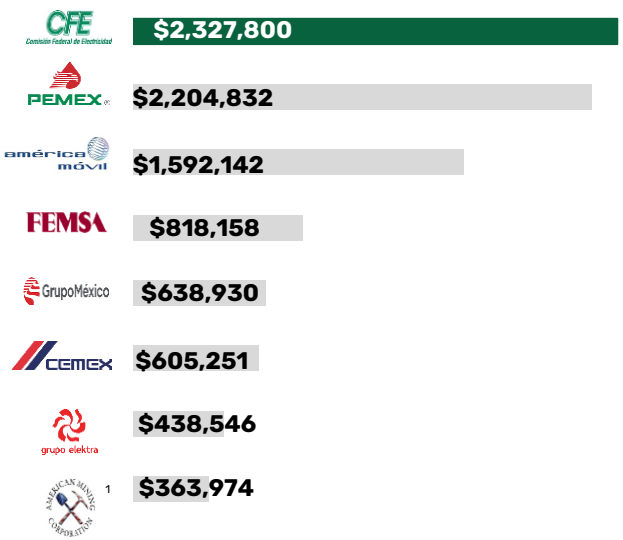
CFE: Leading Company in Mexico and Latin America

- *Comisión Federal de Electricidad* (CFE) is the **largest electricity company** in Latin America in terms of installed generation capacity.
- In Mexico, it is the **largest company by total assets and total revenue**, with a strategic role for Mexican society.

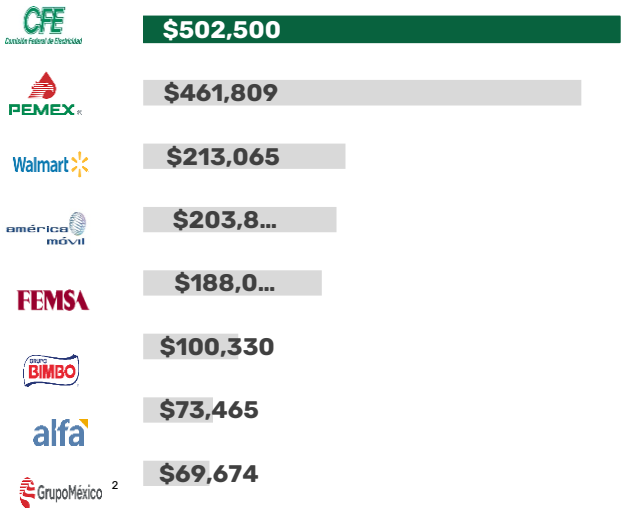
Installed Generation Capacity
Figures at the end of 3Q23 | MW



Total Assets
Figures at the end of 3Q23 | Millions pesos



Total revenue
Figures at the end of 3Q23 | Millions pesos



Source: Quarterly reports available from the different companies and correspond to the third quarter of 2023. In the case of CFE, with data from the 3Q23 Quarterly Report. [1]Data as of the first quarter of 2023. [2]Conversion to pesos using the MXN $17.50 per dollar exchange rate.

Strategic Relevance and Unique Market Positioning

CFE Holding

Generation

- Nuclear Power Plant (*Laguna Verde*)
- Generation Companies (CFE Genco I-VI)

- **#1** in Mexico with ~ 73% of electricity supply in the country.
- Installed generation capacity of 69,370 MW.[1]
- The CFE contributes **55% of the total clean energy generated in the country.**

Transmission

- Transmission

- **#1** in transmission in Mexico, exclusive activity of the Mexican State.
- **+110 thousand km** of transmission and subtransmission lines.
- **61,778 km** of fiber optic network.

Distribution

- Distribution

- **#1** in distribution in Mexico, exclusive activity of the Mexican state.
- **892,269 km** in medium and low voltage networks and distribution lines.

Comercialization

- Basic Supply
- Qualified Supply

- **#1** in Basic Supply (100%) +30% in Qualified Supply.
- Coverage of 48 million users.
- **91,200 free internet access points** in public places.

Others

- Legacy Contracts (CFE ICL)
- Fuel Trade (CFEnergia)
- Fuel Trade (CFE International)
- Financial Services (CFECapital)
- Telecommunications and *Internet para Todos*
- LAPEM Equipment and Materials Testing Laboratory
- PAESE Electrical Sector Energy Saving Program
- CFE Telecom

- Subsidiaries
- Affiliates
- Business units

Note: [1]Total installed capacity of the CFE from January to September 2023. Includes PIES and Long-Term Auctions.
Source: CFECapital with data obtained from the CFE Business Plan 2024-2028 and from the presentation to CFE investors: Operational and financial results as of 3rd. Quarter of 2023, October 31st, 2023. Morning Press Conference of President Andrés Manuel López Obrador, January 11th, 2024.

CFE Stronger Than Ever!

Five years into the federal administration, CFE has consolidated its rescue, through the promotion of projects aimed at **strengthen energy generation**, the **strengthening of electrical networks** and the signing **of strategic alliances** with companies with extensive experience in the supply of natural gas.

CFE is executing an unprecedented construction and investment for **$9,171[1] million dollars** that will allow CFE to generate **52% of the electricity in Mexico by September 2024.**

Additionally, with the Federal Government's contribution of **13 Ex-Iberdrola generation plants** to CFE which **add 8,539 MW, the generation participation will increase to 61% in September 2024.**

The capacity obtained with the projects is equivalent to **covering the demand of 13.6 million new users,** demonstrating that **CFE is ready to serve the companies established in the country, in the face of the Nearshoring phenomenon.**

Note: [1] It doesn't include acquisition of new plants.
Source: Morning Press Conference of President Andrés Manuel López Obrador, January 11th, 2024. CFE Press Release, same date.

Strengthen Energy Generation

The program to strengthen the energy generation park is made up of four types of projects:

Project Type	Number of Projects	Installed Capacity *(MW)*	Investment *(Million dollars)*
1. Clean energies	• 2 Photovoltaic Power Plants • 20 Hydroelectric	6,925	3,191
2. Priority Generation Plants	• 5 Combined Cycle Power Plants • 1 Turbogas Central	4,047	3,445
3. Short term projects	• 5 Combined Cycle Power Plants • 2 Internal Combustion Plants	2,948	2,535
4. Acquisition of power plants*	• 2 Plants in operation • 1 Plant in modernization	431	164
Total	**38**	**14,351**	**9,335**

Notes: * The plants in operation are the Transalta Combined Cycle Plant, Campeche and the Amaunet Turbogas Plant in Baja California Sur, and the plant being modernized with gas is the Lerma Plant in Campeche.
Source: Morning press conference of President Andrés Manuel López Obrador, January 11th, 2024, and CFE press release, same date.

1) Clean Energies

Between 2019 and 2023, **CFE provided 206,962 GWh** into the grid, that is, **55% of the accumulated clean energy.**

22 clean energy projects that will have a historic investment of **3,191 million dollars** and represent **6,925 MW of capacity**, which **adds 1,573 MW** to the National Electric System.

With the implementation of these clean energy projects, the **CFE reaffirms itself as the largest generator of clean energy in Mexico.**

The entry into operation of the clean energy projects will contribute to the **reduction of annual emissions into the atmosphere by 15.5 million tons** of CO_2, which is **equivalent to taking nearly 7.24 million cars off the road.**

Project	Installed Capacity *(MW)*	Investment *(Million dollars)*
Photovoltaic Power Plant Puerto Peñasco (Sonora)[1]	1,000	1,600
Photovoltaic Power Plant Nachi Cocom (Yucatan)[2]	7	52
Modernization, renovation and equipment of hydroelectric plants	5,918	1,540
Total	**6,925**	**3,191**

Notes:[1] Four stages of construction. [2] Two stages of construction.
Source: Morning Press Conference of President Andrés Manuel López Obrador, January 11th, 2024, and CFE press release, same date.

1) Clean Energies: Photovoltaic Power Plants

The CFE develops 2 photovoltaic projects for the use of solar energy in the country.

PPP Puerto Peñasco (Sonora)

- **The largest in Latin America** due to its capacity.
- In Mexico, the first of its kind by **incorporating a storage system** with a battery bank of **192 MW capacity**.
- In a historic event, it **interconnects the Isolated System of Baja California with the National Interconnected System with a 290 km line.**
- The **progress** of Phase 1 is **100%** and Phase 2 is **67%**.*

PPP Nachi Cocom (Yucatán)

- It will provide energy for **electric buses** of the Electric Transportation System.[1]
- Buses will be zero emissions.
- It will **reduce operating costs**, making rates more accessible to users.
- The progress is **59%.**

Note: * The third and fourth stages will end in 2026. [1]IETRAM: Rapid Transit Bus System.
Source: Morning Press Conference of President Andrés Manuel López Obrador, January 11th, 2024, and CFE press release, same date.

1) Clean Energies: Renewal and Modernization of Hydroelectric Plants

The CFE invests **$1.54 billion dollars** for the renovation, modernization and equipment of **20 hydroelectric plants.**

- **16 plants** are modernized through the renewal and replacement of its main equipment, since some equipment had more than 40 years of operation.
- **Equipment of 4 dams**, that is, the power plant is **built inside the dams**.

