



OPEN POWER FOR A BRIGHTER FUTURE.

WE EMPOWER SUSTAINABLE PROGRESS.

CONSOLIDATED ANNUAL REPORT 2019





CONSOLIDATED
ANNUAL
REPORT 2019



Enel is Open Power

Positioning

Open Power

Purpose

Open power for
a brighter future.
We empower
sustainable progress.

Mission

- Open access to electricity for more people.
- Open the world of energy to new technology.
- Open up to new uses of energy.
- Open up to new ways of managing energy for people.
- Open up to new partnerships.

Vision

Open Power to tackle
some of the world's
biggest challenges.

Values

- Trust
- Proactivity
- Responsibility
- Innovation

Principles of conduct

- Make decisions in daily activities and take responsibility for them.
- Share information, being willing to collaborate and open to the contribution of others.
- Follow through with commitments, pursuing activities with determination and passion.
- Change priorities rapidly if the situation evolves.
- Get results by aiming for excellence.
- Adopt and promote safe behavior and move pro-actively to improve conditions for health, safety and well-being.
- Work for the integration of all, recognizing and leveraging individual diversity (culture, gender, age, disabilities, personality etc.).
- Work focusing on satisfying customers and/or co-workers, acting effectively and rapidly.
- Propose new solution and do not give up when faced with obstacles or failure.
- Recognize merit in co-workers and give feedback that can improve their contribution.

Future: from vision to action



Dear shareholders and stakeholders,

Our industrial model fully integrates sustainability into our business strategy. In 2019, this enabled us to continue our growth, confirming us as a leader in the main facets of the energy transition.

We are the largest private distributor of electricity in the world, with 73 million end users in a variety of the planet's large urban areas, and we are the leading private operator in renewable energy globally, with 46 GW of managed capacity⁽¹⁾.

Among private companies, we have the largest customer base in the world in the retail segment as well, with around 70 million customers, and we are well positioned to seize the opportunities created by the trend towards electrification.

Our solid performance in recent years has strengthened the market's confidence in us. During the year, Enel's stock price posted a gain of 40%, exceeding €7, outperforming the Italian index (FTSE-MIB: +28%) and the sector index (Euro STOXX Utilities: +22%) and has also been included in the STOXX Europe 50 index, which brings together the fifty largest companies in Europe.

The macroeconomic environment

In 2019, the global economic growth was sluggish, continuing the slowdown that had already begun in the 2nd Half of 2018. Trade tensions between the United States and China, together with geo-political strains and the persistent climate of uncertainty about the outcome of the Brexit negotiations, impacted investment decisions until the final months of the year. Responding to the deteriorating global environment, central banks altered their monetary policy stances, with the Fed and the ECB aggressively cutting interest rates and restoring their quantitative easing policies.

2019 was also marked by a further deceleration in the Chinese economy, while in the United States the economy continued to be supported by resilient domestic demand, with private consumption still strong.

Growth in the euro area was modest, averaging +1.2%. This performance mainly reflected the decline in output attributable to the weakness of non-European demand, partially offset by a relatively healthy domestic market.

In Latin America, economic conditions in 2019 were weaker than in 2018 but the picture was mixed, with countries such as Colombia demonstrating a solid foundation, while others were more exposed to the volatility of the macroeconomic and political context, including Argentina. Brazil posted a strong recovery in economic activity in the last two quarters of 2019, but the slowdown in the Chinese economy and pressures on commodity prices curbed GDP growth. During 2019, the oil market was buffeted by volatility, with the price of Brent fluctuating up and down. In general, prices were lower than last year, indicating a structural weakness in global demand.

The gas market was characterized by a global surplus of LNG demand, which diverted flows to Europe, causing stocks to rise to record levels and a sharp drop in prices.

The decrease in the price of gas in combination with strains on the price of CO₂, which was especially volatile in 2019, led to a weakening of the competitiveness of coal, especially in the thermal generation sector, which was reflected in a drop in demand and the price of fuel.

At the end of 2019, the initial cases of the coronavirus pandemic (COVID-19) were registered in Wuhan (China), placing great strain on the social and economic systems of many countries around the world.

Performance

In 2019, the Enel Group continued its growth, hitting all the targets we had set ourselves, despite the deterioration in the competitiveness of conventional generation. This prompted us to write down almost all the Group's coal-fired plants and contributed to the continuing instability in some Latin American economies.

More specifically, the Group ended the year with ordinary EBITDA of €17.9 billion, an increase of 10.8% compared with €16.2 billion in 2018, outperforming our guidance to investors. Net ordinary income, the aggregated on which the dividend is calculated, reached €4.8 billion, an increase of 17% compared with the previous year. The dividend for 2019 is about €0.33 per share, an increase of 17% compared with the €0.28 paid in 2018 and the minimum dividend guaran-

(1) In addition to installed capacity, this includes that managed by associates or joint ventures (about 3.7 GW).

ted to shareholders. The ratio of FFO to net debt, an indicator of our financial strength, reached 26% at the end of the year, exceeding the target set for 2019. Net debt amounted to €45.2 billion, lower than the forecast announced to the market, although higher than the previous year due to the application of new accounting standards, the extraordinary transactions completed during the period and the increase in investment for growth.

Main developments

On the generation front, Enel reached a new record in 2019, building 3,029 MW of new renewable capacity globally, thanks to a solid, well-diversified and continuously expanding project pipeline. Consolidated installed renewable capacity reached 42 GW and exceeded thermal generation capacity, which declined to 39 GW. This is an important step in the Group's journey towards a cleaner and more sustainable energy mix, which is also underscored by the rapid reduction in specific CO₂ emissions, which fell to 296 g/kWh_{eq} (-20% compared with 2018). The target set in 2015 to reduce direct emissions below 350 g/kWh_{eq} was thus achieved a year in advance.

The Group continued digitalizing its grids, with an increase of 5.9 millions in the number of second generation smart meters installed (for a total of 13.1 millions) and the development of innovative projects such as the Puglia Active Network (Italy) and Urban Futurability (São Paulo, Brazil). These projects are aimed at improving the quality and resilience of power grids, thanks to the use of technologies such as distributed sensors, artificial intelligence and 3D modeling. During the year, the installation of public charging infrastructure for electric vehicles continued in Italy, Spain and Romania and interoperability agreements were reached, giving Enel X customers access to a network of 79,565 charging points. The Group also confirmed its leadership in the energy transition, supporting the electrification of public transport with the supply of charging stations for electric buses in Chile and Colombia. We have also confirmed our ability to assist customers in using energy more efficiently, bringing the capacity of active demand management services to 6.3 GW and the total capacity of batteries installed with industrial customers or directly connected to distribution and transmission grids to 110 MW.

An important milestone in the digital transformation was reached in April 2019 with the completion of the migration of the Group's data and applications to the cloud. Enel is the first of the world's major utilities to have achieved this goal, with enormous advantages in terms of flexibility, speed, safety, resilience as well as efficiency. This step is also crucial as a technological enabler of new business approaches, such as platform models, which will be increasingly relevant in Enel's near future.

Among extraordinary operations, the sale of the Reftinskaya coal-fired plant in Russia (3.8 GW) by the subsidiary Enel Russia to JSC Kuzbassenergo, a subsidiary of the Siberian Generating Company, was completed.

Enel Green Power North America restructured the joint venture with General Electric in the United States through the acquisition of 100% of seven geothermal, wind and solar generation plants, for a total of 650 MW, and the sale of 80% of a 785 MW portfolio of US wind farms to CalPERS.

In Brazil, acting through our subsidiary Enel Green Power Brasil Participações Ltda, the Group finalized the sale of 100% of three fully operational renewable plants with a total capacity of 540 MW to the Chinese company CGN Energy International Holdings Co. Limited.

In Italy, the Mercure biomass plant was sold to F2i SGR, an operation that was part of an agreement between the Enel Group and F2i SGR for the sale of the entire portfolio of biomass plants in Italy.

Finally, in the 1st Half of 2019, using a total return swap (TRS) transaction on Enel Américas shares, the Group increased its stake in that company by 5% and now holds an interest of about 60%.

With regard to finance, after the third €1 billion green bond issued in January, the year culminated with the issue of two SDG-Linked bonds, the first bonds in the world linked directly to the Sustainable Development Goals (SDGs) set by the United Nations with its 2030 Agenda. The two operations raised a total of €3.9 billion on the American and European markets, attracting great interest from the international financial community. Oversubscribed by an average of 3.6 times supply and a cost discount of up to 20% compared with conventional financing instruments, the operation led to Enel winning the "ESG Issuer of the Year" award from International Financing Review.

Strategy and forecasts for 2020-2022

The world of utilities is experiencing an era of profound transformation, mainly driven by the challenge of decarbonizing the energy sector. The progressive shift of generation from fossil fuels to renewable sources, together with the accele-

ration in the electrification of final consumption, will be the main trends in the energy transition. Energy infrastructures and digital platforms will be key factors in enabling this transition and achieving the United Nations' Sustainable Development Goals. The sustainable strategy and the integrated business model developed in recent years have allowed the Group to constantly create value and will allow us to benefit from the opportunities emerging from this transition, while limiting the related risks.

Thanks to a development model based on the organic build-out of renewable generation assets that gives us great flexibility in the use of capital, the Group is capable of responding swiftly to any unexpected scenario changes that could be triggered by the pandemic that has been spreading around the world in these last few months.

In November 2019, Enel presented the 2020-2022 Strategic Plan, which, while confirming the strategic direction already set explicitly integrates the SDG objectives into our financial strategy.

The growth path outlined in the Plan shows a steady acceleration in performance, with a target for the Group's ordinary EBITDA of €20.1 billion in 2022, compared with €17.9 billion in 2019 (+12%).

In the next three years, the Group expects gross organic capex of around €28.7 billion (an increase of 11% compared with the previous plan), of which more than 90% is attributable to the four SDGs on which the strategy is based: SDG 7 - Affordable and Clean Energy; SDG 9 - Industry, Innovation and Infrastructure; SDG 11 - Sustainable Cities and Communities; and SDG 13 - Climate Action.

Of total organic investment, more than €12.5 billion will be dedicated to the construction and maintenance of renewable generation plants, with renewable capacity to reach 60 GW by 2022. At the same time, the Group will continue to progressively eliminate coal-fired generation, with a 74% decrease in such output as early as 2022.

This strategy is consistent with Enel's commitment to the fight against climate change, which was further strengthened in September 2019 with the setting of a new target: reducing direct CO₂ emissions per kWh by 70% by 2030, compared with 2017 levels. This target has been certified by the Science Based Targets initiative, the world's most authoritative initiative to support the definition of science-based targets that encourage companies to support the transition towards a zero-emission economy, in line with the objectives of the Paris Agreement. In parallel, Enel has set another new target, also certified by the Science Based Targets initiative, namely to reduce indirect emissions associated with the consumption of gas by Enel end users by 16% by 2030.

With regard to grids, investments of around €11.8 billion are planned, with the aim of further improving their resilience, quality and efficiency, thanks in part to the use of the new generation of smart meters, which in 2022 will number almost 29 millions, and the adoption of a platform business model that will make operations in all the countries in which we operate more effective.

Finally, the Group will invest a total of €2.3 billion in the retail segment and in Enel X to strengthen the central role of the customer, gaining an advantageous position in view of the growing electrification of energy consumption. The development of global platforms and ecosystems will allow us to make new services available to customers, enabling further creation of value for the Group. By 2022, there will be around 35 million customers in the free market, with 10.1 GW of active demand management capacity and 736 MW of installed electricity storage.

