



A regulatory and contractual framework that **protects CFE Fibra E investors by design.**

PROTECTION OF THE ENTIRE BUSSINESS MODEL



Electric transmission is a strategic activity reserved exclusively for the State.



Transmission revenue is structured to outpace costs by design.



The legal and financial structure reflects best-in-class market standards.

01 · CONSTITUCIÓN POLÍTICA MEXICANA

[Learn more](#)

— Art. 25



Electricity transmission and distribution are classified as strategic activities of the State.

— Art. 27



The Mexican State holds exclusive responsibility for planning and controlling of the National Electric System (NES).

— Art. 28



Recognizes CFE's central role in ensuring energy security and electricity self-sufficiency through the NES

02 · LEY DEL SECTOR ELÉCTRICO

[Learn more](#)

A WELL-ESTABLISHED INSTITUTIONAL FRAMEWORK, MORE THAN 80 YEARS OF HISTORY

GOVERNMENT ENTITIES

BENEFITS FOR CFE FIBRA E



SENER sets national energy policy and leads sector planning (Art. 10).



Investment in projects underpinned by proven system demand and aligned with national energy policy.



CNE is an independent regulator with technical and operational autonomy (Art. 11).



A transmission fee methodology² that secures cost recovery on principles of efficiency, sufficiency, and economic rationality principles.



CENACE is a decentralized public entity responsible for the operational control of the NES (Art. 124).



Transmission fee revenues from generators and consumers are collected and transferred directly to the Promoted Trust (*fideicomiso promovido*).



CFE provides the public transmission service of the NES (Art. 13 and 44).



CFE is the only provider of transmission services in Mexico.

03 · LEY DE LA EMPRESA PÚBLICA DEL ESTADO CFE³

Over 88 years of uninterrupted operations across the full electricity value chain, supported by a comprehensive governance framework, internal regulations, and institutional policies.

[Learn more](#)

— Art. 3 Transmission Service



CFE is responsible for ensuring the operation and expansion of the National Transmission Network (NTN).

— Art. 8 Financing



CFE Fibra E serves as CFE's strategic investment and financing vehicle.

04 · FINANCIAL REGULATORY FRAMEWORK

[Learn more](#)

The LMV (Ley del Mercado de Valores) and the CUE (Circular Única de Emisoras) establish the regulatory framework applicable to issuers, investors, and other participants in the capital market.



The CNBV (Comisión Nacional Bancaria y de Valores) oversees compliance with financial reporting, disclosure, corporate governance, and investor protection requirements.

— Key Provisions Applicable to CFE Fibra E



The **trust agreement** must establish the investment framework and the terms under which investments may be undertaken.



Requirement to maintain a Technical Committee (*Comité Técnico*) composed of a majority of Independent Members apart from the sponsor and the manager.



Powers granted to the Shareholders' Assembly (*Asamblea de Tenedores*) to remove the manager and establish leverage limits.



The manager is responsible for providing quarterly/annual financial reporting, sustainability disclosures, and important event notifications.

05 · PROMOTED TRUST AGREEMENT

[Learn more](#)

Channels, manages, and distributes transmission revenues, enabling infrastructure financing while preserving State control.

— Transmission revenues

100%

Receives the total amount of revenues generated by transmission activities (Clause II).

— Term of collection rights

2048

Long-term contractual rights to collect transmission revenues (Appendix A).

— Tax framework

Fibra E

Tax-transparent structure; no corporate income tax is paid directly (Clause XIV).

— Reimbursement

Permitted only under predefined categories, subject to contractual controls and oversight by Independent Technical Committee Members (Clause IV).



— Technical Committee (3 CFE-appointed members and 3 CFE Fibra E Independent Members)

According to the trust agreement, one of CFE's appointed members must represent the Transmission Division (Clause VII).

The three CFE Fibra E Independent Members hold effective veto rights over all relevant matters (Clause VII).

06 · CFE FIBRA E AGREEMENT

[Learn more](#)

The only financial vehicle with exclusive access to Mexico's National Transmission Network (NTN).



Vehicle with Exclusive Access to the NTN

CFE Fibra E is the only investment vehicle providing access to electricity transmission infrastructure, always alongside CFE as a co-investor (Clause IX).



Robust and Independent Governance

The Technical Committee structure is designed to ensure independence and full accountability (Clause X).



Lean Cost Structure

The Manager charges no asset-based fees and operates within a pre-approved budget (Clause V).



Consistent Cash Distributions

CFE Fibra E pays out available cash flows on a quarterly basis after covering operating costs and debt service obligations (Clause VI).



Minimum Quarterly Distribution (MQD)

Series "A" (investing public) must be paid its MQD in full before any distribution reaches Series "B" (CFE), which stays structurally subordinated (Clause VI).



Conservative Financial Policy by Design

Leverage is capped at 50% of book asset value, under guidelines approved by the Shareholders' Assembly (Clause VII).

Sources: Diario Oficial de la Federación, CFECapital S. de R.L. de C.V.