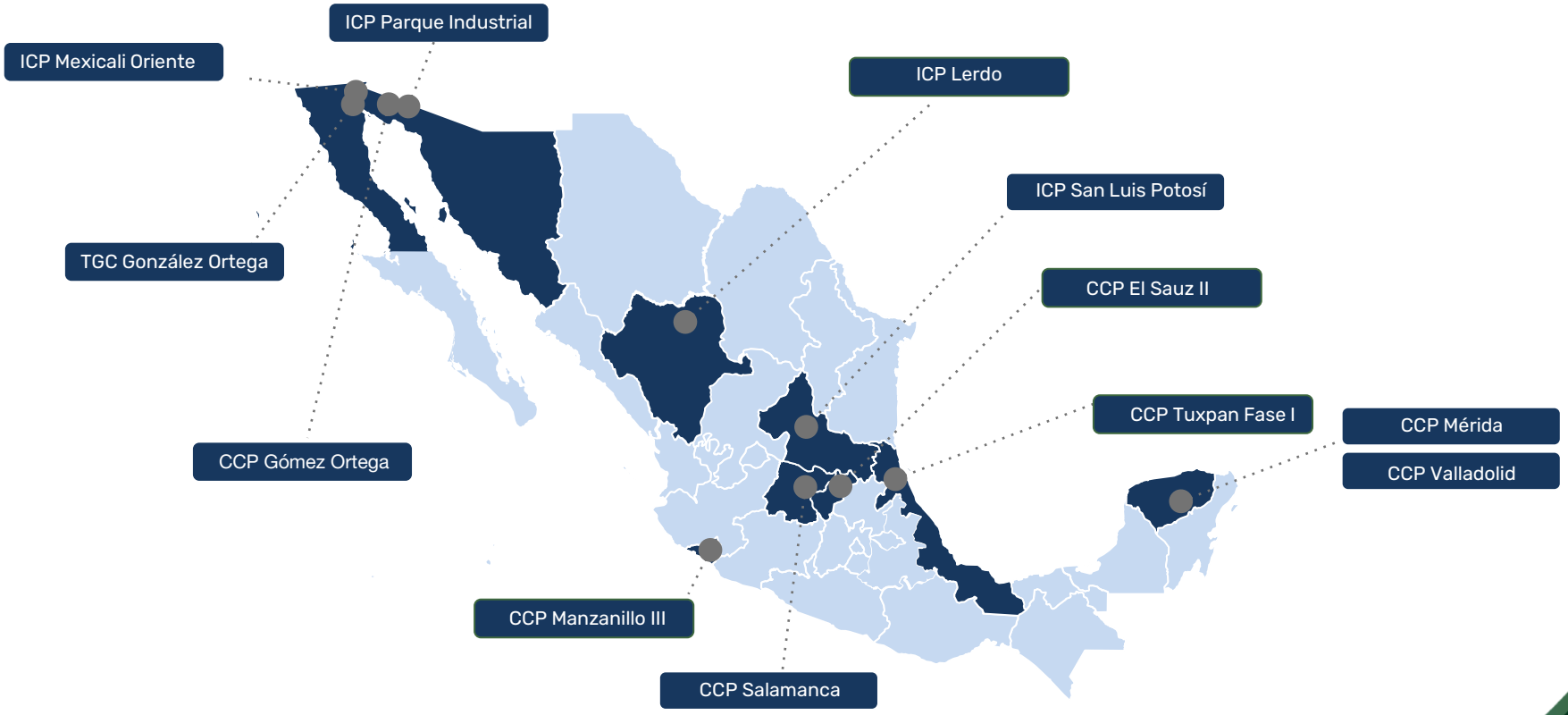
This investment will extend the useful life of the plants for **another 50 years**.

The supply of the main equipment of all the plants will be **complete in 2024**.

Source: CFE Annual Report 2022 and CFE press release, December 29th, 2023, and Morning Press Conference of President Andrés Manuel López Obrador, January 11th, 2024.

Electric Power Generation Projects

10 Combined Cycle Power Plants (CCP), **2 Internal Combustion Power Plants** (ICP), and **1 Turbogas Power Plant** (TP) are being built.



Note: CCP: Combined Cycle Power Plant, ICP: Internal Combustion Power Plant and TP: Turbogas Power Plant.
Source: CFE press release, December 29th, 2023, and January 11th, 2024.

2) Priority Generation Plants

Central	Capacity (MW)	Advance
CCP Mérida	499	73%
CCP Valladolid	1,020	71%
CCP San Luis Río Colorado	647	67%
CCP Tuxpan Fase I	1,056	61%
CCP González Ortega	641	65%
TGP González Ortega	184	100%
Total	**4,047**	

Combined Cycle Power Plants (CCP) use cutting-edge technology, which allows the generation of electricity in a continuous and reliable manner.

The construction of 5 Combined Cycle Power Plants and 1 Turbogas Power Plant represents an investment of **$3,445 million dollars** that will **provide 4,047 MW**.

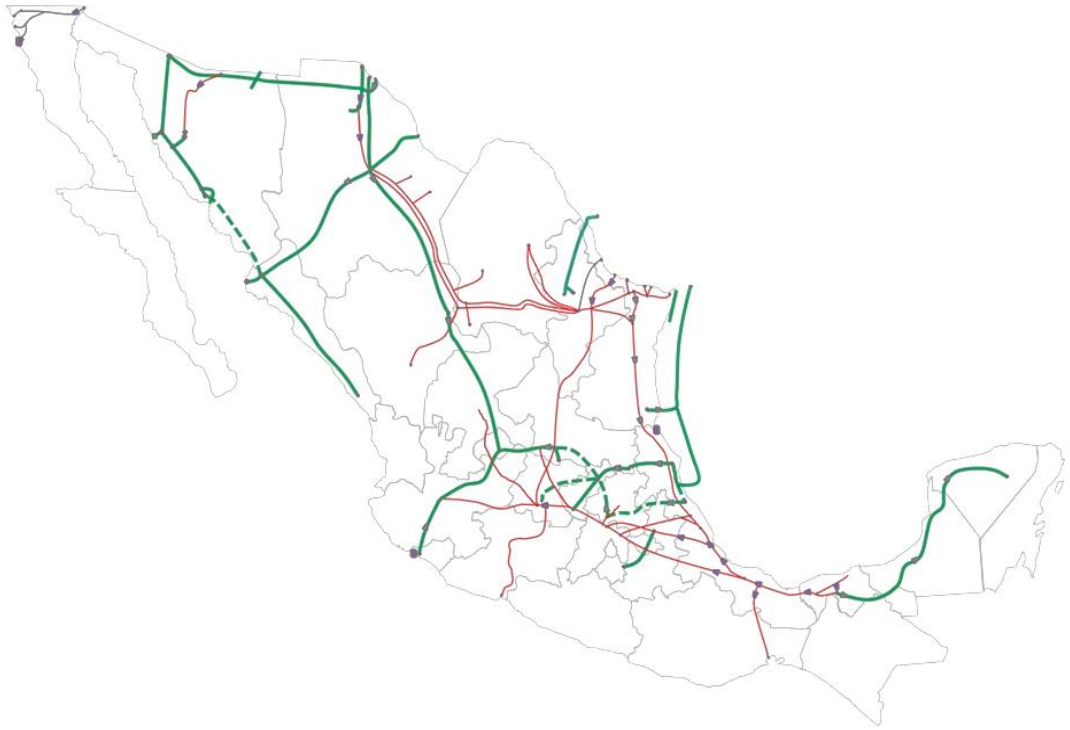
The objective of these projects is to **strengthen and guarantee energy generation** in priority regions.

The projects are **fully financed with profits from CFEnergía and CFE Transmission.[1]**

Note: [1] With the proceeds from the Initial Public Offering of CFE FIBRA E.
Source: CFE press release, November 14th, 2023. Morning Press Conference of President Andrés Manuel López Obrador, January 11th, 2024.

Gas Supply

CFE, through its affiliate company CFEnergía, has positioned itself as the main marketer of natural gas in Mexico.



CENAGAS Gas Pipelines
Private Gas Pipelines at the Service of CFE
Private Gas Pipelines under Construction at the Service of CFE

The CFE guarantees the **supply of natural gas to 92 generation plants**, with a capacity of 44 thousand MW of generation capacity.

Natural gas today represents **65% of the country's electricity generation.**

As a result of replacing diesel and fuel oil with natural gas, **savings of 160,688 million pesos have been recorded.**

Source: CFEnergía and SENER. Morning Press Conference of President Andrés Manuel López Obrador, January 11th, 2024.

Ranking of Natural Gas Marketers – United States of America

NGI's TOP NORTH AMERICAN GAS MARKETERS*
3Q22 (Bcf/d)

	Company	3Q2022	3Q2021	Change
1	BP plc	14.51	15.15	-4%
2	ConocoPhillips	9.90	9.60	3%
3	Tenaska	9.86	10.50	-6%
4	Macquarie Energy LLC	9.11	9.12	0%
5	Shell Energy NA	8.60	8.20	5%
6	Williams Cos.	7.10	6.90	3%
7	Direct Energy LP	6.32	5.79	9%
8	EQT Corp.	5.04	5.05	0%
9	EDF Trading NA	4.26	3.81	12%
10	Southwestern Energy Co.	4.23	2.73	55%
11	Cima Energy LP	4.17	3.72	12%
12	CFEi	3.78	3.77	0%
13	J. Aron & Co.	3.61	4.16	-13%
14	Castleton Commodities International LLC	3.19	2.88	11%
15	Antero Resources Corp.	3.18	3.54	-10%
16	Coterra Energy Inc.	2.81	2.36	19%
17	ExxonMobil	2.35	2.70	-13%
17	Symmetry Energy Solutions LLC	2.35	2.59	-9%
19	Candian Natural Resources Ltd.	2.13	1.71	25%
20	ARM Energy Management LLC	1.86	2.34	-21%
21	Hartree Partners LP	1.72	1.75	-2%
22	Chevron Corp.	1.71	1.71	0%
23	Ovintiv Inc.	1.50	1.57	-4%
24	Diversified Energy Marketing plc	1.28	0.96	33%
25	NJR Energy Services Co.	0.52	1.01	-48%
	Total	**115.09**	**113.62**	**1%**

Visit NatGasIntel.com/Marketer-Rankings to view full archive.