The soundness of our business model and the flexibility noted above in the use of cash flows in organic investment enable us to confirm the dividend policy based on a pay-out of 70% of the Group's net ordinary income and to extend the minimum dividend per share for the entire 2020-2022 period, with Enel expecting to use its profits in 2020-2022 to pay the greater between a) a dividend per share based on a pay-out of 70%; and b) a minimum dividend per share of €0.35, €0.37 and €0.40 respectively.

At a moment of great instability in the global scenario, we face the future with confidence, drawing strength from what we have built and the value of our people.

Patrizia Grieco

Chairman of the Board of Directors



Francesco Starace

Chief Executive Officer and General Manager



01.



Enel Group

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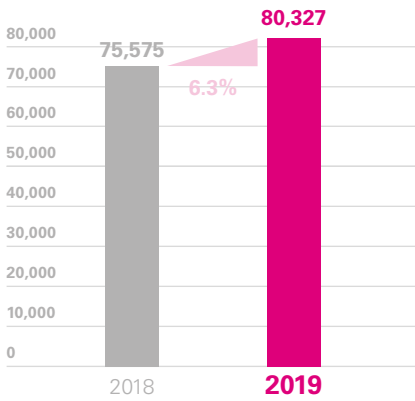
1. ENEL GROUP
REPORT
ON OPERATIONS



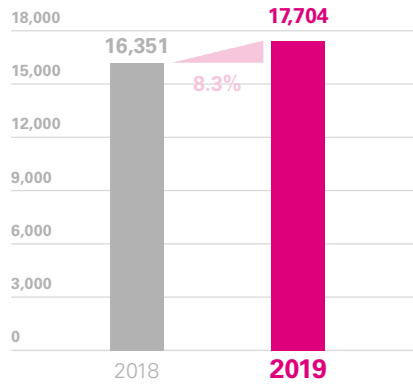


Highlights - Group

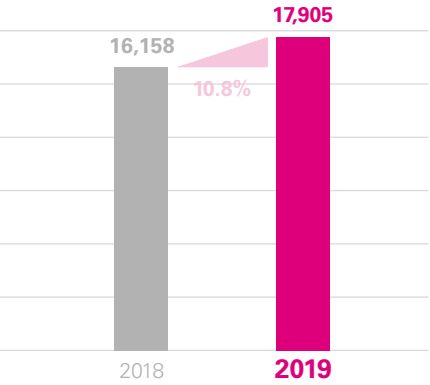
Revenue
(millions of euro)



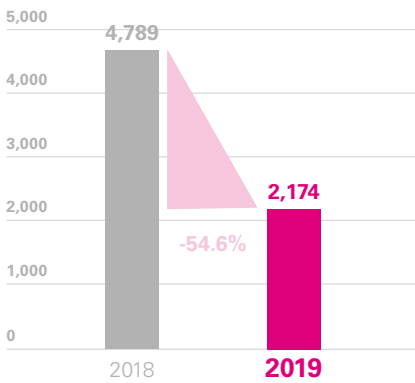
Gross operating margin
(millions of euro)



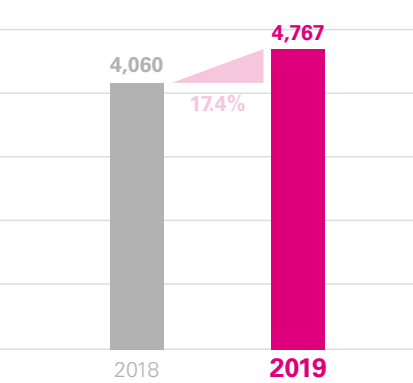
Ordinary gross operating margin
(millions of euro)



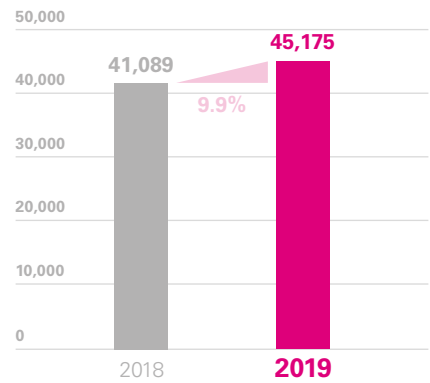
Net income attributable to shareholders of the Parent Company
(millions of euro)



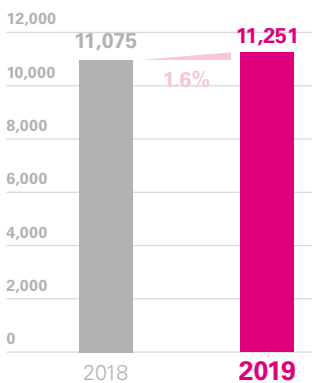
Ordinary net income attributable to shareholders of the Parent Company
(millions of euro)



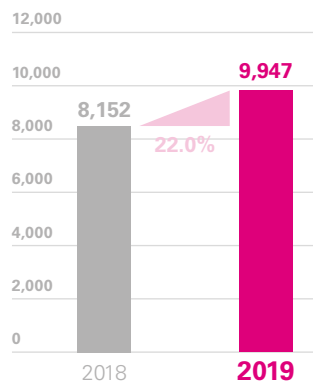
Net financial debt
(millions of euro)



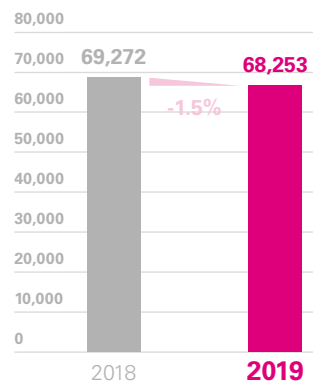
Cash flows from operating activities
(millions of euro)



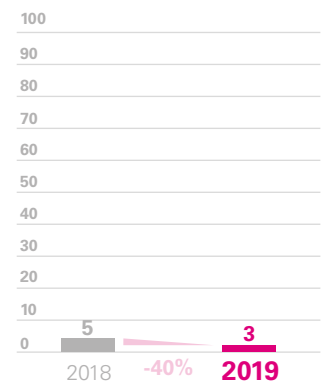
Capital expenditure on property, plant and equipment and intangible assets⁽¹⁾
(millions of euro)



Employees
(no.)



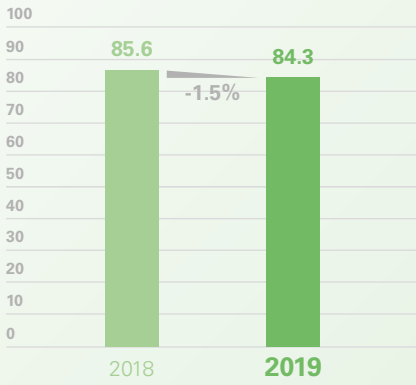
Injuries "High Consequence" Enel
(no.)



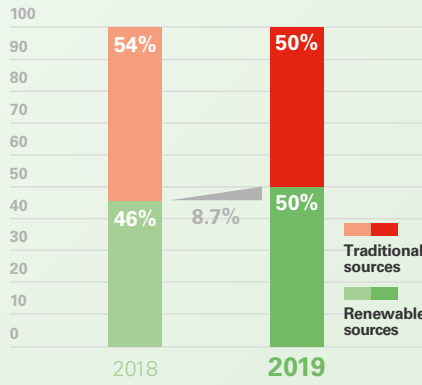
(1) The figure for 2019 does not include €4 million regarding units classified as "held for sale" (€378 million in 2018).

Highlights - Business Lines

Total net efficient installed capacity (GW)

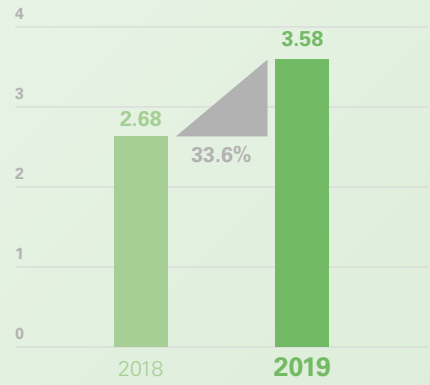


Net efficient installed capacity - (Composition) ⁽¹⁾ (%)

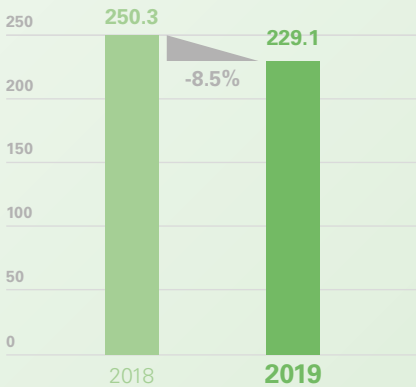


(1) The percentage of net efficient renewable installed capacity is the ratio (in percentage terms) of installed renewable generation capacity to total installed capacity.

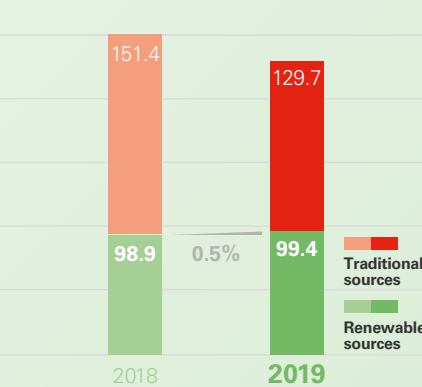
Additional efficient installed renewable capacity (GW)



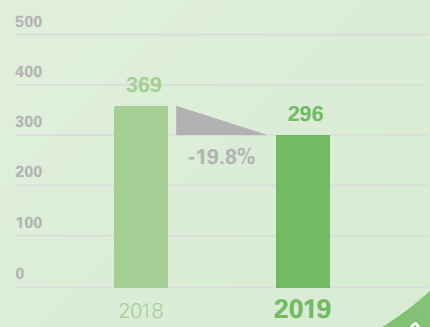
Net electricity generation (TWh)



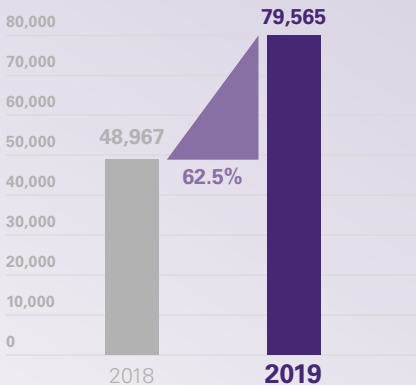
Net electricity generation - (Composition) (TWh)



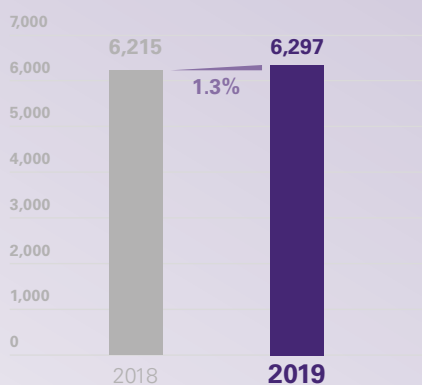
CO₂ (Specific CO₂ emissions g/kWh_{eq})



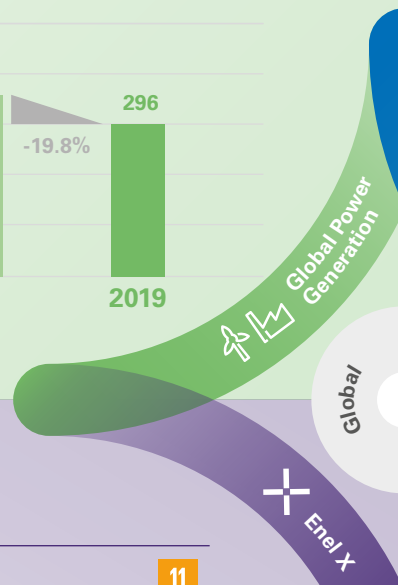
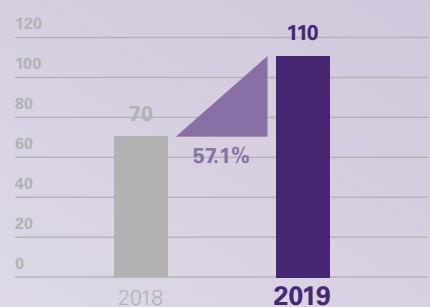
Charging points (no.)