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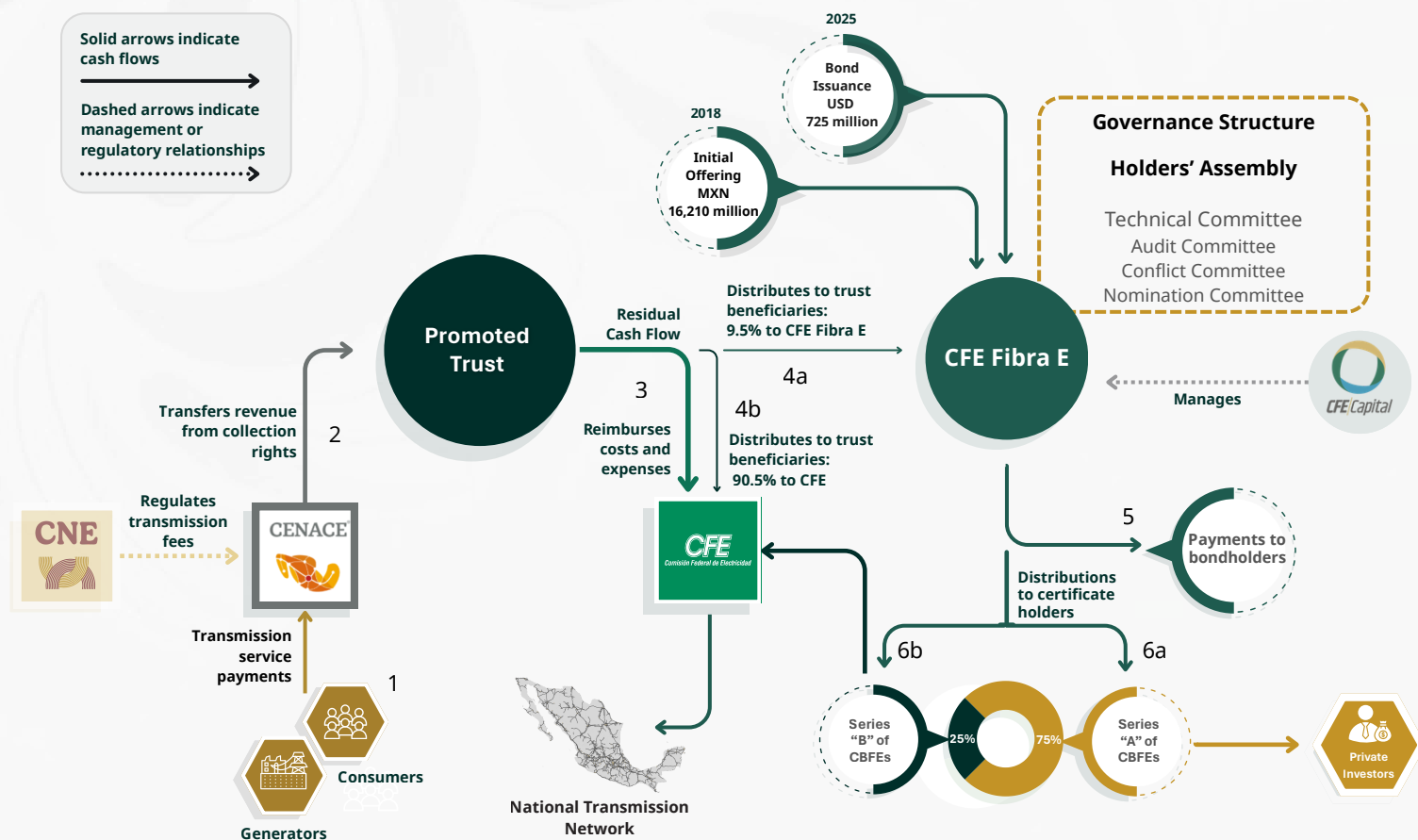


CFECapital



ECFE

07 · LEGAL STRUCTURE (DIAGRAM)





Unique business model built upon exclusive access to the National Transmission Network's extensive and mature asset base, supported by structural cash flow protections and an efficient regulated fee framework.

STABLE, GROWING AND PREDICTABLE CASH FLOWS

- 

Generators and consumers are required to pay transmission fees for a continuously operating service.
- 

Nationwide diversification through the National Transmission Network (NTN), serving +50 million users.
- 

Critical infrastructure characterized by permanent utilization and no competition or substitution.

01 · LEGAL FOUNDATION

[Learn more](#)

— **Constitución Política, Art. 25**



Reserves electricity transmission and distribution as strategic activities of the Mexican State.

— **Ley del Sector Eléctrico, Art. 44**



CENACE coordinates system dispatch, while CFE operates the public transmission service to ensure the reliability of the National Electric System (NES).

— **LSE, Art. 160**



Fees are designed to efficiently recover network Opex while providing a reasonable return to Capex.

02 · ELECTRIC SECTOR: TRANSMISSION

The NTN is the backbone of Mexico's economy. Generators and consumers pay mandatory regulated fees to inject and withdraw electricity, generating continuous and predictable cash flows.

+50 million

Users

+ 111,200 km

Transmission Network

99.8%

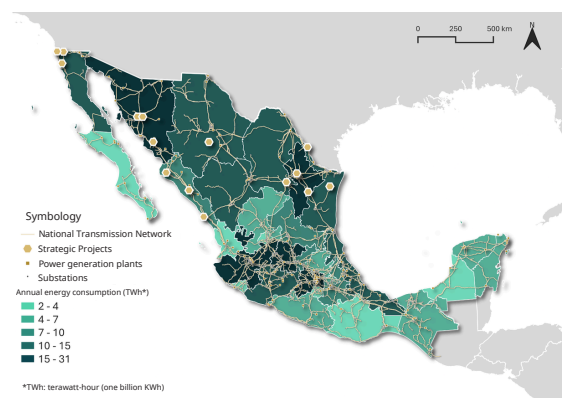
Population coverage

+ 2,300

Substations

— **National Transmission Network's Map**

Nationwide asset diversification provides sovereign-risk characteristics, enhancing the investment vehicle's resilience.