***Correction** — The gas volume figures for some of the respondents represent the amount of North American gas produced in the quarter instead of the amount of North American gas sold. It does not take into account any third-party volumes they may be marketing for sale. NGI regrets the error.

SOURCE: FINANCIAL REPORTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR, IF NECESSARY, STATEMENTS SIGNED BY COMPANY OFFICIALS AND PROVIDED TO NGI. SOME PREVIOUS-YEAR DATA HAS BEEN UPDATED BY THE COMPANIES SINCE IT WAS ORIGINALLY REPORTED.

Strategic Alliances

- **Strategic alliances** will allow the CFE **to obtain economic benefits for the commercialization and transportation of natural gas.**
- CFE will become a natural **gas exporter.**

CFE
Comisión Federal de Electricidad

TC Energy

Development of **a new marine pipeline - Puerta del Sureste gas pipeline,** which will transport natural gas from **Tuxpan to Coatzacoalcos, in the state of Veracruz, to continue to Paraíso, Tabasco.**

August 2022

NewFortress energy

- Partnership for **2 liquefaction plants to export natural gas to international markets.**
- Production of both plants of 4.2 million tons per year.
- Use of the underutilized capacity of the Brownsville and South of Texas-Tuxpan gas pipelines.

October 2022

ENGIE

- Expansion of the **Mayakan Pipeline**, to double the natural gas transportation capacity with the construction of **700 km of infrastructure in Yucatán, Campeche, Tabasco and Quintana Roo.**
- **Guarantees the supply of gas** to existing and new generation plants and meets the energy demand of the southeast for the next 30 years.

November 2023

GRUPO carso

- Development and operation of a gas pipeline in the north of the country, with an approximate length of **416 kilometers**.
- **Guarantees the supply of natural gas to** the existing plants in the area, as well as the **González Ortega and San Luis Río Colorado combined cycle plants.**

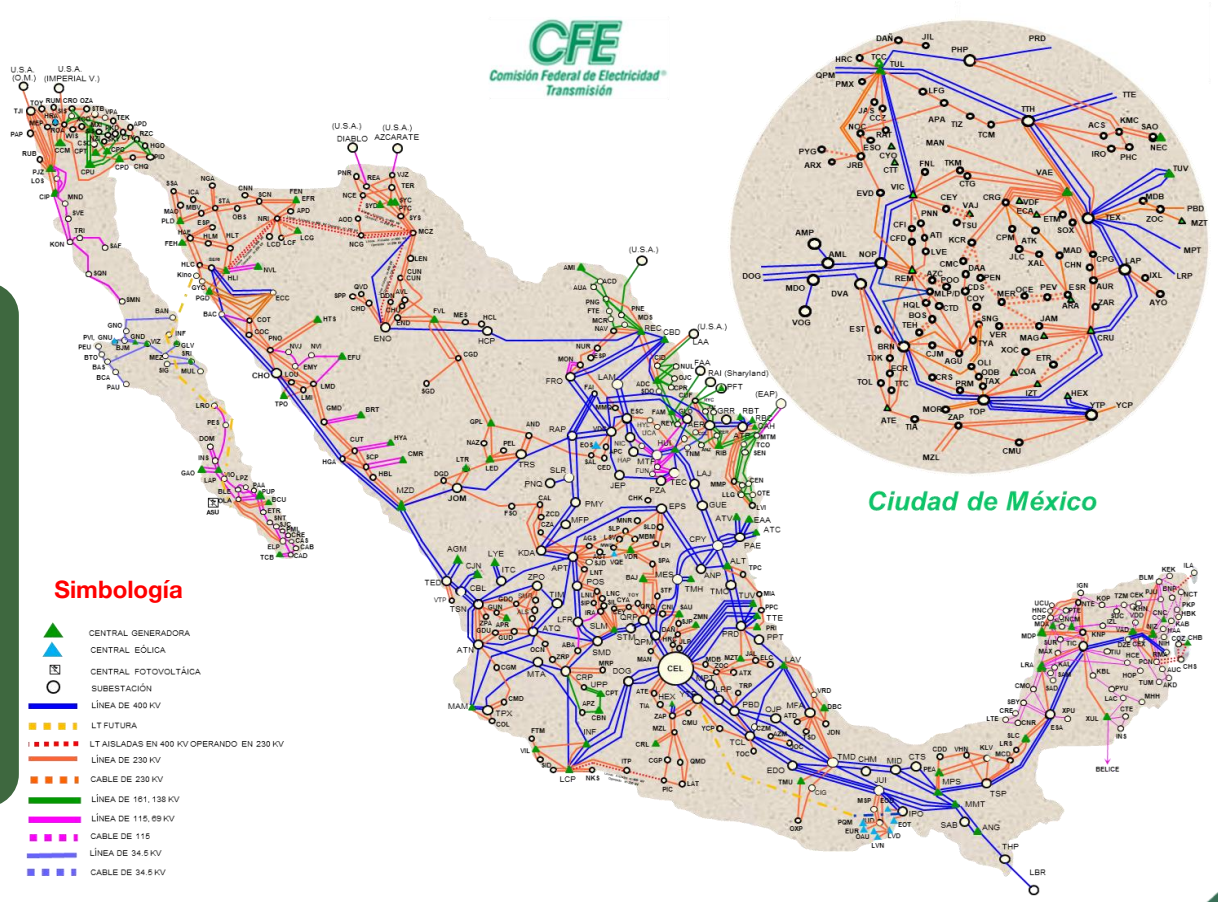
December 2023

Source: Morning Press Conference of President Andrés Manuel López Obrador, January 11th, 2024. CFE Press Releases, August 30th, October 27th, November 28th, 2022; December 21st, 2023.

National Transmission Grid (NTG)

The CFE has **+110 thousand kilometers** of transmission lines, equivalent to **8.7 turns around the earth.**

- 2,279 substations[2] with a transformation capacity of 165,541 MVA's
- 61,778 km of Fiber Optic Network[1]



Notes: [1] Data as of the Third Quarter of 2023, [2] Data as of the end of fiscal year 2022.
Source: CFE, Presentation to investors: Operating and financial results as of 3Q23, Annual Report 2022.

Transmission Projects

In the period 2018-2022, an increase of **2,432 km of transmission lines** at various voltage levels was achieved and **87 power substations** were built , that **increases the transformation capacity 2,939 MVA.**

Projects Instructed by SENER[1] to CFE Transmission in Operation*

Project	Regional Control Management / Isolated Interconnected System	State	Date of Entry into Operation
Ascensión II Banco 2	North	Chihuahua	February 2020
El Habal Banco 2	North East	Sinaloa	December 2019
Mezquital MVAr	Mulegé	Baja California Sur	February 2021
Santa Rosalía Banco 2	Mulegé	Baja California Sur	June 2021
El Carrizo MVAr	North East	Sinaloa	December 2021
Recreo MVAr	Baja California Sur	Baja California Sur	December 2021
Jímenez Las Norias y San Fernando MVAr	North East	Tamaulipas	June 2022
Quilá MVAr	North East	Sinaloa	December 2022
Frontera Comalapa MVAr	Oriental	Chiapas	March 2023

Note: [1] Ministry of Energy.
Source: *PRODESEN 2023-2037, CFE Business Plan 2024-2028, available at:
https://www.cfe.mx/finanzas/Documents/Plan%20de%20Negocios%202024-2028.pdf

Transmission Projects

- Additionally**, 182 projects** instructed by the Energy Ministry (SENER[1]) to CFE Transmission are expected to come into operation, constituting a total of **4,324 km of Transmission Lines**, of which the largest contribution will be in the states of **Sinaloa, Hidalgo, State of Mexico, Guanajuato, Nayarit and Quintana Roo.**

- Also, CFE Transmission has **57 Investment Projects and Programs** related to the maintenance of transmission lines, power substations, acquisition of computing equipment and rehabilitation of buildings and workshops.

- Among these projects the following stand out:

"I 20- SIN1 Solution to the problem of congestion of the internal links of the Northwest Regional Control Management and the transmission links with the Western and North Control Management"

- This project in the state of Sinaloa has a construction scope of **612 km of transmission lines**, which will allow the **reinforcement of the 400 kV** backbone network, and it also contemplates the **addition of 170 km in the state of Nayarit**.

"I19-CE1 Increase in transmission capacity from the Northeast region to the Center of the Country".