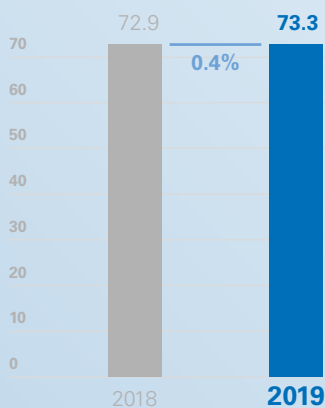
Demand Response (MW)



Storage (MW)

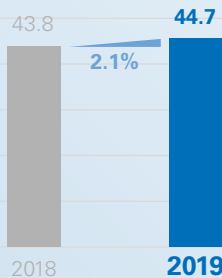


End users
(millions)



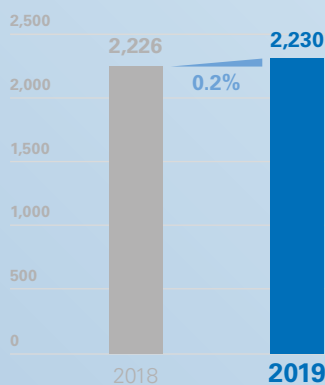
End users with active smart meters
(millions)

9



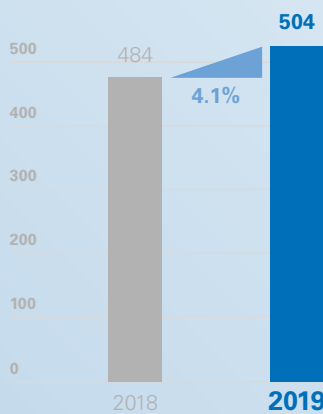
Electricity distribution and transmission grid
(thousands of km)

9

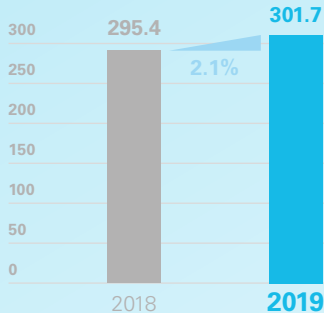


Electricity transported on Enel's distribution grid
(TWh)

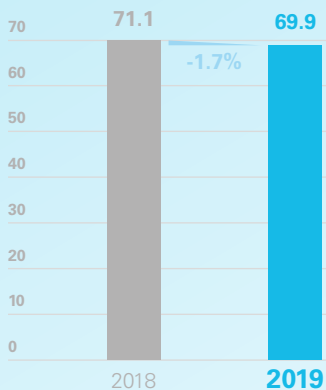
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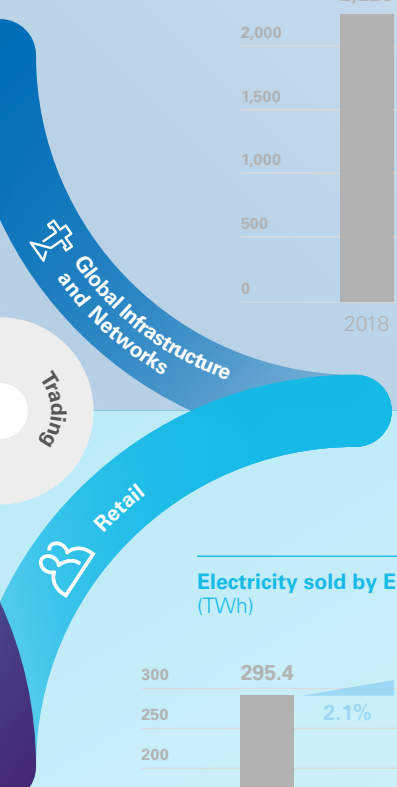
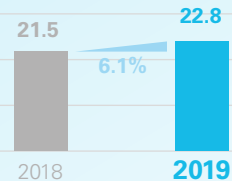
Electricity sold by Enel
(TWh)



Retail customers
(millions)



Retail customers - free market
(millions)



Business model

The Enel Group is committed to developing its business model in line with the objectives of the Paris Agreement (COP21), i.e. to limit the increase in global average temperature to less than 2 °C above pre-industrial levels and to do everything possible to limit the increase to 1.5 °C. In 2019, Enel officially renewed this commitment, responding to the request for action by the United Nations by signing a commitment to take action to limit the increase in global temperatures to 1.5 °C and to achieve zero emissions by 2050.

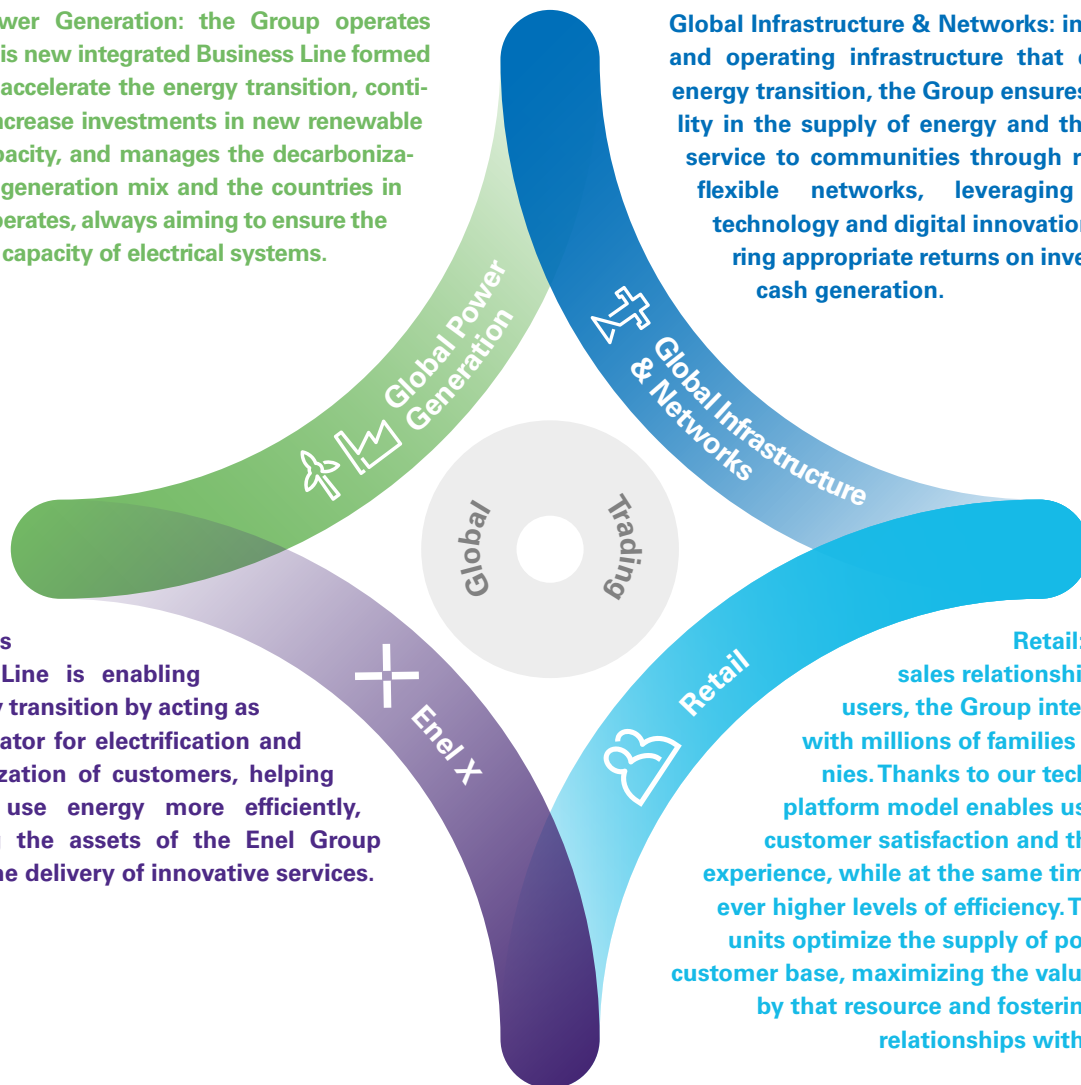
In order to be able to effectively face all the risks and seize all the opportunities that the rapidly changing energy sector presents, Enel's business model has defined roles for all of the Group's major organizational units. Each Country operates in its geographical area in a matrix relationship with the broader Global Business Lines, managing activities such as relations with local communities, regulatory authorities, retail markets, local communication and so on. The mission of each business can be summarized as follows.

Global Power Generation: the Group operates through this new integrated Business Line formed in 2019 to accelerate the energy transition, continuing to increase investments in new renewable energy capacity, and manages the decarbonization of its generation mix and the countries in which it operates, always aiming to ensure the safety and capacity of electrical systems.

Global Infrastructure & Networks: in developing and operating infrastructure that enables the energy transition, the Group ensures the reliability in the supply of energy and the quality of service to communities through resilient and flexible networks, leveraging efficiency, technology and digital innovation, and ensuring appropriate returns on investment and cash generation.

Enel X: this Business Line is enabling the energy transition by acting as an accelerator for electrification and decarbonization of customers, helping them to use energy more efficiently, leveraging the assets of the Enel Group through the delivery of innovative services.

Retail: through its sales relationships with end users, the Group interacts locally with millions of families and companies. Thanks to our technology, the platform model enables us to improve customer satisfaction and the customer experience, while at the same time achieving ever higher levels of efficiency. The business units optimize the supply of power to their customer base, maximizing the value generated by that resource and fostering long-term relationships with customers.