— **CFE: 88 Years of Reliability and Energy Security.**

- Largest electric utility company in Latin America.
- Strong long-term electricity demand growth driven by population growth and the ongoing electrification of the economy.
- Transmission demand is expected to grow at 1.2x GDP growth.

KEY TRANSMISSION GOVERNMENT DEPENDENCIES

Institutional framework designed to ensure continuity of electricity service and support national economic development.



- Mature institutional framework: SENER coordinates energy policy, CFE provides electricity services, CENACE operates the National Electric System (NES), and the CNE acts as the independent regulator. Under the contractual structure, sector revenues are collected and transferred directly by CENACE to the Promoted Trust (Fideicomiso Promovido).

03 · ELECTRIC TRANSMISSION FEES

Regulated fees are determined based on a Required Revenue framework that incorporates transmission-related costs and expenses, ensuring adequate funding for the maintenance and expansion of national transmission infrastructure.

— **Required Revenue**



Covers the necessary costs of operation, maintenance and administration (O&M), new investments, and third-party financing obligations.



Ensures a regulated return on capital invested in the National Transmission Network.



Annual fee adjustments linked to inflation and exchange-rate movements.

— **Fee Adjustment**

Provides for a mandatory annual adjustment, with the possibility of interim adjustments at CFE's request.

— **Publication Process**



[Learn more](#)

- 1) Submission of audited financial and operational information by CFE.
- 2) Review and validation by the CNE, under a rigorous regulatory framework.
- 3) Publication in Mexico's Official Gazette (*Diario Oficial de la Federación*).

FEE ALLOCATION BY USER TYPE AND VOLTAGE LEVEL

Required Revenue is allocated between electricity injections (generators) and withdrawals (consumers) from the NTN, as follows:

70%

Consumers or Load-Serving Entities

30%

Generation

— **High Voltage Transmission**



Consumers and generators of ≥ 220kV lines.

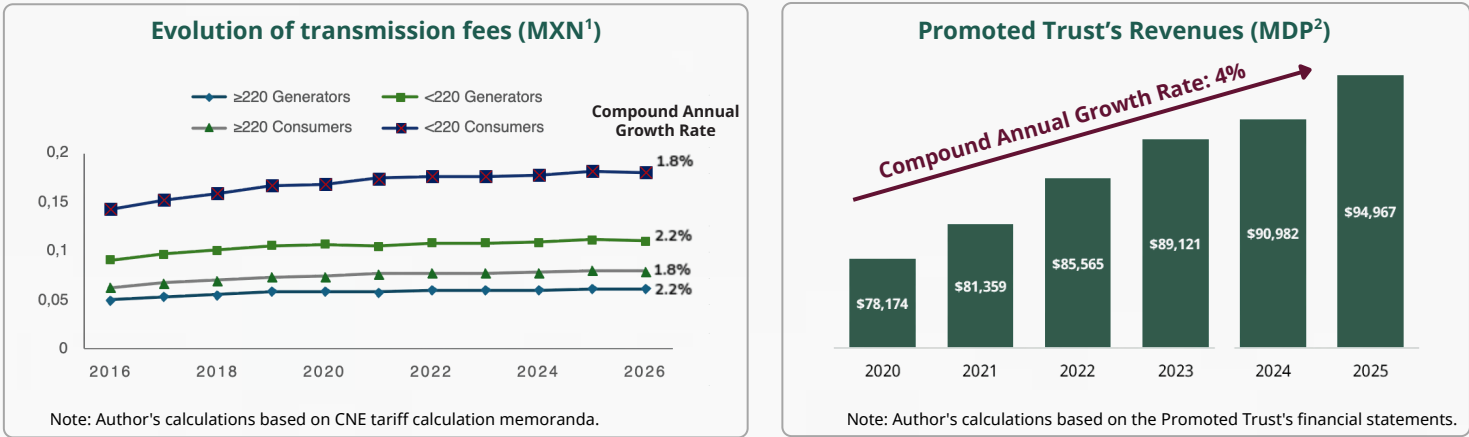
— **Low Voltage Levels**



Consumers and generators of < 220kV lines.

04 · EVOLUTION OF FEES AND REVENUE

Ensures a reliable, efficient, and sustainable transmission network while supporting continued investment in the National Electric System.



¹ MXN: Mexican currency (pesos).

² MDP: MXN millions.

Sources: Diario Oficial de la Federación, CFECapital S. de R.L. de C.V., Ley del Sector Eléctrico, DACG.



The Promoted Trust Agreement protects investor distributions by reimbursing CFE only for eligible costs of operating, maintaining, and investing in the National Transmission Network (NTN), under a disciplined budgetary framework.

TRANSPARENCY AND ACCOUNTABILITY

- 

CFE operates the NTN using its own resources, which are reimbursed by the Promoted Trust.
- 

Independent Members oversee both the preparation of the budget and its execution.
- 

The contractual framework of the Promoted Trust (PT) establishes expenditure controls across the entire process.