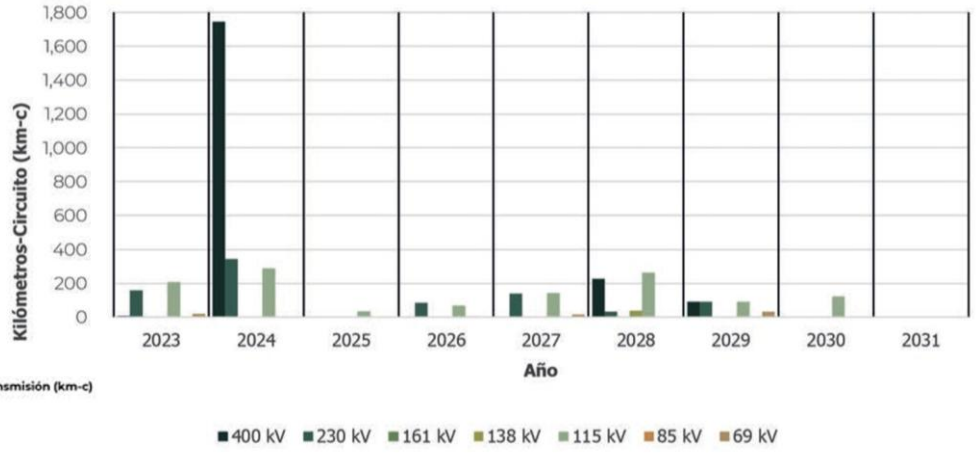
- This project located in the states of **Hidalgo and the Mexico State** will **strengthen the transmission grid between the regions of Tamazunchale and the Valley of Mexico.**

Note: [1] Ministry of Energy
Source: PRODESEN 2023-2037 and CFE Business Plan 2024-2028.

Transmission Projects

- At 400 kV a total of **2,096.1 km** will be added
- At 230 kV **843.7 km**
- At 161 to 69 kV **1,384.9 km**.

Length of the NTG[1] expansion transmission lines instructed by SENER[2] per year by entry into operation and voltage level

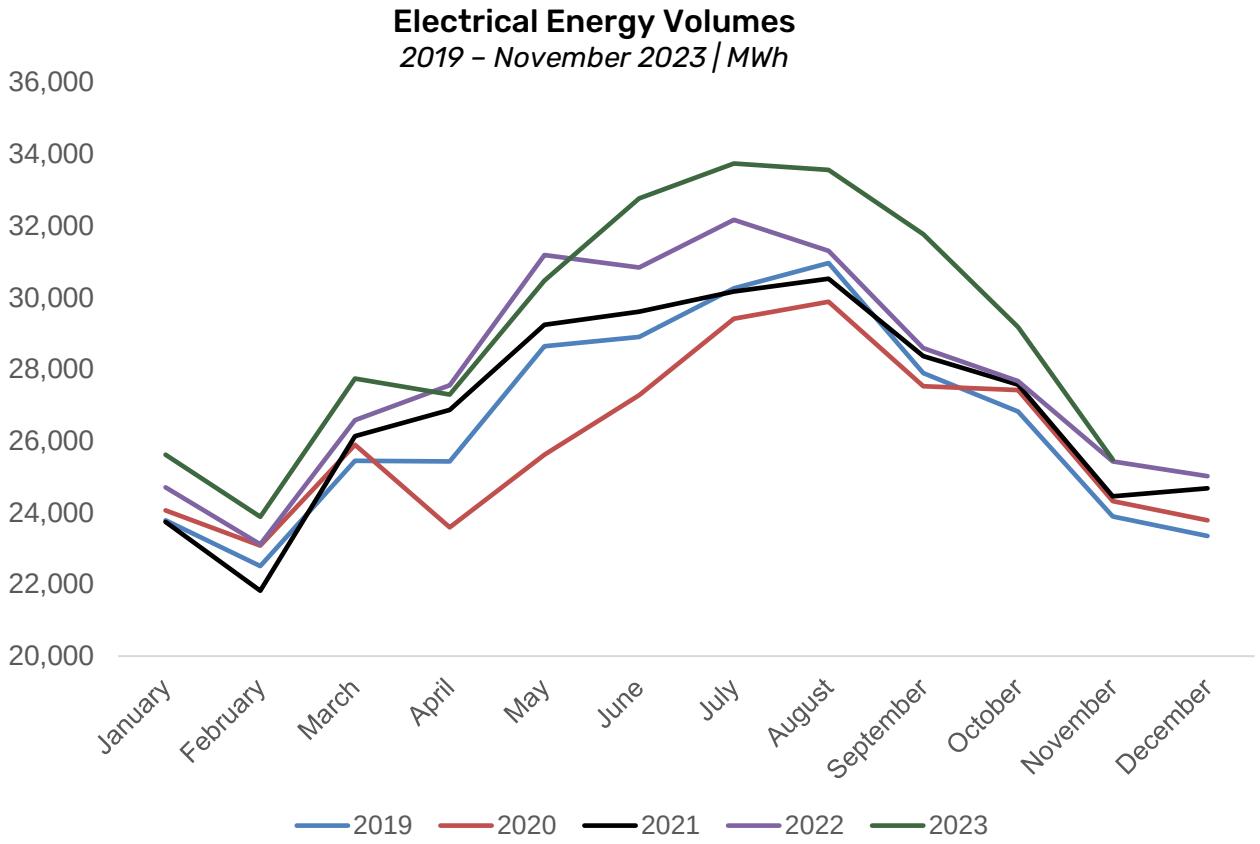


Length of the NTG[1] expansion transmission lines instructed by SENER[2] by federal entity

The total investment required corresponds to **84,004 million pesos** from 2023 onwards.[3]

Note: [1] National Transmission Grid, [2] Ministry of Energy. [3] Includes 57 investment plans and programs, considering 150 projects instructed by the Ministry of Energy, the amount showed corresponds to the total required investment.
Source: PRODESEN 2023-2037 with data from CENACE and CFE Business Plan 2024-2028.

Volumes of Energy Transmitted Trough NTG[1]



In 2023, electric energy volumes[2] have increased annually:

- 6.30% vs. 2022
- 9.91% vs. 2021
- 13.89% vs. 2020
- 11.74% vs. 2019

Note: [1]National Transmission Grid, [2]Average annual volumes of energy received in the National Transmission Grid. The annual average for 2023 only considers until the month of November.
Source: CFE Transmission with information as of November 30th, 2023.

Transmission Tariffs 2024

Electricity Transmission Tariffs
2024 | MXN/ KWh

Voltage Level	Interconnected Generators	Consumers Entities Responsible for Charge
Voltage ≥ 220 kV	0.0599	0.0777
Voltage < 220 kV	0.1085	0.1769

Formula for determining Electricity Transmission Tariff

$$TTt = \frac{Required\ Income}{Energy}$$

The Regulated Tariffs of the Public Transmission Service of 2024 had an average increase of 1% compared to the transmission tariff of 2023.

Main inputs published by the Energy Regulatory Commission (CRE)

Required Income
2023 y 2024 | Millions of pesos

2023	2024
$75,946.4	$80,681

The CRE determined for CFE Transmission a Required Income (RI) for the year 2024 that is **6.23% higher** compared to the RI of the previous year.

Energy Estimates
2024 | MWh

Injected Energy	Withdrawn Energy
360,390,142	337,815,312

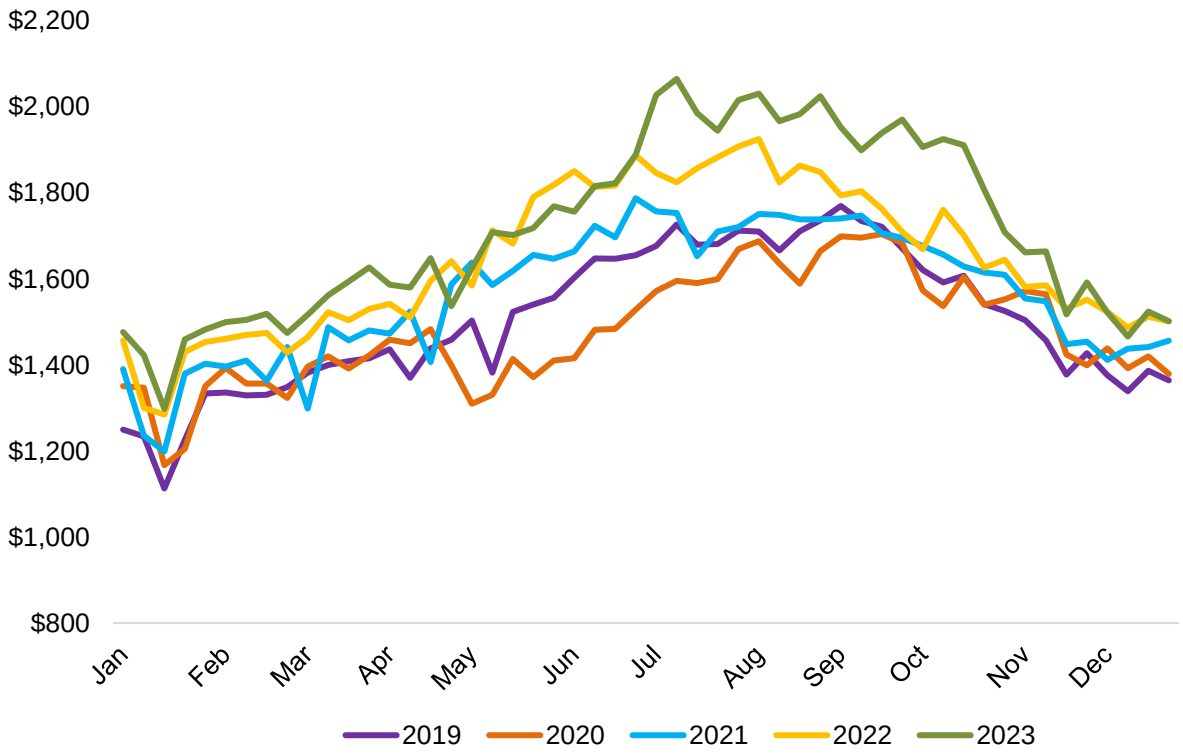
The electric energy projections for 2024 concerning the energy injected and withdrawn from the NTG that were used to calculate the tariffs present a growth rate of **5.36% and 5.61%,** respectively, for the projections used in 2023 transmission tariffs.