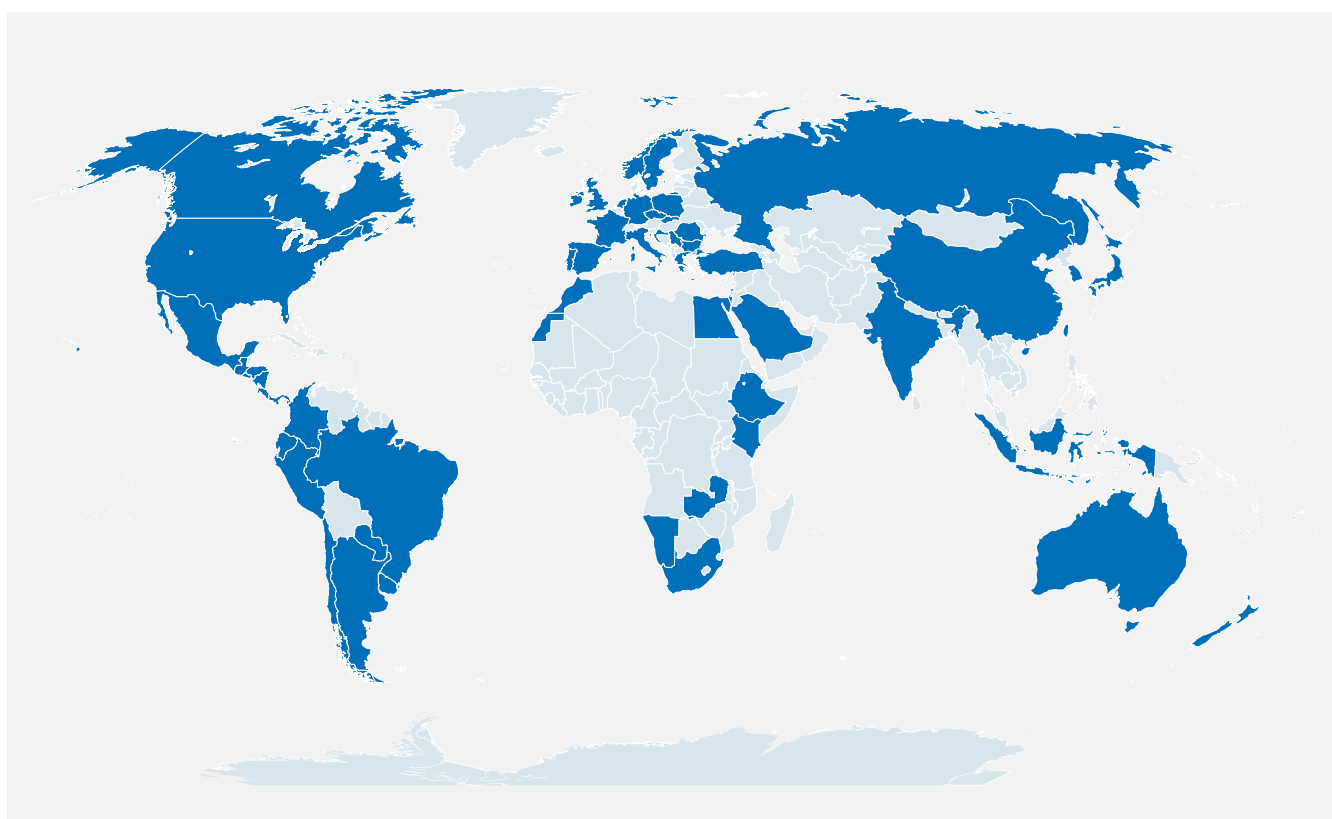
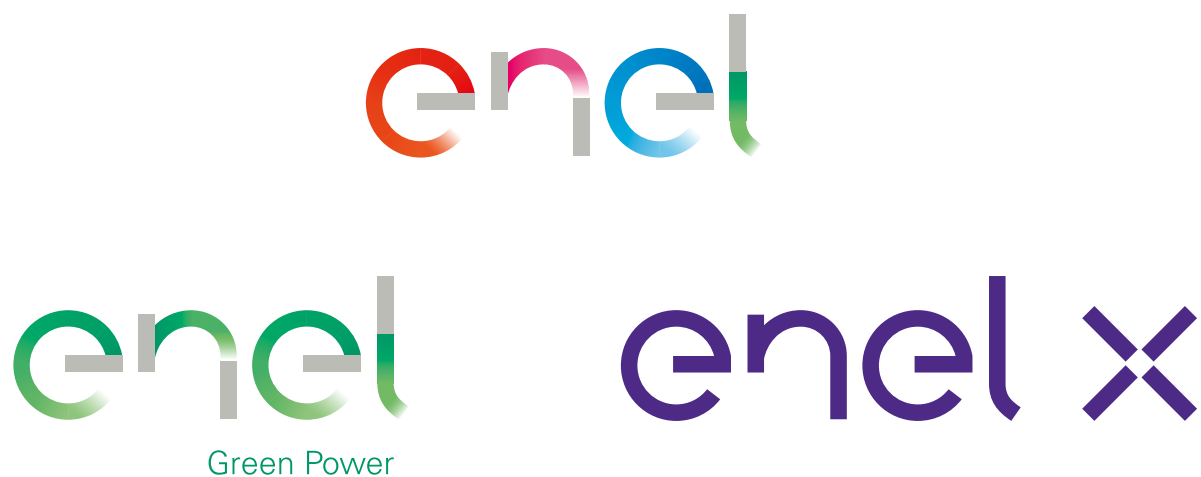
Global Trading: this Business Line manages our combined margin on generation and sales as a single portfolio in which Generation and Retail operations are always balanced effectively.

Taking advantage of the synergies between the different business areas, acting through the lever of innovation, and conducting its operations on the basis of Open Power principles, the Enel Group seeks to develop solutions to reduce environmental

impacts, meet the needs of customers and the local communities in which it operates and ensure high standards of safety for employees and suppliers.

Enel around the world

The Enel Group has a presence in 48 countries on the various continents, with more than 850 subsidiaries. The following map shows the distribution of the Enel Group across the globe.





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2. GOVERNANCE
REPORT
ON OPERATIONS



Enel shareholders

At December 31, 2019, the fully subscribed and paid-up share capital of Enel SpA (“Enel” or the “Company”) totaled €10,166,679,946, represented by the same number of ordinary shares with a par value of €1.00 each. Share capital is

unchanged compared with that registered at December 31, 2018. Note that a total of 1,549,152 treasury shares were acquired in 2019.

Significant shareholders

At December 31, 2019, based on the shareholders register and the notices submitted to CONSOB and received by the Company pursuant to Article 120 of Legislative Decree 58 of February 24, 1998, as well as other available information,

shareholders with an interest of greater than 3% in the Company’s share capital included the Ministry for the Economy and Finance (with a 23.585% stake) and Capital Research and Management Company (with a 5.029% stake).

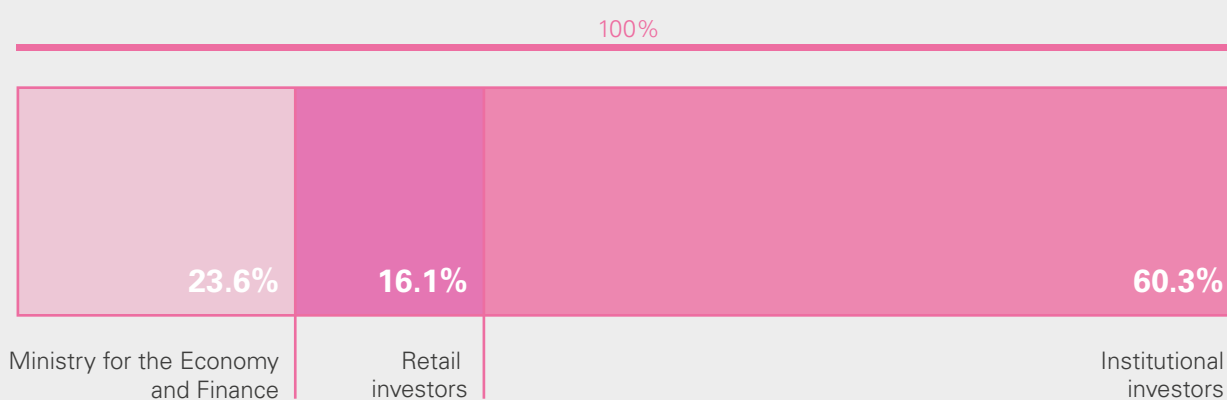
Composition of shareholder base

Since 1999, Enel has been listed on the Mercato Telematico Azionario organized and operated by Borsa Italiana SpA. Enel’s shareholders include leading international investment funds, insurance companies, pension funds and ethical funds.

of the share capital (compared with 10.5% at December 31, 2018), while investors who have signed the Principles for Responsible Investment represent 43% of the share capital (compared with 39.1% at December 31, 2018).

The number of Environmental, Social and Governance (ESG) investors in Enel has been rising steadily: at December 31, 2019, socially responsible investors (SRIs) held around 10.8%

Shareholder composition at December 2019



Corporate boards






BOARD OF DIRECTORS

Chairman
Patrizia Grieco

**Chief Executive Officer
and General Manager**
Francesco Starace

Secretary
Silvia Alessandra Fappani

Directors
Alfredo Antoniozzi
Alberto Bianchi
Cesare Calari
Paola Girdinio
Alberto Pera
Anna Chiara Svelto
Angelo Taraborrelli

	2019	2018
Gender diversity on the Board of Directors (no.)	 3	 3
Age diversity on the Board of Directors (%) <30		
Age diversity on the Board of Directors (%) 30-50		 11%
Age diversity on the Board of Directors (%) >50	 100%	 89%

BOARD OF STATUTORY AUDITORS

Chairman
Barbara Tadolini

Auditors
Romina Guglielmetti
Claudio Sottoriva

Alternate auditors
Maurizio De Filippo
Francesca Di Donato
Piera Vitali

AUDIT FIRM

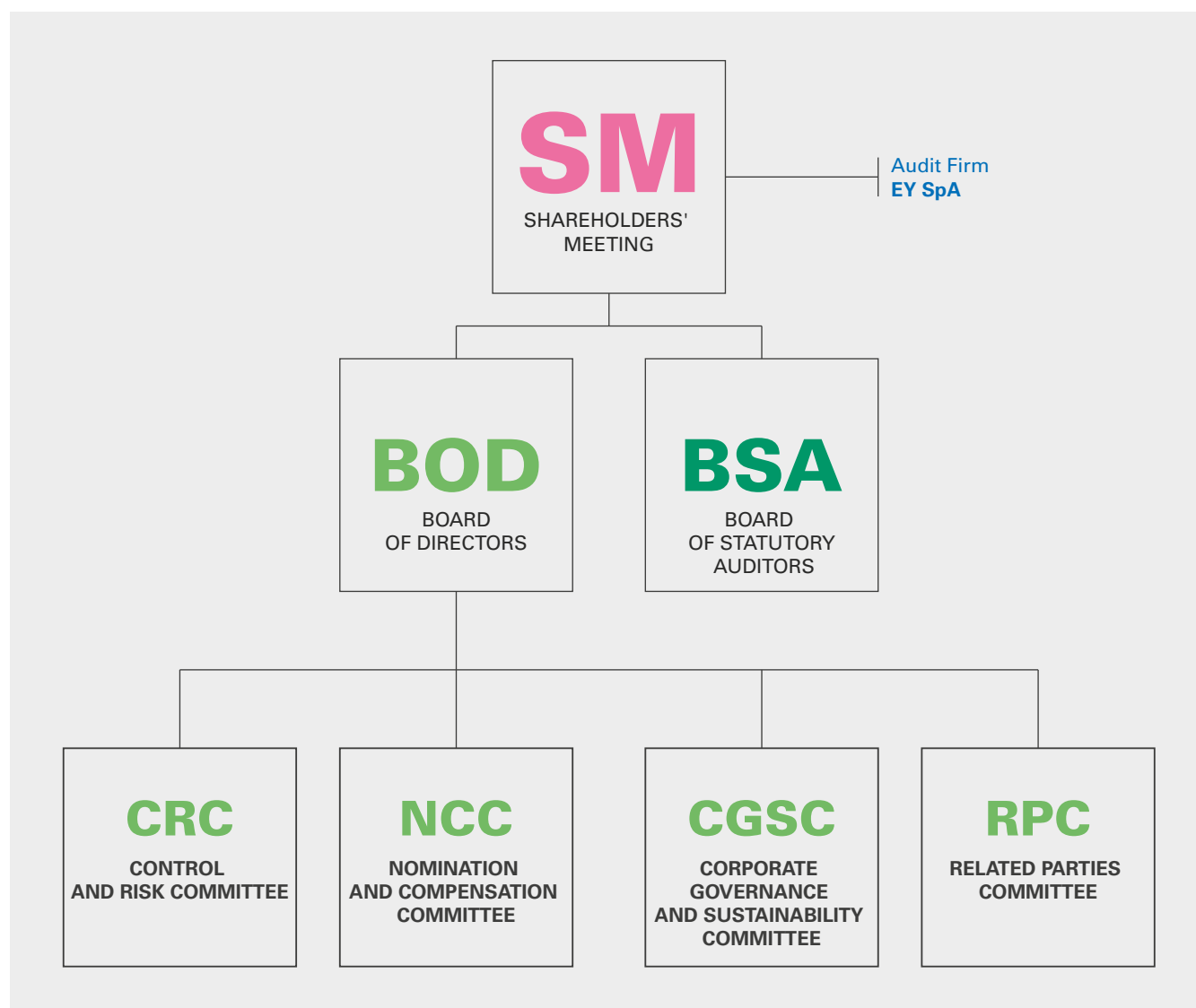
EY SpA

The Enel corporate governance system

The corporate governance system of Enel SpA (“Enel” or the “Company”) complies with the principles set forth in the Corporate Governance Code for listed companies (the “Corporate Governance Code”), as amended in July 2018, adopted by the Company, and is also inspired by international best practice. The corporate governance system adopted by Enel and its Group is essentially aimed at creating value for the sharehol-

ders over the long term, taking into account the social importance of the Group’s business operations and the consequent need, in conducting such operations, to adequately consider all the interests involved.