01 · CFE'S EXCLUSIVE OPERATION OF THE NTN

CFE ensures the reliability and security of the National Electric System (NES) through rigorous technical and operational standards. As a State-Owned Enterprise, it operates with full transparency and in compliance with Mexican regulations.

— **State Support**

Transmission is a strategic activity reserved to the State and based on a robust constitutional and legal framework.

— **Expertise**

88 years of continuous operations by CFE, Latin America's largest electric utility company, serving Mexico's industries and households.

— **Network Performance**

The NTN operates continuously under the reliability and security standards established by the NES.

Average Service Availability Index (ASAI)¹
(Percentage)

Year	ASAI (%)
2018	99.662
2019	99.668
2020	99.606
2021	99.538
2022	99.504
2023	99.610
2024	99.527
2025	99.451

Regulatory Minimum²: 99.0% (98.5%)

Source: CFE. Data as of Q4 of each year.

Notes: ¹Minimum Annual Service Availability Index (ASAI) targets are 98.5% for the Western and Southeast regions and 99.0% for all other regions (161kV–440kV). ²Includes the NTN's transformer capacity used to convert electricity between voltage levels.

02 · BUDGETARY CONTROL

Budget management and oversight of reimbursements to CFE are the responsibility of the Promoted Trust's Technical Committee (TC) and the Trustee, which operate under a predefined catalog of eligible expenditure categories (subaccounts).

— **Promoted Trust's Technical Committee** 

- Composed of 3 Independent Members representing CFE Fibra E and 3 appointed by CFE.
- The Independent Members hold veto rights over budget approval.
- Oversees the proper execution of the approved budget.

— **Trustee** 

- Administers the Trust's assets and accounts.
- Executes authorized payments and reimbursements.
- Safeguards and protects the Trust's assets.
- Issues monthly reports and ensures tax compliance.

02.2 · EXPENSE-SPECIFIC SUBACCOUNTS

Reimbursements to CFE are processed through dedicated subaccounts, ensuring traceability and budgetary control over each eligible expenditure category.



Major Maintenance and Modernization

Direct investment in the NTN (CapEx) to maintain and expand the asset base



Operations and Routine Maintenance

Personnel compensation, materials, and services



Obligations

Pension payments, excluding legacy pension liabilities



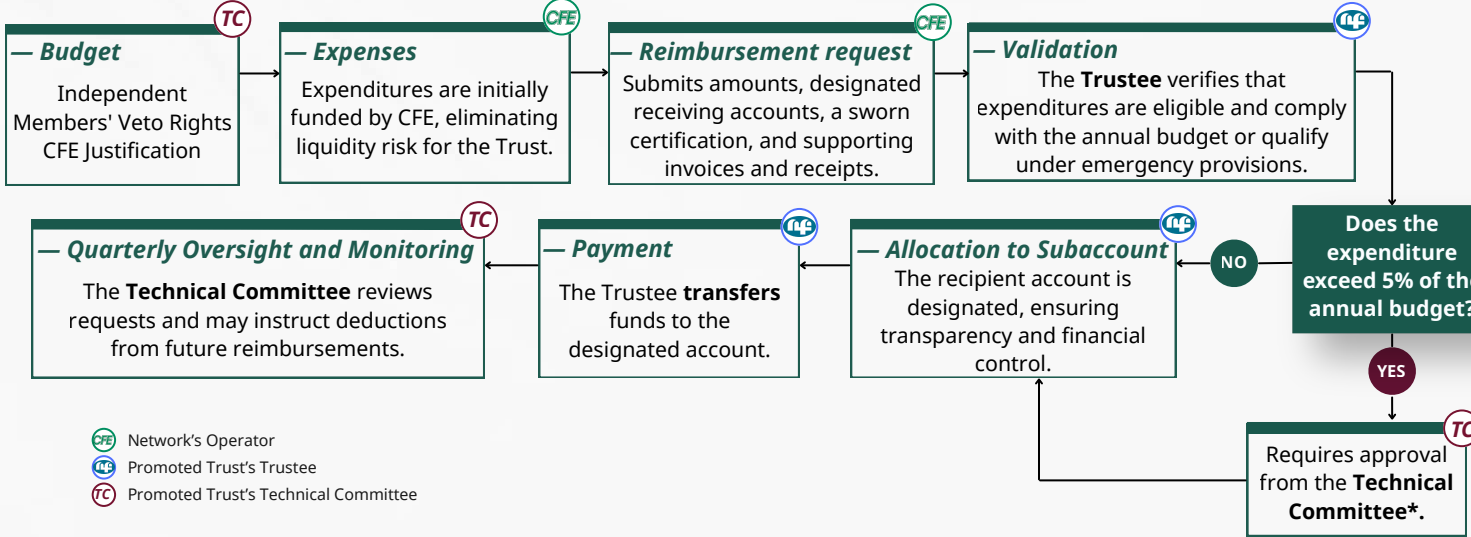
Financing obligations

Investments destined to the expansion and modernization of the NTN

Note: The budget also includes less frequently used accounts for Intercompany Operating Expenses (a category subject to change following sector reforms) and Trust Expenses (Trustee fees, advisory services, etc.). The "Trust Beneficiary Indemnification" subaccount has not been used for reimbursements to CFE since the establishment of the Promoted Trust.