Source: Energy Regulatory Commission, Agreement A/069/2023.

Historical Revenues (2019-2023)

National Center for Energy Control (CENACE) Revenues

2019 – 2023 | Millions of pesos



The average revenues increased **4.19%** through 2023 in comparison to 2022 and **9.52%** to 2021.

Note: The average corresponds to the 12 months of the year of the weekly distributions. The revenues in the graph include VAT. Figures rounded in millions of pesos.
Source: CFE Transmission as of December 31st, 2023.

01 Mexican Electricity Sector

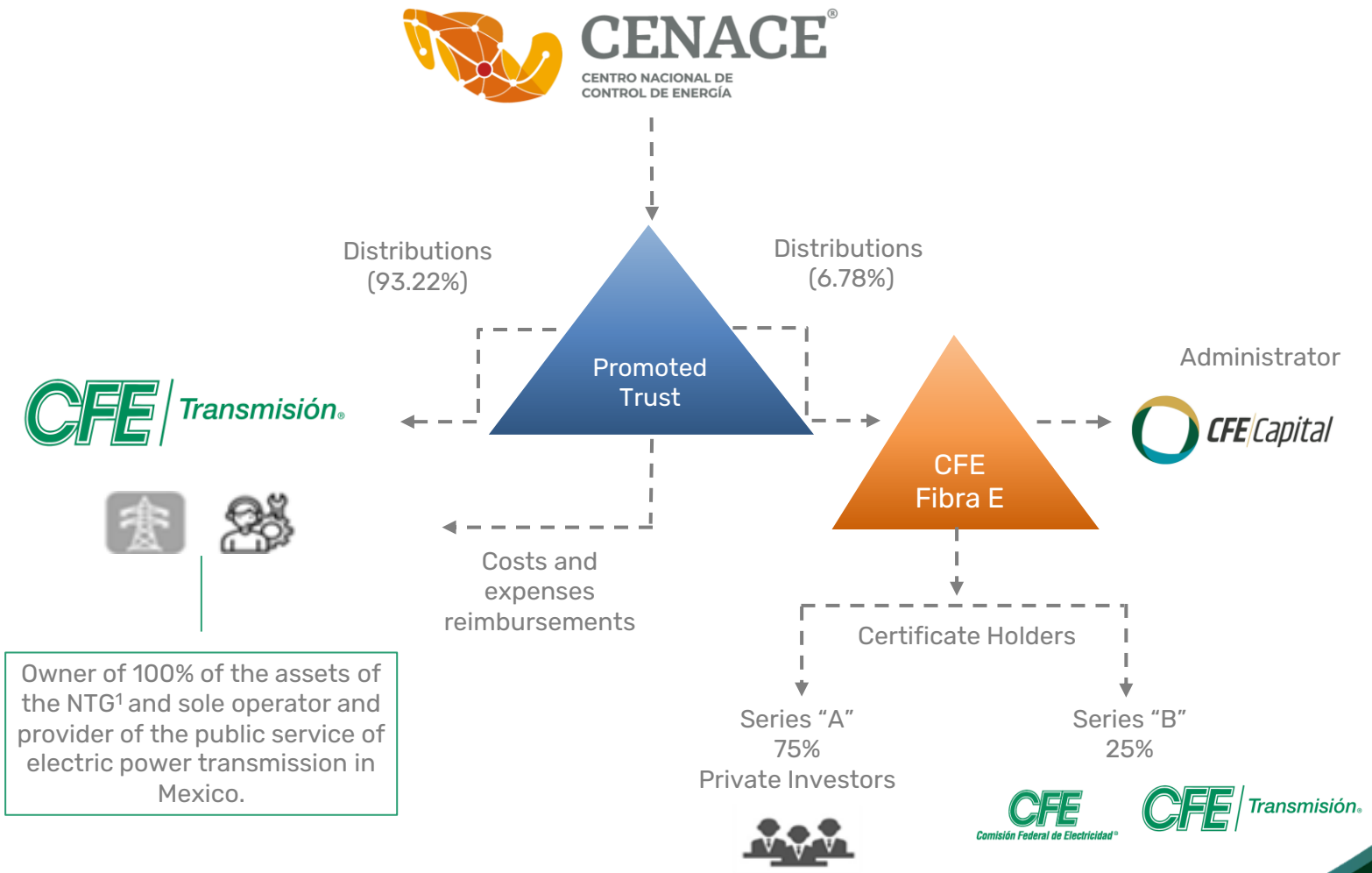
02 *Comisión Federal de Electricidad*

03 Transmission Sector

04 CFE FIBRA E

05 Annexes

Flow of Revenues

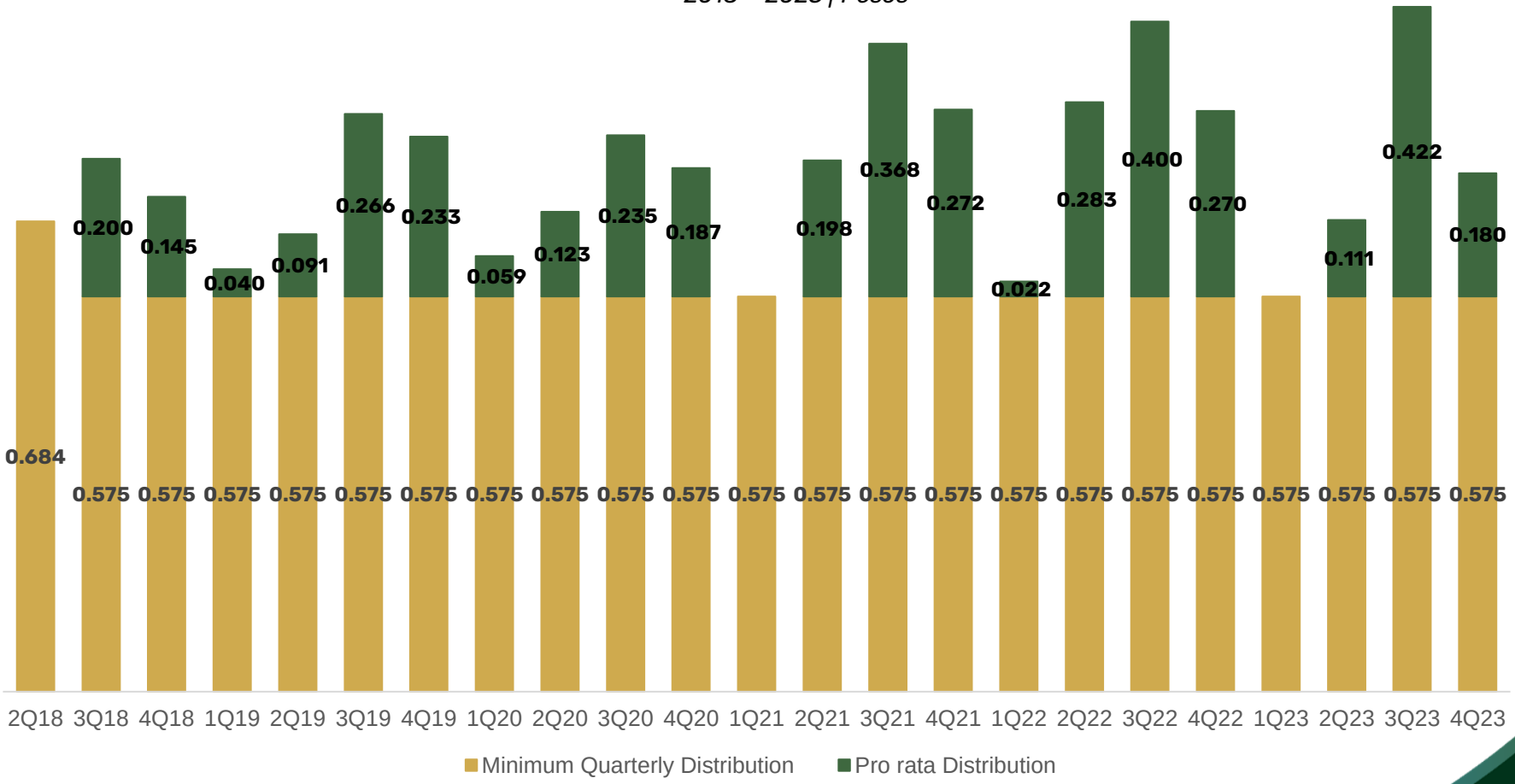


[1] National Transmission Grid.

Distributions of the CFE FIBRA E

Composition of income from distributions of Serie "A" certificates of the CFE FIBRA E

2018 – 2023 | Pesos



Source: Technical Committee of the Issuing Trust (2018 -2023).