In compliance with Italian legislation governing listed companies, the Group’s organization comprises the following bodies.



Shareholders' Meeting

It is charged with deciding, among other things, in either ordinary or extraordinary session:

- > the appointment and removal of the members of the Board of Directors and the Board of Statutory Auditors and their compensation and undertaking any stockholder actions;
- > the approval of the financial statements and the allocation of profit;
- > the purchase and sale of treasury shares;
- > remuneration policy and its implementation;
- > share ownership plans;
- > amendments to the bylaws;
- > mergers and demergers;
- > the issue of convertible bonds.

Board of Directors

14

meetings held by the Board in 2019, in 8 of which it addressed issues connected with climate and their impact on strategies, operations and sustainability

- > It is charged with managing the Company and is therefore vested by the bylaws with the broadest powers for the ordinary and extraordinary management of the Company, and specifically has the power to carry out all the actions it deems advisable to implement and achieve the corporate purpose.
- > With regard to the issue of sustainability⁽¹⁾, including climate change, it is responsible for examining and approving the corporate strategy, including the Group's annual budget and Business Plan, which incorporate the main objectives and actions that the Company plans to undertake to lead the energy transition and tackle climate change, promoting a sustainable business model that creates long-term value.
- > It also performs a policy-setting role and provides an assessment of the adequacy of the internal control and risk management system (the ICRMS), determining the nature and level of risk compatible with the strategic objectives of the Company and the Group. The ICRMS consists of the set of rules, procedures and organizational structures designed to enable the identification, measurement, management and monitoring of the main risks to which the Company and its subsidiaries are exposed. These risks include those that could arise in a medium- to long-term perspective, including the risks associated with climate change.

In compliance with the provisions of the Italian Civil Code, the Board of Directors has delegated part of its management duties to the CEO and, in accordance with the recommendations of the Corporate Governance Code and applicable legislation, has appointed the following committees from among its members to provide recommendations and advice.

Corporate Governance and Sustainability Committee

8

meetings held by the Committee in 2019, in 5 of which it addressed issues connected with climate and their impact on strategies, operations and sustainability

- > It assists the Board of Directors in assessment and decision-making activities concerning, among other things, sustainability, including any relevant climate issues connected with the operations of the Group and its interaction with all stakeholders.
- > A majority of its members are independent directors and in 2019 it was composed of a Chairman and two independent directors.
- > With regard to sustainability issues, it examines:
 - the guidelines of the Sustainability Plan, including the climate objectives set out in the plan;
 - the general structure of the Sustainability Report, which includes the Non-Financial Statement, and the approach to disclosures on climate change adopted in those documents, issuing a prior opinion to the Board of Directors, which is responsible for approving these documents.

(1) Sustainability comprises issues connected with climate change, atmospheric emissions, managing water resources, biodiversity, the circular economy, health and safety, diversity, management and development of employees, relations with communities and customers, the supply chain, ethical conduct and human rights.

Control and Risk Committee

12

meetings held by the Committee in 2019, in 6 of which it addressed issues connected with climate and their impact on strategies, operations and sustainability

- > It supports the Board of Directors in performing its duties regarding internal control and risk management, as well as evaluating the periodic financial reports.
- > It is composed of non-executive directors, the majority of whom (including its Chairman) are independent. In 2019 it was made up of four independent directors.
- > It also examines the content of the consolidated financial statements and the Sustainability Report, which includes the Non-Financial Statement relevant for the purposes of the ICRMS and contains corporate disclosures on climate issues, issuing a prior opinion on these aspects to the Board of Directors, called to approve those documents.

Nomination and Compensation Committee

8

meetings held by the Committee in 2019

- > It supports the Board of Directors in decisions concerning the size and composition of the Board itself, as well as the remuneration of executive directors and key management personnel.
- > It is composed of non-executive directors, the majority of whom (including its Chairman) are independent. In 2019, it was made up of four independent directors.
- > In 2019, it confirmed the establishment of performance targets connected with sustainability issues for the short- and long-term variable remuneration of top management.

Related Parties Committee

1

meeting held by the Committee in 2019

- > It performs the functions provided for in the relevant CONSOB regulations and in the specific Enel procedure for transactions with related parties, issuing in particular a reasoned opinion on the transactions governed by the procedure.
- > It is composed of independent, non-executive directors. In 2019, it was made up of four independent directors.

It is charged with overseeing:

- > compliance with the law and the bylaws, as well as compliance with the principles of sound administration in carrying out corporate activities;
- > the financial reporting process and the appropriateness of the organizational structure, the internal control system and the administrative-accounting system of the Company;
- > the statutory audit of the annual accounts and the consolidated accounts, as well as the independence of the Audit Firm;
- > the approach adopted in implementing the corporate governance rules envisaged by the Corporate Governance Code.

Board of Statutory Auditors

17

meetings held by the Board in 2019

- > The Chairman is vested by the bylaws with the powers to represent the Company and to sign on its behalf.
- > Presides over Shareholders' Meetings.
- > Convenes the meetings of the Board of Directors, establishes the agenda and presides over its proceedings, ensuring that sufficient information on the issues being addressed in the agenda is provided in a timely manner to all members of the Board of Directors and the Board of Statutory Auditors.
- > Ascertains that the Board's resolutions are carried out.
- > Pursuant to a Board resolution of May 5, 2017, the Chairman has been vested with a number of additional non-executive powers.
- > In the exercise of the function of stimulating and coordinating the activities of the Board of Directors, the Chairman plays a proactive role in the process of approving and monitoring of corporate and sustainability strategies, which are sharply focused on the decarbonization and electrification of energy consumption.
- > In addition, during 2019 the Chairman also chaired the Corporate Governance and Sustainability Committee.

Chairman of the Board of Directors

Chief Executive Officer

- > Like the Chairman of the Board of Directors, the CEO is vested by the bylaws with the powers to represent the Company and to sign on its behalf, and in addition is vested by a Board resolution of May 5, 2017 with all powers for managing the Company, with the exception of those that are otherwise assigned by law or the bylaws or that the aforesaid resolution reserves for the Board of Directors.
- > In the exercise of these powers, the CEO has defined a sustainable business model, delineating a strategy to lead the energy transition towards a low-carbon model.
- > The CEO reports to the Board of Directors and the Board of Statutory Auditors on the activities performed in the exercise of the powers granted to him, including business activities consistent with Enel's commitment to address climate change.
- > The CEO has also been designated as the director responsible for the ICRMS.
- > He represents Enel in various initiatives that deal with sustainability, holding positions of leadership in world-renowned institutions such as the United Nations Global Compact and the Global Investors for Sustainable Development (GISD) Alliance launched by the United Nations in 2019.

Statutory audit of the accounts

- > This is performed by a specialized firm entered in the appropriate register of auditors, which is appointed by the Shareholders' Meeting on the basis of a reasoned proposal from the Board of Statutory Auditors.

Good corporate governance practices

- > In 2019, the Company also organized a special induction program to provide the directors with an understanding of the sectors in which the Group operates, including issues related to climate change and the related impact on industrial strategy and corporate operations.
- > At the end of 2019 and during the first two months of 2020, the Board of Directors carried out, with the assistance of a specialized independent advisor, an assessment of the size, composition and functioning of the Board and its committees (the "board review"), in line with the most advanced corporate governance practices accepted at the international level and incorporated within the Corporate Governance Code. This board review also analyzed specific aspects concerning the assessment of sustainability issues by the Board of Directors. The board review was carried out using a "peer review" approach, i.e. evaluating not only the operation of the body as a whole, but also the style and substance of the contribution made by each of its members. The results of the board review confirmed an extremely positive overall picture of the operation of Enel's Board of Directors and Board committees, indicating that these bodies operate effectively and transparently, in strict compliance with national and international best practice in the field of corporate governance, as confirmed by the advisor.

For more detailed information on the corporate governance system, please see the Report on Corporate Governance and Ownership Structure of Enel, which has been published on

the Company's website (<http://www.enel.com>, in the "Governance" section).

Enel organizational model

The Enel Group structure is organized into a matrix that comprises:

Global Business Lines

The Global Business Lines are responsible for managing and developing assets, optimizing their performance and the return on capital employed in the various geographical areas in which the Group operates. The Business Lines are also tasked with improving the efficiency of the processes they manage and sharing best practices at the global level. The Group, which also draws on the work of an Investment Committee⁽²⁾, benefits from a centralized industrial vision of projects in the various Business Lines. Each project is assessed not only on the basis of its financial return but also in relation to the best technologies available at the Group level, which reflect the new strategic line adopted, explicitly integrating the SDGs within our financial strategy and promoting a low-carbon business model. Furthermore, each Business Line contributes to guiding Enel's leadership in the energy transition and in the fight against climate change, managing the associated risks and opportunities in its area of competence. In 2019, Global Power Generation was created with the merger of Enel Green Power and Global Thermal Generation to confirm the Enel Group's leading role in the energy transition, pursuing an integrated process of decarbonization and the sustainable development of renewable capacity. In addition, the Grid Blue Sky project was launched. Its objective is to innovate and digitalize infrastructures and networks in order to make them an enabling factor for the achievement of the Climate Action objectives, thanks to the progressive transformation of Enel into a platform-based group.

Regions and Countries

Regions and Countries are responsible for managing relationships with institutional bodies and regulatory authorities, as well as selling electricity and gas, in each of the countries in which the Group is present, while also providing staff and other service support to the Business Lines. They are also charged with promoting decarbonization and guiding the energy transition towards a low-carbon business model within their areas of responsibility. In 2019, the Group's geographical organization in the Americas was revised with the creation of the North America Region, which includes Mexico, and the integration of Costa Rica, Guatemala and Panama into the Latin America region.

The following functions provide support to Enel's business operations:

Global Service Functions

The Global Service Functions are responsible for managing information and communication technology activities and procurement at the Group level. They are also responsible for adopting sustainability criteria, including climate change issues, in managing the supply chain and developing digital solutions to support the development of enabling technologies for the energy transition and the fight against climate change.

Holding Company Functions

The Holding Company Functions are responsible for managing governance processes at the Group level. The Administration, Finance and Control function is also responsible for consolidating scenario analysis and managing the strategic and financial planning process aimed at promoting the decarbonization of the energy mix and the electrification of energy demand, key actions in the fight against climate change.