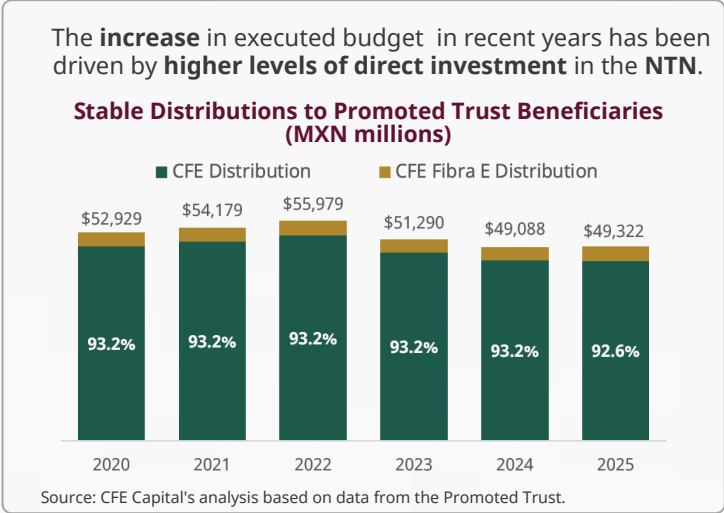
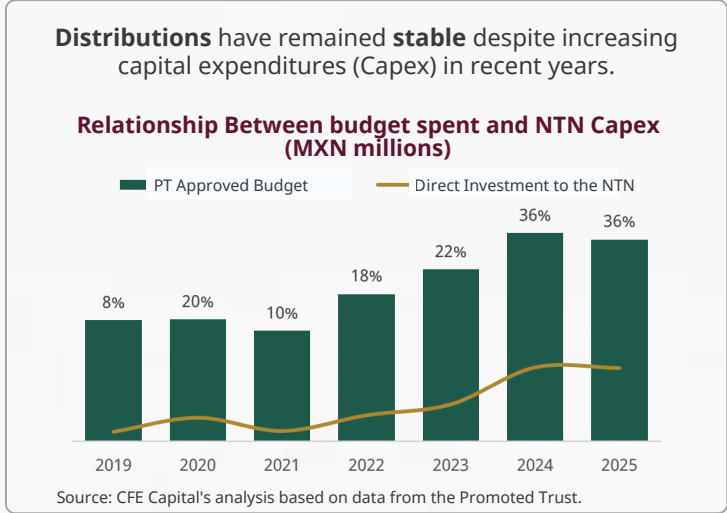
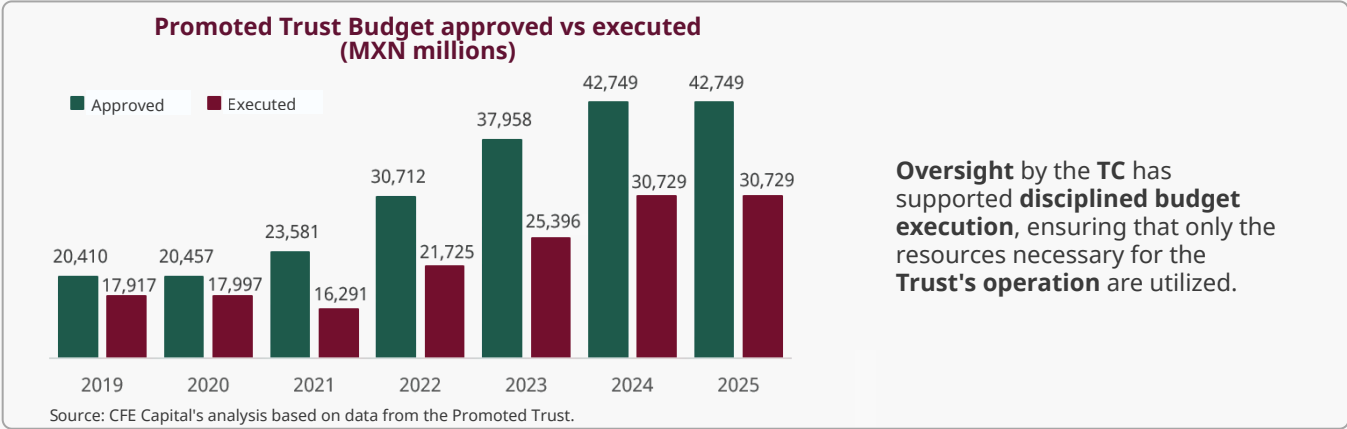
03 · REIMBURSEMENT PROCESS CONTROLS

The reimbursement process provides expenditure control and mitigates the risk of cost overruns.



*Emergency exception: CFE may incur expenditures outside the approved budget without prior authorization in cases of *force majeure*.

04 · KEY PROMOTED TRUST INDICATORS





Contractual and governance framework designed to protect and represent certificate holders, ensure financial transparency, oversee the Manager, and align investor interests within the investment vehicle.

GOVERNANCE PRINCIPLES



Investor Protection and Independent Representation



Financial Discipline



Transparency and Accountability

01 · SHAREHOLDERS’ MEETING (SM)

Collegiate governing body representing the holders of Energy and Infrastructure Investment Trust Certificates (CBFEs) of CFE Fibra E.

— Certificate Series

Series “A”: Investing public (75%).
Series “B”: CFE (25%).

— Matters Subject to Approval

- 1) Approves the removal and replacement of the Trustee, Common Representative, and the Manager.
- 2) Approves the appointment of Technical Committee’s Independent Members (Series “A”).
- 3) Establishes leverage guidelines and mandatory financial metrics.
- 4) Approves amendments to the Trust Agreement.