Dividend Yield

***Dividend Yield of* CFE FIBRA E**
2019 – 2023 | %

Year	*Dividend Yield*
2019	**10.65%**
2020	**10.58%**
2021	**12.08%**
2022	**12.52%**
2023	**11.06%**

Dividend Yield of CFE FIBRA E vs. Peers
2023 | %

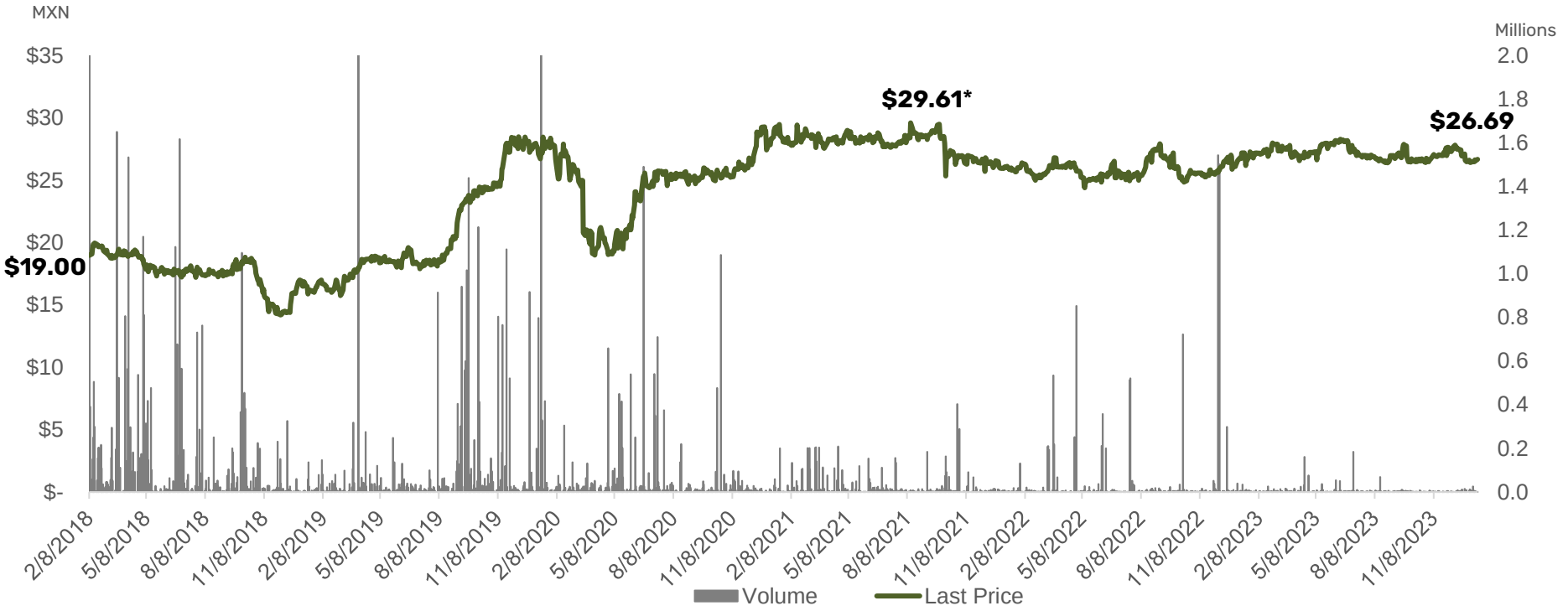
Instrument	*Dividend Yield*
FCFE18	**11.06%**
FUNO11	**7.62%**
DANHOS13	**8.59%**
FNOVA17	**7.96%**
FIBRAMQ	**6.32%**
FIBRAPL	**2.52%**
TERRA13	**4.72%**
FBMEX INDEX	**6.12%**

Note: The dividend yield of the CFE FIBRA E is calculated by adding the last four distributions and divided by the weighted average price of the corresponding period. For the other instruments, as well as for the FBMEX INDEX, the indicative dividend yield as of the last day of the period is taken and this does not consider extraordinary distributions.
Source: Own elaboration with data from Bloomberg as of December 31st, 2023.

Performance of the CFE FIBRA E

Price and Volume of the CFE FIBRA E

February 8th, 2018 to January 15th, 2024 | Pesos | Millions of CBFEs[1]



IPO	Daily Average Volume:	Closing Price
02/08/2019	**581,109 CBFEs**	01/15/2024
$19.00		**$26.69**

Notes: [1]Trust Stock Certificates for Investment in Energy and Infrastructure. * Historical maximum price reached on 08/13/2021.
Source: Own elaboration with data from Bloomberg as of January 15th, 2024.

Analyst Coverage

	Target Price	Recommendation
BANORTE	$32.50	Buy
BBVA	$34.00	Buy
BARCLAYS	$27.00	Sell
Santander	$30.00	Hold
Morgan Stanley	$29.00	Hold
BTG Pactual	$33.00	Buy
monex	$32.00	Buy

Observed Average Target Price

January 3rd, 2023 – January 15th, 2024 | Pesos

Potential Growth +16.41%

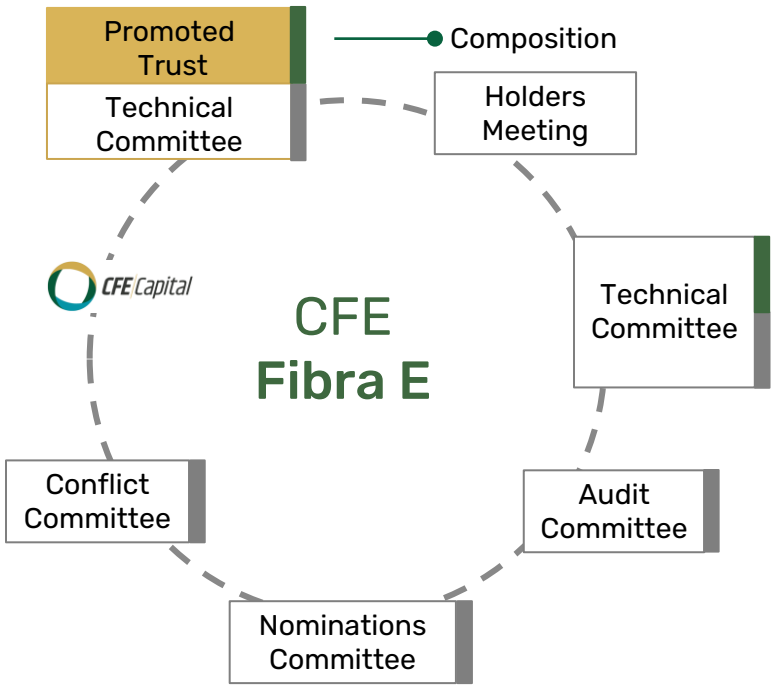
Note: The target prices estimated by the analysts are defined by them for the banking institutions they represent.
Source: Own elaboration with data from Bloomberg as of January 15th, 2024.

Corporate Governance

- Approve the budget and distributions.
- Monitor budget and reimbursements.[1]

- Maintain the relationship with investors.
- Prepare performance reports and distributions.

- Approve the Administrator's budget.
- Approve Key Officials of the Administrator.



- Approve leverage rules and changes in the investment regime.[2]
- Approve additional emissions.
- Approve independent members.

- Review the performance of the Administrator.
- Approve the distribution amount.
- Discuss and, where appropriate, approve the appointment of the External Auditor and the Tax and Accounting Advisors.

- Ensure compliance with accounting policies, internal control and auditing rules.
- Review financial statements.

- Nominate independent members.
- Follow up on the Agreements of the Holders Meeting

CFE members

Independent members

Notes: [1] All decisions require the approval of the independent members.
[2] Leverage rules require approval from the Technical Committee and the corrective plan needs approval from the Conflict Committee.

01

Mexican Electricity Sector

02

Comisión Federal de Electricidad

03

Transmission Sector

04

CFE FIBRA E

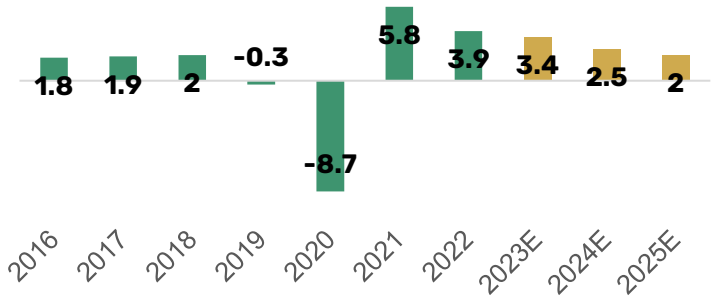
05

Annexes

Macroeconomic Indicators

Growth of Mexico's Gross Domestic Product

Real 2016-2022 | Estimates 2023 – 2025 | %



Source: Organization for Economic Cooperation and Development, January 11th, 2024.

Inflation in Mexico

Real 2016-2022 | Estimates 2023 – 2025 | %

Source: Organization for Economic Cooperation and Development, January 11th, 2024

USD / MXN Exchange Rate

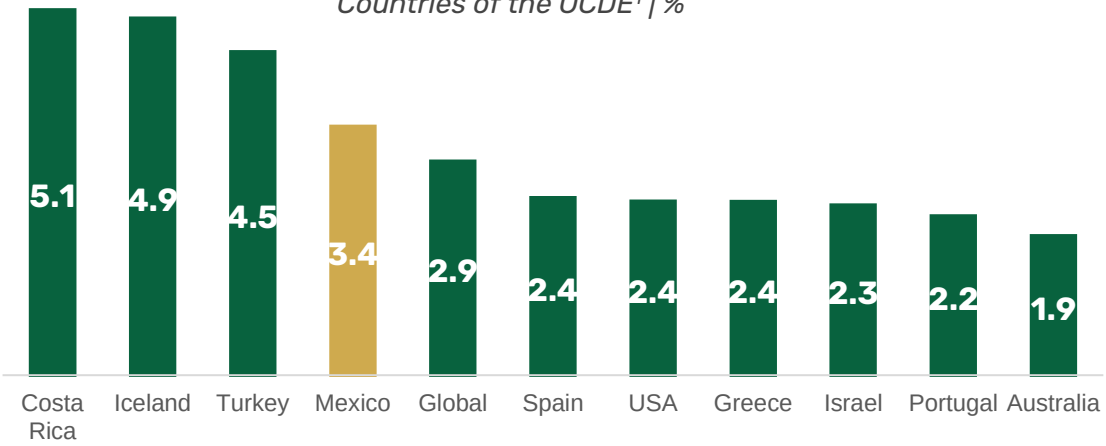
Source: Own elaboration with data from Bloomberg as of January 11th, 2024.