(2) The Group Investment Committee is made up of the heads of Administration, Finance and Control, Innovability, Legal and Corporate Affairs, Global Procurement, the heads of the Regions and the Business Lines.

C

Enel Group Chairman
P. Grieco

CEO

Enel Group CEO
F. Starace

HLD

HOLDING FUNCTIONS

Administration, Finance and Control
A. De Paoli

People and Organization
F. Di Carlo

Communications
R. Deambrogio

Legal and Corporate Affairs
G. Fazio

Innovability
E. Ciorra

Audit
S. Fiori

Global Procurement
S. Bernabei

Global Digital Solutions
C. Bozzoli

GBL






















GLOBAL BUSINESS LINE

CR

COUNTRY AND REGION

Global Infrastructure and Networks	Global Trading	Global Power Generation	Enel X
L. Gallo	C. Machetti	A. Cammisecra	F. Venturini

Italy C. Tamburi
Iberia J. D. Bogas Gálvez
Europe and Euro-Mediterranean Affairs S. Mori
Africa, Asia and Oceania A. Cammisecra
North America E. Viale
Latin America M. Bezzeccheri

Incentive system

Enel's remuneration policy for 2019, which was adopted by the Board of Directors acting on a proposal of the Nomination and Compensation Committee and received considerable approval from the shareholders on the occasion of the Shareholders' Meeting of May 16, 2019, was formulated on the basis of national and international best practice, the guidance provided by the favorable vote of the Shareholders' Meeting of May 24, 2018 on the remuneration policy for 2018 as well as the results of the engagement activity on corporate governance issues pursued by the Company between December 2018 and February 2019 with the leading proxy advisors and Enel's institutional investors. In line with the recommendations of the Corporate Governance Code for listed companies, Enel's remuneration policy for 2019 is designed to attract, motivate and retain personnel possessing the professional skills most suitable to successfully managing the Company, incentivizing achievement of our strategic objectives and ensuring sustainable growth. It is also structured so as to align the interests of management with the priority objective of creating sustainable value for shareholders in the medium/long term and promoting the Enel mission and our corporate values.

The 2019 remuneration policy adopted for the Chief Executive Officer and General Manager and key management personnel envisages:

- > a fixed component;
- > a short-term variable component (MBO) that will be paid out on the basis of achievement of specific performance objectives. Namely:
 - for the CEO, short-term objectives have been set for the following components:
 - consolidated net ordinary income;
 - funds from operations/consolidated net financial debt;
 - Group opex;
 - workplace safety;
 - for key management personnel, objective annual goals connected with their business area have been set,

differentiated by the functions and responsibilities assigned to them;

- > a long-term variable component linked to participation in specific long-term incentive plans. In particular, for 2019 long-term variable remuneration is linked to participation in the Long-Term Incentive Plan 2019 ("2019 LTI Plan"), which establishes three-year performance targets for the following:
 - Enel's average TSR (Total Shareholder Return) compared with the average TSR for the Euro STOXX Utilities - EMU index for the 2019-2021 period;
 - ROACE (Return on Average Capital Employed), cumulative for 2019-2021;
 - CO₂ emissions of Enel Group generation plants in 2021.

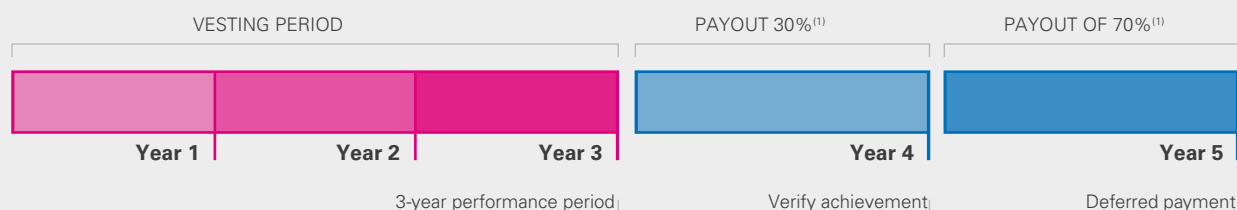
The 2019 LTI Plan establishes that any bonus accrued is represented by an equity component, which can be supplemented – depending on the level of achievement of the various targets – by a cash component. More specifically, the Plan envisages that 100% of the basic bonus of the Chief Executive Officer and General Manager and 50% of the basic bonus of key management personnel will be paid in Enel shares previously acquired by the Company.

The disbursement of a significant portion of long-term variable remuneration (70% of the total) is deferred to the second year following the three-year performance period covered by the 2019 LTI Plan.

The establishment of a target in the 2019 LTI Plan for CO₂ emissions (grams per kWh equivalent produced by the Group in 2021) and a target in the short-term variable remuneration system of the Chief Executive Officer and General Manager linked to workplace safety is designed to promote the implementation of a sustainable business model.

A detailed description of the remuneration policy for 2019 and of remuneration paid in 2018 is provided in Enel's 2019 Remuneration Report available on the Company's website (www.enel.com).

LTI PLAN (Long-Term Incentive)



(1) If performance targets are achieved.

Enel share-based incentive plan

On May 16, 2019, the Ordinary Shareholders' Meeting of Enel SpA ("Enel" or the "Company") approved the Long-Term Incentive Plan for 2019 ("2019 LTI Plan" or "Plan") for the management of Enel and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code, granting the Board of Directors all the necessary powers to implement the Plan.

The beneficiaries of the Plan – whose characteristics are described in detail in the information document prepared pursuant to Article 84-*bis* of the CONSOB Regulation issued with Resolution no. 11971 of May 14, 1999, which is available to the public in the section of Enel's website (www.enel.com) dedicated to the Shareholders' Meeting of May 16, 2019 – are the Chief Executive Officer/General Manager of Enel and the managers of the Enel Group who occupy key positions directly responsible for corporate performance or considered of strategic interest. It provides for the award to the beneficiaries of an incentive consisting of a stock component and a cash component.

This incentive – determined, at the time of the award, on a base value calculated in relation to the fixed remuneration of the individual beneficiary – may vary depending on the degree of achievement of each of the three-year performance targets by the Plan, ranging from zero up to a maximum of 280% or 180% of the base value in the case, respectively, of the Chief Executive Officer/General Manager or the other beneficiaries. The 2019 LTI Plan also provides that, of the total incentive effectively vested, the bonus will be fully paid in shares in the amount of (i) up to 100% of the base value for the Chief Executive Officer/General Manager and (ii) up to 50% of the base value for the other beneficiaries.

The actual award of the bonus under the 2019 LTI Plan is

subject to the achievement of specific performance targets during the 2019-2021 period (the so-called performance period). If these targets are achieved – and depending on the level of achievement – 30% of the stock and cash components of the incentive will be paid to the beneficiaries in 2022 and the remaining 70% in 2023.

In accordance with the resolution of the Board of Directors of September 19, 2019 – which in implementation of the authorization granted by the Shareholders' Meeting of May 16, 2019 and in compliance with the related terms, approved the start of a share buyback program to support the 2019 LTI Plan in the maximum amount of €10.5 million and a maximum number of 2.5 million shares – between September 23, 2019 and December 2, 2019, the Company purchased a total of 1,549,152 treasury shares (equal to about 0.015% of share capital) at a weighted average price of €6.7779 per share with a total value of €10,499,998.93. In granting the shares under the Plan, 1,538,547 shares were awarded, although actual disbursement to the beneficiaries remains subordinate to the level of achievement of the performance targets.

The cost of the Plan is determined with reference to the fair value of the equity instruments assigned during the year and is recognized over the duration of the vesting period in equity reserves. Considering the market price of the Enel share on the grant date (i.e., November 12, 2019), equal to €6.983, the fair value of the equity instruments on that date, taking account of the number of shares granted, is equal to €10,743,674.

The fair value of the financial instruments pertaining to the year, determined on the basis of the market price of the stock at the end of the period, is equal to €350,987.

Values and pillars of corporate ethics

A robust system of ethics underlies all activities of the Enel Group. This system is embodied in a dynamic set of rules constantly oriented towards incorporating national and international best practices that everyone who works for and with Enel must respect and apply in their daily activities. The system is based on specific compliance instruments: the Code

of Ethics, the Compliance Model under Legislative Decree 231/2001, the Enel Global Compliance Program, the Zero-Tolerance-of-Corruption Plan, the Human Rights Policy and any other national compliance models adopted by Group companies in accordance with local laws and regulations.

Code of Ethics

In 2002, Enel adopted a Code of Ethics, which expresses the Company's ethical responsibilities and commitments in conducting business, governing and standardizing corporate conduct on the basis of standards aimed to ensure the maximum transparency and fairness with all stakeholders.

The Code of Ethics is valid in Italy and abroad, taking due account of the cultural, social and economic diversity of the various countries in which the Group operates. Enel also requires that all associates and other investees and its main suppliers and partners adopt conduct that is in line with the

general principles set out in the Code.

Any violations or suspected violations of Enel Compliance Programs can be reported, including in anonymous form, through a single Group-level platform (the "Ethics Point"). In 2019, the Code was updated to reflect a number of international provisions concerning human rights and align the duties of the units responsible for updating the document with current organizational arrangements

No.

	2019	2018	Change	
Total reported violations of the Code of Ethics	166	144	22	15.3%
Confirmed violations of the Code of Ethics ⁽¹⁾	36	31	5	16.1%
- of which violations involving conflicts of interest/bribery	8	10	(2)	-20.0%

(1) The analysis of reports received in 2018 was completed in 2019. For that reason, the number of verified violations for 2018 was restated from 30 to 31. The additional violation is attributable to an issue with compliance with overtime regulations by a supplier

Compliance Model (Legislative Decree 231/2001)

Legislative Decree 231 of June 8, 2001 introduced into Italian law a system of administrative (and de facto criminal) liability for companies for certain types of offenses committed by their directors, managers or employees on behalf of or to the benefit of the company. Enel was the first organization in Italy to

adopt, back in 2002, this sort of compliance model that met the requirements of Legislative Decree 231/2001 (also known as "Model 231"). It has been constantly updated to reflect developments in the applicable regulatory framework and current organizational arrangements.

Enel Global Compliance Program (EGCP)

The Enel Global Compliance Program for the Group's foreign companies was approved by Enel in September 2016. It is a governance mechanism aimed at strengthening the Group's ethical and professional commitment to preventing the commission of crimes abroad that could result in criminal liability for the company and do harm to our reputation. Identification of the types of crime covered by the Enel Global Compliance

Program – which encompasses standards of conduct and areas to be monitored for preventive purposes – is based on illicit conduct that is generally considered such in most countries, such as corruption, crimes against the government, false accounting, money laundering, violations of regulations governing safety in the workplace, environmental crimes, etc.

Zero-Tolerance-of-Corruption Plan and the anti-bribery management system

In compliance with the tenth principle of the Global Compact, according to which “businesses should work against corruption in all its forms, including extortion and bribery,” Enel is committed to combating corruption. For this reason, in 2006 we adopted the “Zero-Tolerance-of-Corruption (ZTC) Plan,” confirming the Group's commitment, as described in both the Code of Ethics and the Model 231, to ensure propriety and

transparency in conducting company business and operations and to safeguard our image and positioning, the work of our employees, the expectations of shareholders and all of the Group's stakeholders. Following receipt of the ISO 37001 anti-corruption certification by Enel SpA in 2017, the 37001 certification plan has gradually been extended to the main Italian and international subsidiaries of the Group. .