— Quorum and Voting Requirements

Simple majority (+50% of CBFEs) is required to establish a Shareholders’ Meeting on first call, approve ordinary matters, and remove Independent Members (Series “A”).

A quorum of +75% is required for amendments to the Trust Agreement that affect certificate holders’ rights, with approval by simple majority.

A quorum and affirmative vote of +95% are required to approve matters of significant importance.

Series “B” holders abstain from voting on matters such as the removal and replacement of the Manager and the renewal or ratification of Independent Members.

Removal of the Manager without cause requires the affirmative vote of +75% of Series “A” certificate holders.

02 · TECHNICAL COMMITTEE (TC)

Collegiate body responsible for overseeing the Trust’s management and approving decisions related to its strategic objectives. It is composed of at least 3 Independent Members and 2 members appointed by CFE.

— Robust and Independent Governance



The Technical Committee and specialized committees are composed of a majority of Independent Members appointed by the SM.

— Relationship with the Promoted Trust



Three Independent Members of CFE Fibra E’s Technical Committee are also members on the Promoted Trust’s Technical Committee, with veto power over relevant decisions.

— All strategic, financial, and operational matters require the express approval of the TC. The Manager may not take action on these matters without prior authorization from the Committee:

- Approves distributable cash available for certificate holders.
- Evaluates financial performance and approves new investment opportunities.
- Monitors the Manager’s performance and reviews quarterly performance reports.
- Reviews and approves debt issuances and restructurings.
- Establishes any additional committees considered necessary to fulfill the Trust’s objectives.
- Appoints the Trust’s auditor and tax and accounting advisors.

02.1 · SUBCOMMITTEES

Composed of 3 Independent Members

Composed of Independent Members and a member appointed by the Manager

— Conflicts Committee

Approves the appointment of CFE Capital’s Chief Executive Officer as a Key Officer.

Approves the Manager’s acquisition from CFE of beneficial trust rights in the Promoted Trust.

— Audit Committee

Reviews CFE Fibra E’s quarterly financial statements.

May request the gathering of the SM to address financial inconsistencies related to the Trust’s management.

— Nomination Committee

Initiates the search process for candidates with financial, energy sector, or capital markets expertise to be proposed to the SM as Independent Members.

03 · MANAGEMENT AND OPERATION

— Trustee

Legal holder of the Trust’s assets for the purpose of carrying out the objectives established in the Trust Agreement.

Acts in accordance with instructions received from the Manager, the TC, or the SM.



— Common Representative

Acts as the representative and protector of certificate holders’ collective interests.

Safeguards certificate holders’ rights and serves as an intermediary with the Trust’s other stakeholders.



— The Manager

Proposes and executes. Mainly responsible for the Trust’s operational and financial management and for proposing initiatives, acting in accordance with fiduciary standards of care, good faith, and loyalty, and in strict compliance with the Trust Agreement and TC’s resolutions.



Source: CFECapital S. de R.L. de C.V.

The structure provides recurring returns, an attractive profit distribution, and payment priority mechanisms for investors, in line with market standards and best practices

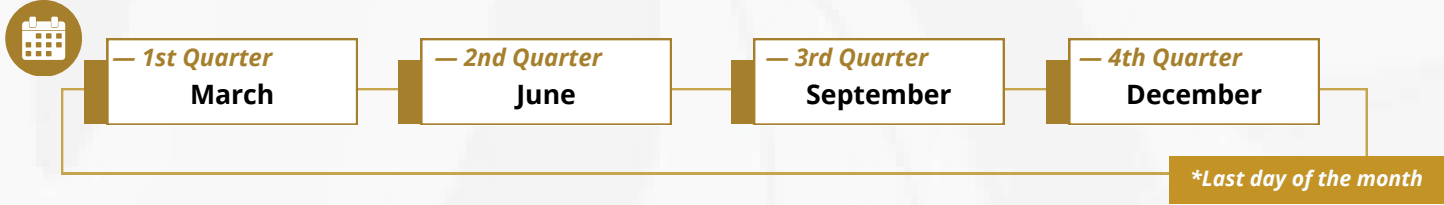
STABLE CASH FLOW, PROTECTED INVESTMENT

- Consistent quarterly distributions: available cash flow is distributed once operating expenses have been covered.
- A Minimum Quarterly Distribution (MQD) mechanism aligns interests and prioritizes investing public (Series "A").
- An efficient cost structure preserves available cash flow for holders

01 • QUARTERLY DISTRIBUTIONS

A recurring and predictable cash flow: CFE Fibra E makes distributions four times a year, quarter after quarter.