Year	USD- MXN average
2018	19.23
2019	19.25
2020	21.48
2021	20.29
2022	20.11
2023	17.74

Mexico Macroeconomic Outlook

Real Growth Rate of Gross Domestic Product 2023

Countries of the OCDE[1] | %

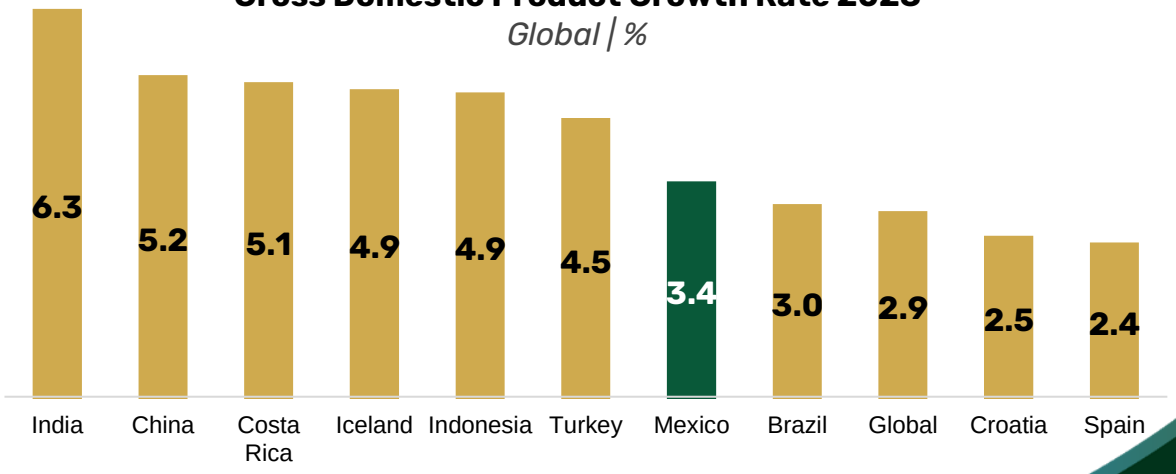


Mexico is in **fourth place** among OECD countries[1] in terms of GDP growth rate for the year 2023 and is even **above the world average.**

In 2023, Mexico was **ranked 7th** in the world's top ten concerning GDP growth rate, it is **even above the world average.**

Gross Domestic Product Growth Rate 2023

Global | %



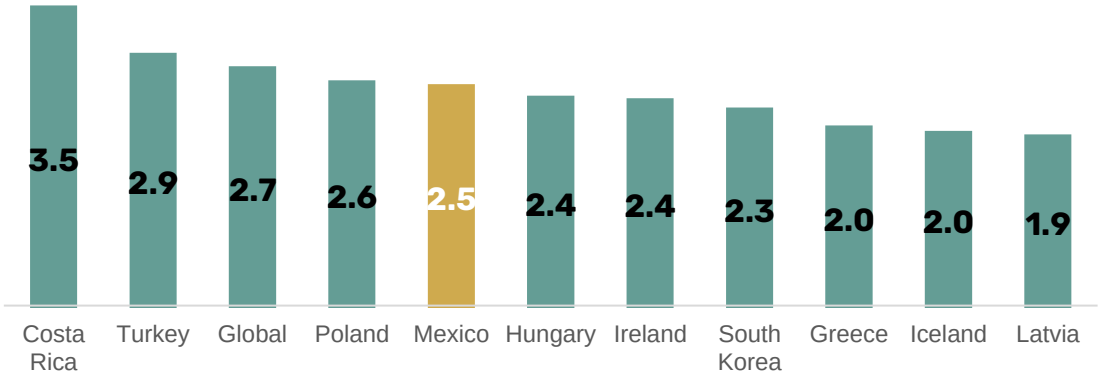
Note: [1]Organization for Economic Cooperation and Development.
Source: Own elaboration with OCDE data as of January 8th ,2024.

Mexico Macroeconomic Outlook

Estimates of 2024 GDP growth worldwide were reduced regarding 2023. However, **Mexico remains in fourth place** among OECD countries.[1]

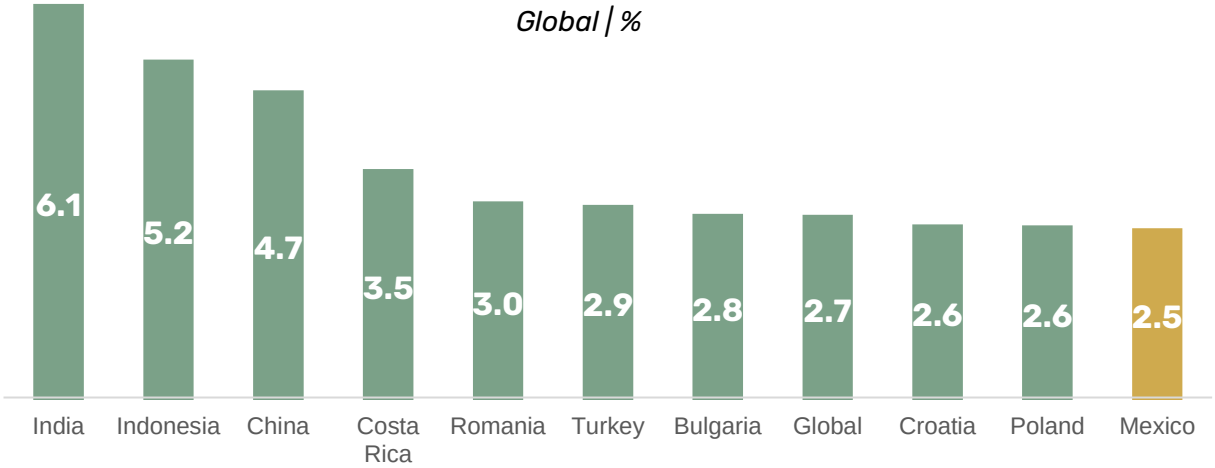
GDP's Estimated Growth Rate for 2024

OECD Countries[1] | %



GDP's Estimated Growth Rate for 2024

Global | %



For GDP growth forecasts for 2024, Mexico is ranked 10th in the **global top ten** in terms of the countries that will grow the most in this period.

Notes: [1] Organization for Economic Cooperation and Development.
Source: Own elaboration with OECD data as of January 8th, 2024.

Foreign Direct Investment (FDI) in Mexico

- Mexico ranked fourth worldwide as a receiver of FDI in the first half of 2023.
- In Mexico, the amount of FDI from January to September 2023 is **30.3% higher** than the registered in the same period of 2022.*

Top Ten FDI Receiver Countries in the World
January - June 2023 | Millions of dollars

Position	Country	Foreign Direct Investment
1	United States	189,515.0
2	Brazil	34,409.6
3	Canada	29,283.2
4	**Mexico**	**29,040.8**
5	China	27,253.9
6	France	18,795.7
7	India	16,671.0
8	Netherlands	16,192.4
9	Switzerland	15,920.0
10	Germany	15,625.6

Note: OECD data.* The amount of FDI does not consider the extraordinary amounts due to the Televisa-Univision merger and the restructuring of the Aeroméxico company.
Source: Center for Public Finance Studies of the Chamber of Deputies LXV Legislature. Comments on the Statistical Report on the Performance of Foreign Direct Investment in Mexico (January-September 2023), December 11th, 2023, p. 8,19. Available at: https://www.cefp.gob.mx/publicaciones/documento/2023/cefp0452023.pdf

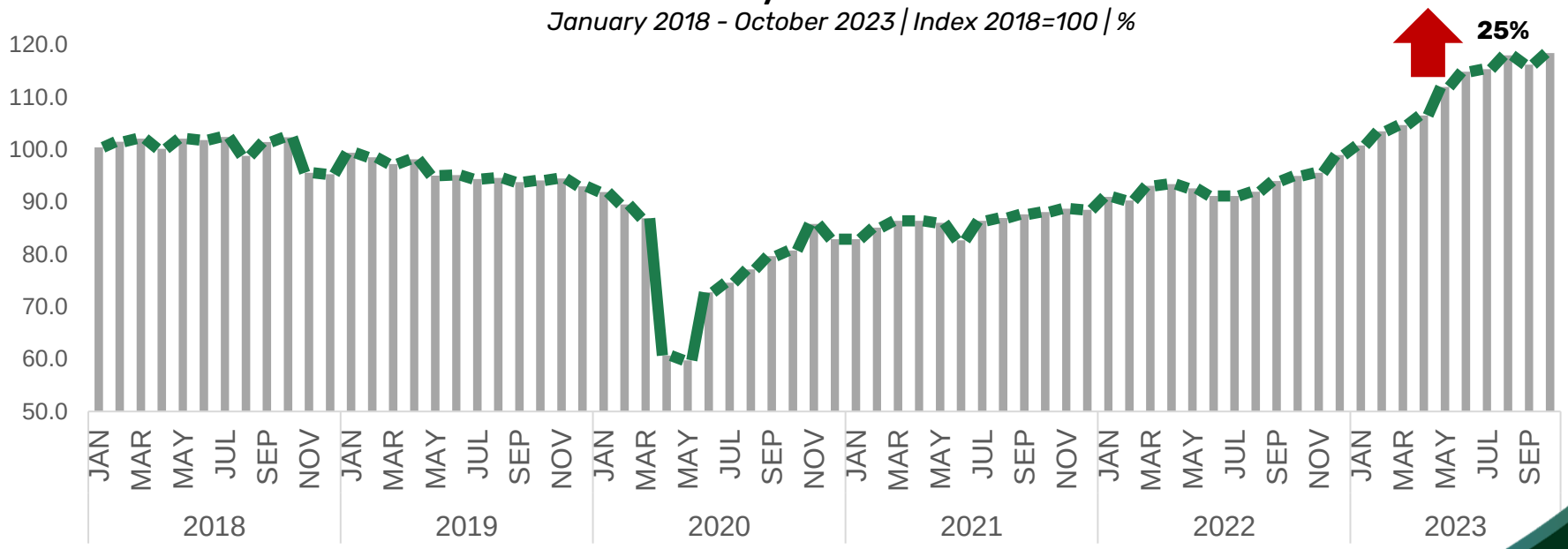
Monthly Indicator of Gross Fixed Capital Formation

- This indicator exhibits public and private investment in goods used in production processes, that is, showing how a large part of the new gross value in the economy is invested, mainly in the construction, machinery, and equipment sectors.