Human Rights Policy

In order to give effect to the United Nations Guiding Principles on Business and Human Rights, in 2013 the Enel SpA Board of Directors approved the Human Rights Policy, which was subsequently approved by all the subsidiaries of the Group. This policy sets out the commitments and responsibilities in respect of human rights on the part of the employees of Enel SpA and its subsidiaries, whether they be directors or

employees in any manner of those companies. Similarly, with this formal commitment, Enel explicitly becomes a promoter of the observance of such rights on the part of contractors, suppliers and business partners as part of its business relationships. Implementation of the activities provided for in the action plans, which were prepared following due diligence on the management system in 2017, continued in 2019.





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**3. STRATEGY & RISK
MANAGEMENT
REPORT
ON OPERATIONS**



Reference scenario

Macroeconomic environment

World economic growth in 2019 slowed markedly, confirming the weakness that had emerged in the 2nd Half of 2018. The trade tensions between the United States and China, the tumultuous geo-political environment and the persistent uncertainty linked to the Brexit negotiations curbed consumption and investment. These factors were compounded by the slow pace of growth in China, which has stabilized at around 6%, its lowest level in the last 30 years.

The United States continued its long expansion, displaying resilient domestic demand and a job market with unemployment at historic lows (3.6%), as well as continuing real wage growth of 3%. However, the restrictive monetary policy implemented by the Fed has adversely affected some sectors of the economy, such as real estate, which has experienced a sharp drop. In addition, manufacturing was hit hard by the US-China trade war.

Growth was modest in the euro area, averaging 0.2% on a quarterly basis.

The weakness is mainly attributable to the decline in exports and the crisis in the auto sector, which has been particularly significant for Germany. Domestic demand in France and Spain has been resilient, while economic activity has stagnated in Germany and Italy.

In Latin America, economic conditions were weak and varied, affected by strong political instability. The deterioration in the global context, the slowdown in the Chinese economy and the decline in commodity prices had a major impact on the entire area.

Argentina is in recession and the uncertainty generated by the new economic policies adopted by the Fernandez government created concern about debt stability and the prospects for recovery. GDP contracted by 2.1% in 2019 and is expected to fall again in 2020.

The Chilean economy was shaken by the social uprisings last October, which led to a sharp contraction in the real economy towards the end of the year, penalizing the currency and slowing economic activity. Both the central bank and the

government intervened actively with a very accommodative monetary and fiscal policy, which should allow the economy to normalize over the course of 2020.

In Brazil, economic activity was weak in the first part of 2019 due to the difficulties registered in industry and services, while private consumption remained fairly resilient. Indicators for the real economy have reversed course, however, showing a strong recovery in the last two quarters. The approval of pension reform has restored the confidence of firms and consumers and paved the way for the start of a new cycle of reforms in 2020.

In Colombia, economic activity outperformed the entire area, driven by private consumption and investment, despite the escalation of social unrest towards the end of the year.

In Peru, expansionary financial conditions sustained domestic demand; however, the shock in the primary sector in the first part of the year impacted the economic recovery.

The outbreak of the COVID-19 epidemic in China and the subsequent spread of new infections in other parts of the world since the start of the year have radically altered the scenario for 2020. At this point, a strong global shock is expected both on the supply side (i.e. interruptions of the supply chain and production activities) and on the demand side (lower discretionary consumption and investment due to the restrictions). Among the mature economies, the euro area is the most at risk, given the weight of manufacturing, discretionary consumption and exports in its economy and the strong links with China in the supply chain. By virtue of the restrictive measures adopted in many countries in the euro area, the probability that it will enter a recession in the 3rd Quarter of 2020 is now becoming high. Italy is already in recession from the 1st Quarter of 2020 and any further restrictions imposed by the Government threaten to erode the economic outlook for the current year even further. Following the imposition of new restrictions, Spain will also be sharply impacted, not only in the services sector (e.g. tourism) and discretionary consumption but above all in manufacturing and other industry. Owing to the weakness of their healthcare systems and the limited scope to introduce expansionary fiscal measures to support

demand (as well as their large debt exposure denominated in foreign currencies), the emerging economies are now highly vulnerable.

At this juncture, the response of the central banks was rapid and coordinated. The Fed aggressively cut interest rates (in two extraordinary sessions), bringing them to their neutral value (from 1.50-1.75% to 0-0.25%). The Bank of England lowered its official interest rate to 0.10% from 0.75%. The response of the ECB was focused entirely on the problem of liquidity: it therefore did not cut rates but did introduce a massive monetary stimulus. First, it expanded its quantitative easing program by €120 billion until the end of 2020, greater than expected, while at the same time more favorable conditions were granted for banks' long-term refinancing operations. A €750 billion Pandemic Emergency Purchase Program

was also created, easing the constraints of the previous quantitative easing program and thus allowing the ECB to purchase more Italian public debt securities.

Governments around the world are also introducing major fiscal stimulus measures to counter the economic consequences of restrictions imposed to combat the coronavirus pandemic. The support of the European Commission and the possibility of derogating from the constraints of the Stability Pact will allow the Italian government and those of other European countries to implement the necessary measures to promote economic recovery in the 2nd Half of the year.

In the coming months, a clearer picture of the economic consequences of the epidemic and the impact on the financial markets will certainly emerge.

GDP growth

%	2019	2018
Italy	0.3	0.7
Spain	2.0	2.4
Portugal	2.2	2.6
Greece	1.9	1.9
Argentina	-2.1	-2.4
Romania	4.2	4.5
Russia	1.3	2.2
Brazil	1.1	1.3
Chile	1.0	4.0
Colombia	3.3	2.5
Mexico	-0.1	2.1
Peru	2.2	4.0
Canada	1.6	2.0
United States	2.3	2.9
South Africa	0.2	0.8

Source: National statistical institutes and Enel based on data from ISTAT, INE, EUROSTAT, IMF, OECD and Global Insight.

Average exchange rates

	2019	2018	Change
Euro/US dollar	1.119	1.181	-5.25%
Euro/British pound	0.88	0.89	-1.12%
Euro/Swiss franc	1.11	1.15	-3.48%
US dollar/Japanese yen	109	110.45	-1.31%
US dollar/Canadian dollar	1.33	1.30	2.31%
US dollar/Australian dollar	1.44	1.34	7.46%
US dollar/Russian ruble	62.99	67.15	-6.20%
US dollar/Argentine peso	48.17	28.05	71.73%
US dollar/Brazilian real	3.94	3.65	7.95%
US dollar/Chilean peso	702.85	641.81	9.51%
US dollar/Colombian peso	3,280	2,956	10.96%
US dollar/Peruvian nuevo sol	3.34	3.29	1.52%
US dollar/Mexican peso	19.25	19.23	0.10%
US dollar/Indian rupee	70.42	68.40	2.95%
US dollar/South African rand	14.45	13.24	9.14%

Inflation

%	2019	2018	Change
Italy	0.6	1.1	-0.5
Spain	0.7	1.7	-1
Russia	4.5	2.9	1.6
Romania	3.8	4.6	-0.8
India	3.7	3.9	-0.2
South Africa	4.1	4.6	-0.5
Argentina	53.6	33.8	19.8
Brazil	3.7	3.7	-
Chile	2.3	2.3	-
Colombia	3.5	3.2	0.3
Mexico	3.5	3.2	0.3
Peru	2.1	1.3	0.8
USA	1.8	2.4	-0.6
Canada	2.0	2.2	-0.2

The IBOR reform

Interbank Offered Rates (IBORs) represent benchmarks for most financial instruments marketed worldwide.

Over the years there have been several cases of manipulation of these rates by banks, and for this reason regulators around the world have begun a reform of the IBORs to restore the reliability and soundness of these benchmarks.

In view of the considerable uncertainty surrounding the timing of the reform in the transition phase, the Enel Group has launched an

assessment of the impacts on the financial instruments subject to revision as well as on the organizational structures involved.

Note that management is aware of the associated risks and for this reason these activities have been planned so as to complete the transition by the deadline set for 2021.

The energy industry

Energy - commodity conditions

Volatility returned to the oil market last year. Observing developments in the price of Brent, we find alternating upward and downward price movements during 2019, with a peak above \$71 a barrel in April, before falling below \$60 a barrel in late summer.

Despite the numerous events exerting downward pressure on the global oil supply (the sanctions imposed by the Trump administration on Iranian exports, the deterioration in the crisis in Venezuela and the attacks on infrastructure in Saudi Arabia), prices were lower than at the beginning of the year, indicating a structural weakness in global demand.

The average API2 price of coal in 2019 fell by 34% compared with 2018. This trend is attributable to two main factors: 1) the drop in global demand and 2) supply cuts that were insufficient to rebalance the fundamentals. The rapid drop in coal demand

in Europe (with a decline of about 20% in imports compared with a year earlier) was due both to a number of closures of capacity and a replacement effect between coal and gas due to the greater cost competitiveness of combined-cycle plants. On the supply side, Indonesia maintained its position as the main exporter (a year-on-year increase of 40 million metric tons), followed by Russia and Australia, while exports from Colombia and the United States decreased due to the decline in demand from Europe.

During the past year, the weakening of Asian demand and new liquefaction capacity entering the market led to a surplus of LNG, which helped divert gas flows to Europe, first driving gas stocks to record levels and then causing a sharp drop in gas prices at all major European hubs. The average TTF gas price, for example, was €13.6/MWh, down 40% compared with a year earlier.

		2019	2018	Change
Brent	\$/bbl	64	72	-11.1%
API2	\$/t	61	92	-33.7%
TTF	€/MWh	14	23	-39.1%
CO ₂	€/t	25	16	56.3%

After a 2018 characterized by constant growth, 2019 was instead afflicted by considerable volatility, which first saw the price of CO₂ allowances fall below €20/ton in February and then rise to €30/ton in July. The combination of mild temperatures, uncertainty over Brexit negotiations and concerns about possible risks associated with global macroeconomic growth strongly impacted market developments.

The sharp decrease in gas prices combined with the rise in the price of CO₂ has helped drive changes in the generation mix in some European countries, encouraging gas-fired generation even in countries like Spain, where coal has historically represented the marginal generation technology.

Electricity and natural gas markets

Electricity demand

Developments in electricity demand ⁽¹⁾

GWh	2019	2018	Change
Italy	319,597	321,910	-0.7%
Spain	248,876	253,495	-1.8%
Romania	61,699	62,044	-0.6%
Russia ⁽²⁾	801,908	805,916	-0.5%
Argentina	133,323	137,262	-2.9%
Brazil	594,368	583,025	1.9%
Chile	77,064	76,175	1.2%
Colombia	71,181	69,176	2.9%
Peru	53,483	50,836	5.2%

(1) Gross of grid losses.

(2) Europe/Urals.

Source: Enel based on TSO figures.

In 2019, electricity demand trended downwards: in Italy, demand contracted by 0.7% compared with 2018, while Spain registered an even larger decline of 1.8%, reflecting weather developments.

Among the Latin American countries, electricity demand de-

creased sharply (-3%) in Argentina due to recession in the country, while all other countries in which Enel has a presence posted increases in electricity demand: Brazil +1.9%, Chile +1.2% and Colombia +2.9%.

Electricity prices

Electricity prices

	Average baseload price 2019 (€/MWh)	Change in average baseload price 2019-2018	Average peakload price 2019 (€/MWh)	Change in average peakload price 2019-2018
Italy	52.3	-14.6%	58.4	-14.2%
Spain	47.5	-17.1%	51.2	-16.8%

Price developments in the main markets

Eurocents/kWh				
	2019	2018	Change	
Final market (residential) ⁽¹⁾				
Italy	0.2301	0.2067	11.3%	
France	0.1765	0.1754	0.6%	
Romania	0.1358	0.1333	1.9%	
Spain	0.2403	0.2383	0.8%	
Final market (industrial) ⁽²⁾				
Italy	0.1066	0.0755	41.2%	
France	0.0704	0.0686	2.6%	
Romania	0.0985	0.0794	24.1%	
Spain	0.0943	0.0880	7.2%	

(1) Annual price net of taxes - annual consumption of between 2,500 kWh and 5,000 kWh.