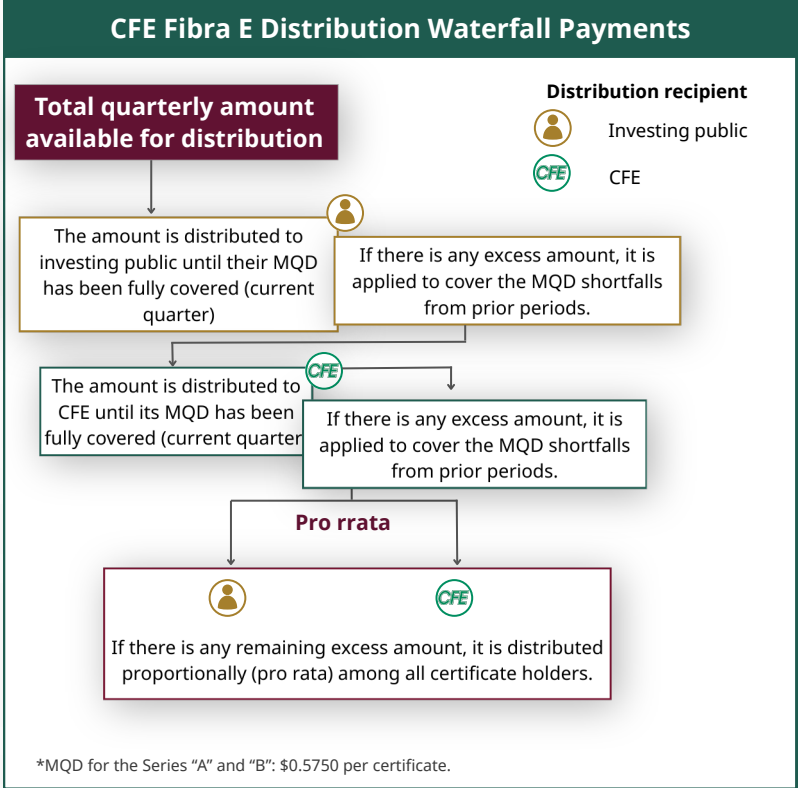
DISTRIBUTION PAYMENT SCHEDULE*



02 • WATERFALL PAYMENTS

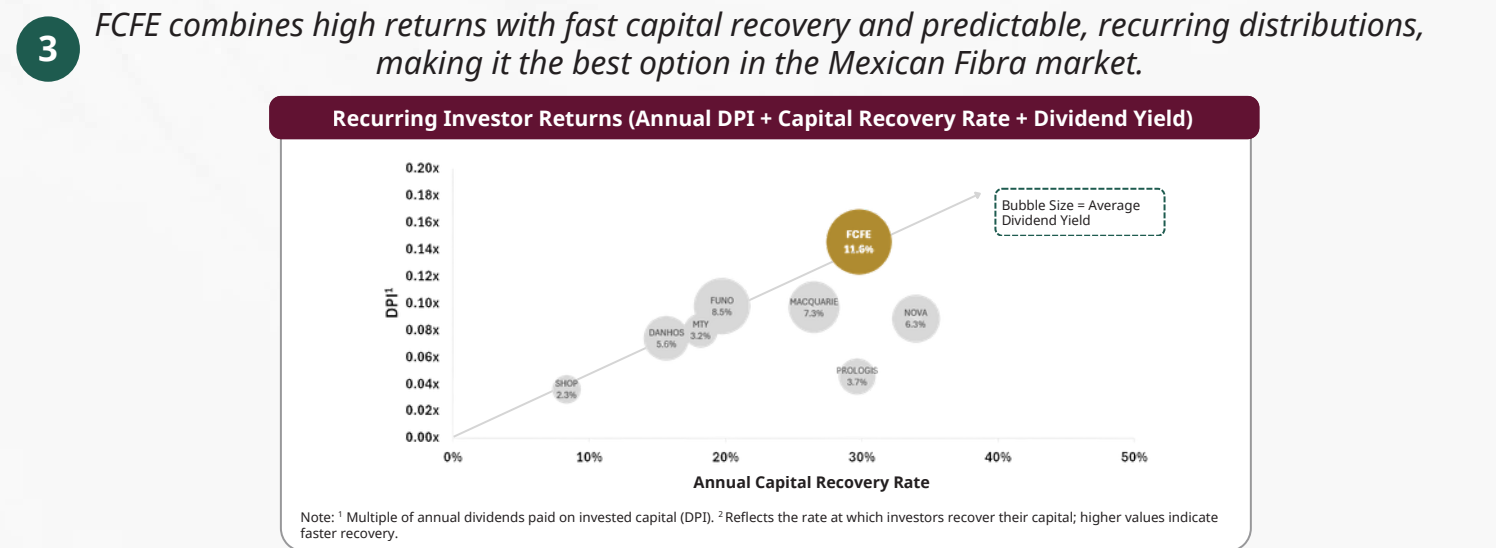
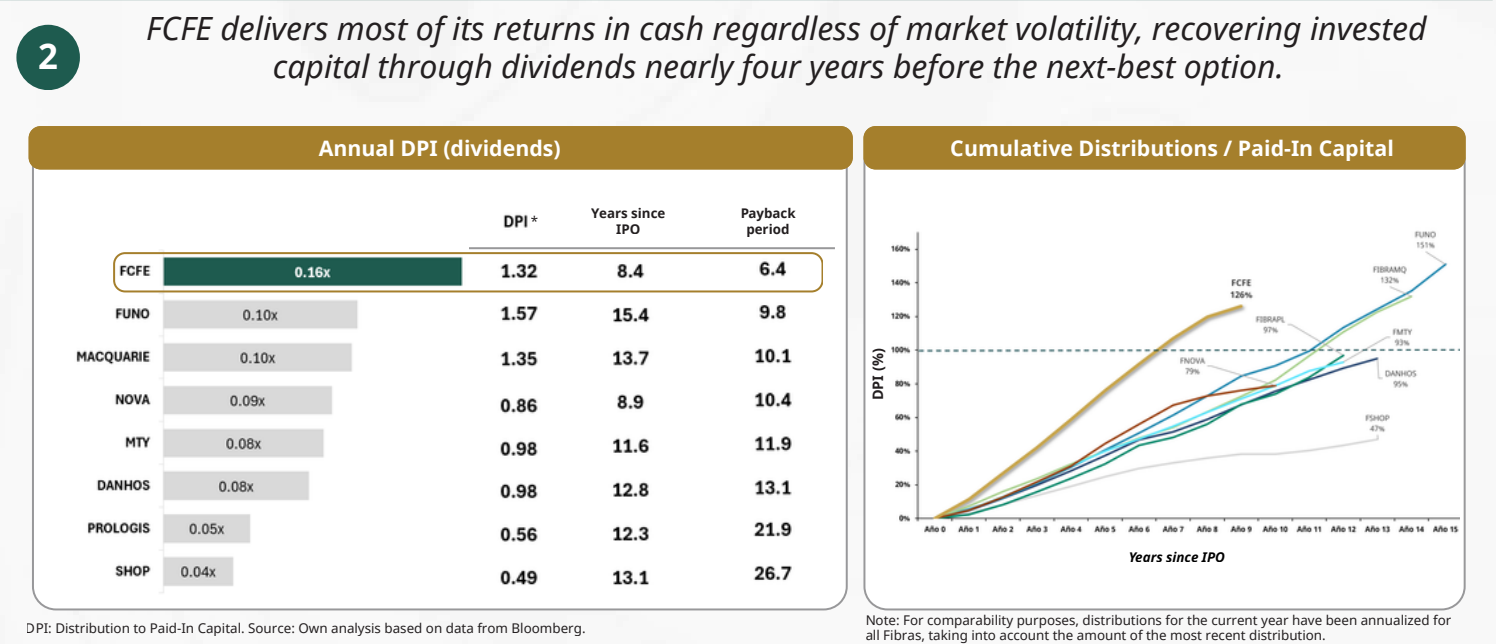
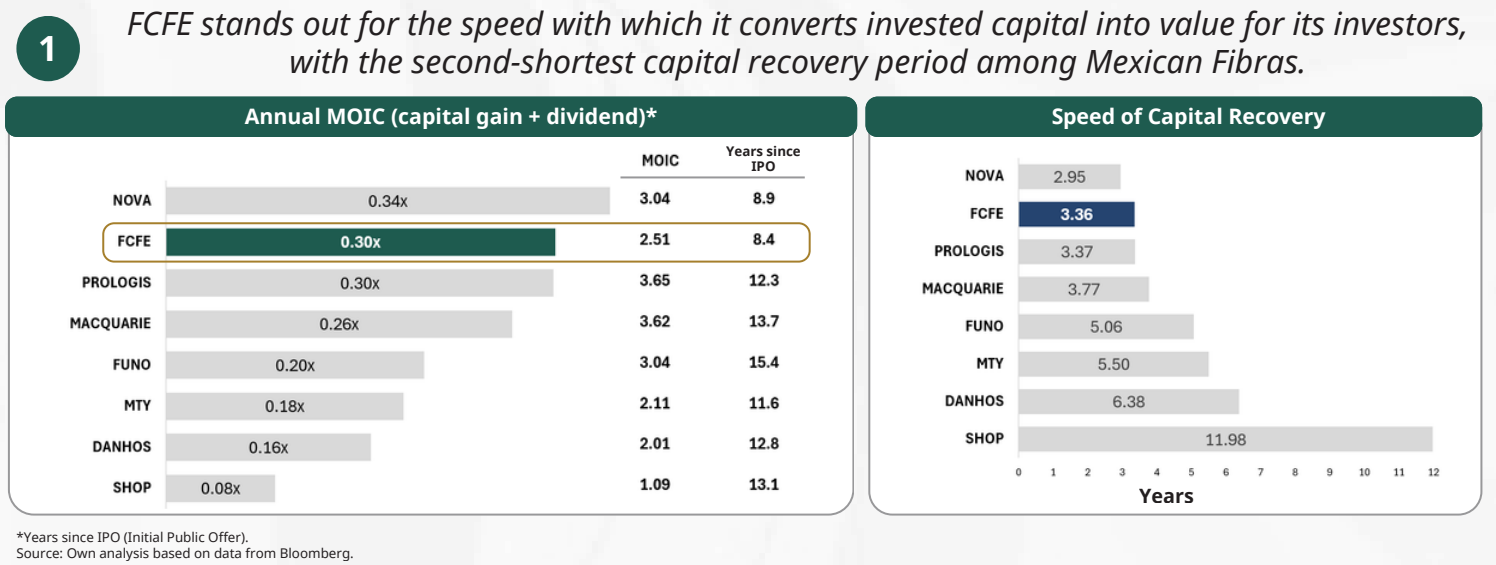
Investing public (Series "A") receive distributions first, up to the MQD. If the MQD is not fully covered in a given quarter, any shortfall is compensated before CFE (Series "B") receives its distribution.

A track record of recurring and predictable annual distributions reflects the alignment of interests among stakeholders.





CFE Fibra E stands out for the strenth of its returns, the speed at which it recovers invested capital for its investors, and the fact that most of its returns come from dividends, not market conditions.



Source: Own analysis based on data from Bloomberg.