- This indicator shows an increase of **25%** in October 2023 compared to the same month of the previous year, which reflects the generation of new jobs and the demand for productive assets, creating optimal conditions for the arrival and relocation of new companies, in the long term. This generates a multiplier effect that results in the sustained growth of the Mexican economy.

Evolution of the Monthly Gross Fixed Investment Indicator

January 2018 - October 2023 | Index 2018=100 | %



Note: The year 2018 is taken as a base of 100.
Source: National Institute of Statistics and Geography (INEGI by its initials in Spanish), October, 2023.

Investment Program

Investments Program 2023-2029*

Millions of pesos

Process	2023	2024	2025	2026	2027	2028	2029+	Total Investment
Generation	48,010	91,802	64,720	20,575	10,364	4,380	-	239,851
Transmission	21,201	24,577	36,062	38,947	6,034	2,583	-	129,406
Distribution	8,431	17,124	17,833	16,299	8,911	6,385	69,286	144,269
Others	12,417	8,397	713	304	223	746	-	22,800
Total	**90,059**	**141,900**	**119,328**	**76,126**	**25,532**	**14,094**	**69,286**	**536,326**

Note: *The Investment Project Portfolio is made up of the Investment Projects and Programs of the Planning Mechanism. The summary of these investments is subject to the availability of resources, as well as the approval of the Investment Commission, the Directors Board of the Subsidiary Productive Companies or the Directors Board of the CFE.
Source: CFE Business Plan 2024 – 2028.

Regulated Tariffs of the Public Transmission Service of Electrical Energy

To determine the regulated tariffs of the public transmission service, the Energy Regulatory Commission (CRE) has defined the process to request Regulatory Information from CFE Transmission, as well as for the review, validation and request of additional information that is needed for the calculation.

1 Delivery of Regulatory Information

- CFE Transmission must comply with the criteria for the integration and presentation of Regulatory Information.
- CFE Transmission must present the Regulatory Information to CRE no later than the last business day of August of each year.
- The Regulatory Information must be accompanied by supporting documentation and the corresponding justification for any change.

2 Review and Verification of information

CRE will review:

- The correct application of the criteria for integration and presentation of information.
- The reliability, consistency and comparability of the information.
- Verification of the information based on supporting documentation.

3 Additional information request

- CRE may request clarifications, modifications or additional requirements from CFE Transmission.
- CFE Transmission will have a period of 10 business days to respond to CRE request.
- The Regulatory Information reviewed and verified by CRE will constitute the basis for the calculation of the regulated Tariffs of the Public Transmission Service.

4 Sanctions

In the event that CFE Transmission does not present the Regulatory Information to CRE, sanctions may be applied.

Source: Energy Regulatory Commission, Annex to Resolution A/044/2022.

Activities to determine Transmission Tariffs

CRE[1] carries out different activities for the annual calculation of public transmission service tariffs following the long-term methodology, including:

1. Estimate	2. Approval	3. Notification	4. Publication
Tariffs may experience periodic revisions to their parameters by CRE[1] to include capital expenditures associated with expansion and modernization of the NTG, and infrastructure projects. CRE[1] will determine the Transmission Tariffs according to the Methodology and will have 75 business days after receiving the Regulatory Information to determine the estimate of the Transmission Tariffs.	CRE[1] Governing Body will approve and issue the Transmission Tariff.	CRE[1] will notify CFE Transmission and CENACE[2] of the regulatory instrument through official means	CFE Transmission will announce in the Official Gazette (20 business days) the date of implementation, the application period, the value and the unit in which the tariff will be expressed. CRE[1] will publish the **calculation log** used to determine or adjust the Transmission Tariffs.

Note: [1] Energy Regulatory Commission. [2] National Energy Control Center.
Source: Energy Regulatory Commission, Annex to Agreement A/044/2022.

Methodology to Determine the Transmission Tariffs

The components for calculating the tariffs of the public transmission services are the following:

	OMA_{t0}	Ke_{t0}	$RInv_{t0}$	C_{t0}	OI_{t0}	AF_t
Required Income =	**OMA Cost** Costs generated by the operation, maintenance, administration and other costs incurred by the CFE Transmission for the provision of the Public Electric Energy Transmission Service.	**Capital Cost** Return on assets and its depreciation, as well as the loss on disposal of fixed assets and the financial cost incurred for the provision of the Public Electric Energy Transmission Service.	**Remuneration on Investments** Return and depreciation annual of assets from new investments.	**Cost for Associations and Contracts** Consideration for associations or private contracts referred to in the Electrical Industry Law.	**Other Income** CFE Transmission income different to those by the provision of the Public Electricity Transmission Service.	**Adjustment Factors** Updates the value of the variables used in the Methodology and is made up of the annual variation of the Exchange Rate and the National Producer Price Index (INPP).
Energy =	Energy Projections established by the Energy Regulatory Commission based on observed growth provided by CENACE.[1]					

Notes: $_{t0}$ Base Year. Period that includes from January 1st to December 31st of the last information available regarding the year of application of the Electric Energy Transmission Tariffs. t: Year of application of Electrical Energy Transmission Rates

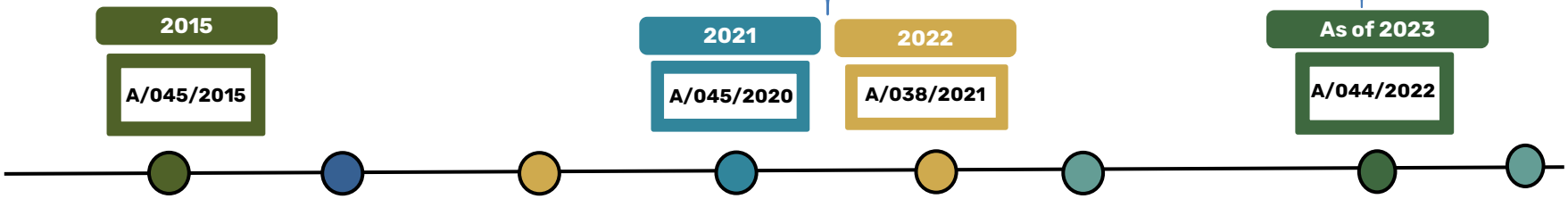
[1] National Energy Control Center.

Evolution of Transmission Rate Methodology

Initial Tariff Agreement
- Initial Rate Agreement
- Initial tariff period valid for three years.
- Inputs were estimated, e.g., Rate of return and transmission costs.
- Return on capital and depreciation.
- OMA
- 1% efficiency in OMA Costs

Expansion of the Initial Single Rate Agreement
- 2019 Audited Financial Statements
- Costs updated by adjustment factors 90% inflation, 10% exchange rate
- OMA expenses
- CAPEX: Asset Depreciation, Asset Profitability, Interest and Commissions
- To calculate return on assets:
- New investments coming into operation,
- Rate of return (WACC)
- Net Value of third parties' contribution

Methodology for calculating and adjusting regulated transmission tariffs
- Long-term transmission tarrifs



Expansion of the Initial Single Tariff Agreement Costs updated by adjustment factors 90% inflation, 10% exchange rate

Long-term Methodology
- 2021 Audited Financial Statements
- OMA CAPEX: Profitability of Assets, Depreciation of Assets, Losses from the disposal of Fixed Assets, Interest and commissions
- ROI: Return on investment and Depreciation of investment
- CAC: Cost of Agreements and Contracts
- Costs updated by adjustment factors 90% inflation, 10% exchange rate
- Other income

Transmission Tariffs 2024

Source: Energy Regulatory Commission, Agreements: A/045/2015, A/063,2018, A/039/2019, A/045/2020, A/038/2021, A/050/2022, A/044/2022 , A/069/2023

Performance Indicator of the NTG[1]

Performance	2019	2020	2021	2022
Transmission losses *(%)*	2.71%	2.71%	2.41%	2.37%
Average Frequency Rate of Interruptions of the NTG (SAIFI) *(Interruptions)*	0.091	0.063	0.109	0.079
Average Interruption Duration Index of the NTG (SAIDI) *(Minutes)*	3.198	2.216	6.123	3.471
Power not supplied *(MWh[2])*	3,146	1,539	3,387	3,172
Number of Substations	2,223	2,258	2,275	2,279

Notes: [1] National Transmission Grid, [2] Means megawatt – hour or thousand kilowatt- hour.
Source: Own elaboration with CFE data Transmission as of December 31st, 2022.