(2) Annual price net of taxes - annual consumption of between 70,000 MWh and 150,000 MWh.

Source: Eurostat.

Natural gas markets

Natural gas demand

Millions of m ³				
	2019	2018	Change	
Italy	72,947	71,514	1,433	2.0%
Spain	34,215	30,062	4,153	13.8%

Last year saw demand for natural gas rise in Italy (+2.0%), while demand jumped sharply in Spain (+13.8%), mainly driven by electricity generation.

Gas demand in Italy

Millions of m ³				
	2019	2018	Change	
Distribution grids	31,650	32,355	-705	-2.2%
Industry	14,002	14,266	-264	-1.9%
Thermal generation	25,775	23,361	2,414	10.3%
Other ⁽¹⁾	1,520	1,532	-12	-0.8%
Total	72,947	71,514	1,433	2.0%

(1) Includes other consumption and losses.

Source: Enel based on data from the Ministry for Economic Development and Snam Rete Gas.

Observing the gas demand by sector, we see that the increase in Italy in 2019 is due exclusively to the thermal generation sector, which registered an increase of over ten per

cent thanks to the steep decline in the VTP price, which made combined-cycle generation especially competitive.

Climate change and long-term scenarios

In the following pages, Enel sets out its strategy founded on decarbonization, innovation and digitalization, with a sharp focus on the fight against climate change. We describe an integrated business model directed at sustainable development. In order to promote transparency in our climate-change disclosures, we intend to give our stakeholders all the tools and information they need to appreciate how the Group is tackling climate change with diligence and determination. Enel has therefore publicly committed itself to adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)⁽¹⁾ of the Financial Stability Board, which in June 2017 published specific recommendations for the voluntary reporting of the financial impact of climate risks. The Group is also taking on board the “Guidelines on reporting climate-related information” published by the European Commission in June 2019, which, together with the TCFD recommendations and the GRI standard⁽²⁾, constituted the main benchmark framework for the Group’s reporting on climate change issues in 2019.

The Enel Group is committed to developing a business model that is consistent with the objectives of the Paris Agreement (COP21)⁽³⁾ to contain the average increase in global temperature below 2 °C compared with pre-industrial levels and to continue to limit this rise to 1.5 °C. In 2019 Enel officially reaffirmed this commitment, responding to the call for action by the United Nations and being the only Italian company to sign the commitment to limit the increase in global temperatures to 1.5 °C and to achieve zero emissions by 2050.

The Group’s ambition for leadership in the energy transition and the fight against climate change was further strengthened

in 2019: the target for the reduction of direct emissions from generation by 2020, which was set in 2015 at 350 g/kWh_{eq} of CO₂ with a 25% reduction compared with 2007, was achieved one year earlier. In fact, 2019 closed with a reduction of 37% compared with 2007, to 296 g/kWh_{eq} of CO₂. This objective has been certified by the Science Based Targets initiative (SBTi)⁽⁴⁾ as consistent with the 2DS⁽⁵⁾ scenario of the International Energy Agency, which defines an energy system development path and an emission trajectory consistent with at least a 50% chance of limiting the average global temperature rise to 2 °C. As a result, the reduction target for 2020 has been updated in the new 2020-2022 Strategic Plan to 254 g/kWh_{eq} of CO₂.

In September 2019, Enel further enhanced its commitment by setting a new target for 2030, with which it undertook to reduce direct CO₂ emissions per kWh by 70% by 2030 (Scope 1) compared with 2017. This target, for direct emissions from electricity generation, is nearly three times as ambitious as the previous objective for 2020 and is fully aligned with the Paris Agreement (COP21). In addition, the objective has been certified by the Science Based Targets initiative, which is currently the most ambitious certification criterion available for the utility sector and is consistent with the Well Below 2C pathway of the SBTi and the IEA B2DS scenario. This acceleration is also a response to the appeal of the Intergovernmental Panel on Climate Change (IPCC) as part of its effort to strengthen the global response to the climate change threat. Included in the special report, the appeal warns of the impacts of global warming of 1.5 °C above pre-industrial levels and the related global greenhouse gas emission pathways.

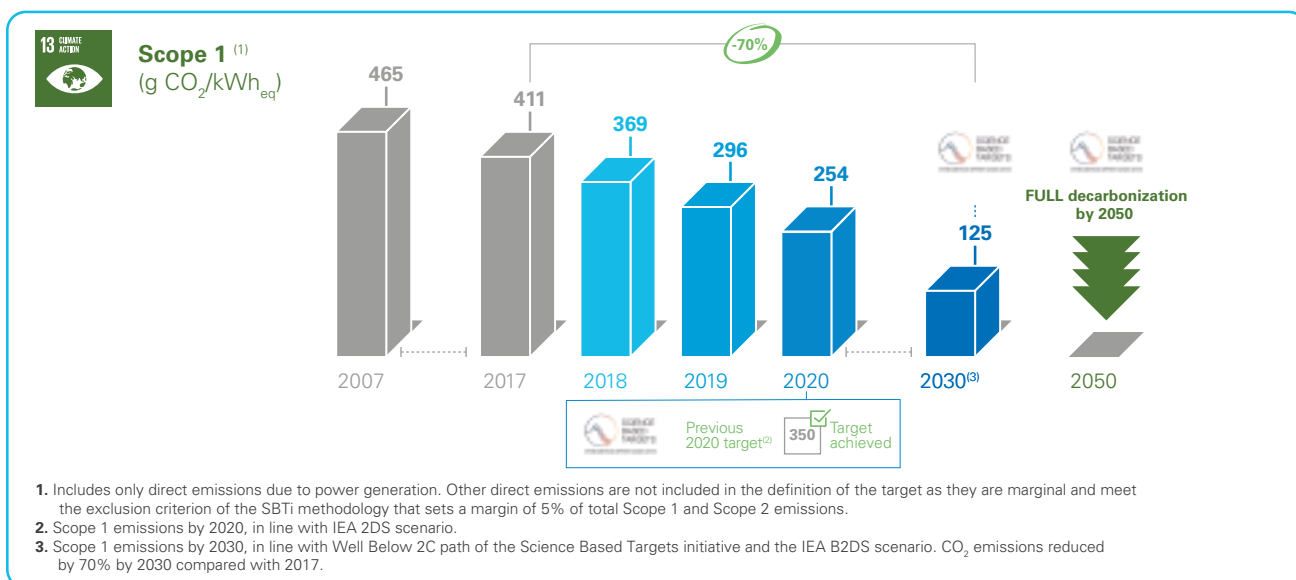
(1) The TCFD is the task force established by the Financial Stability Board in December 2015 to develop voluntary guidelines and recommendations for companies in order to provide information to all stakeholders on the risks and opportunities associated with climate change.

(2) The Global Reporting Initiative is an independent international organization that develops global reporting standards for sustainability.

(3) The agreement reached in December 2015 at the 21st meeting of the Conference of the Parties (COP21) incorporates a commitment to limit the increase global temperature to below 2 °C and – if possible – below 1.5 °C compared with pre-industrial levels.

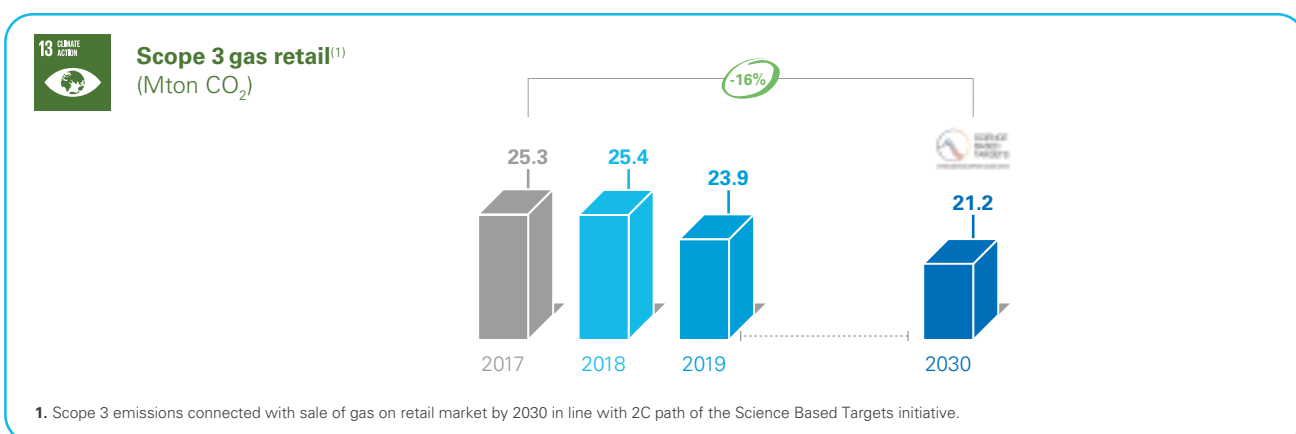
(4) An initiative to provide companies with targets for reducing greenhouse gas emissions (GHG) consistent with what the current level of scientific knowledge deems necessary for limiting the rise in global temperature well below of 2 °C.

(5) The 2DS scenario describes an energy system consistent with an emissions trajectory which, with an 80% probability, would make it possible to limit the increase in the average global temperature to no more than 2 °C.



In parallel with direct emissions, the Group has set a new target, also certified by the Science Based Targets initiative, to also reduce indirect emissions associated with the consump-

tion of gas by the Group's end users (indirect emissions from the use of products sold), which represent a significant source of indirect Scope 3 emissions, by 16% by 2030.



The Group develops short-, medium- and long-term scenarios for the energy industry and for macroeconomic and financial conditions in order to support its strategic and industrial planning and the evaluation of investments and extraordinary corporate transactions. The role of climate change in these scenarios is increasingly important in terms of:

- > acute phenomena (heat waves, flooding, hurricanes etc.) and their potential impact on industrial assets;
- > chronic phenomena related to structural changes in the climate, such as the rising trend in temperatures, rising sea levels etc., which bring about changes in the output of generation plants and in electricity consumption profiles in the residential and commercial sectors;
- > transition of the various industrial and business sectors to-

wards a green economy characterized by ever lower emission levels.

The issues connected with future trends in climate variables (in terms of acute and chronic phenomena) define the so-called "physical scenario," while the issues associated with the industrial and economic transition towards solutions to reduce atmospheric concentrations of CO₂ are the characteristic elements of the "transition scenario." The adoption of these scenarios and their integration into corporate processes takes account of the guidelines of the TCFD and enables the assessment of the risks and opportunities connected with climate change.

The physical climate scenario

Among the climate projections developed by the Intergovernmental Panel on Climate Change (IPCC)⁽⁶⁾ on a global scale, the Group has selected two representing a specific level of emissions (the so-called “Representative Concentration Pathway”):

- > **Representative Concentration Pathway 2.6 (RCP 2.6):** compatible with global warming of less than +2 °C above pre-industrial levels by 2100, or an average of about +1 °C in 2081-2100;
- > **Representative Concentration Pathway 8.5 (RCP 8.5):** compatible with a scenario where no particular measures are taken to combat climate change, a so-called “business as usual scenario”. In this scenario, a mean global temperature increase of about 4.3 °C above pre-industrial levels is forecast for 2081-2100.

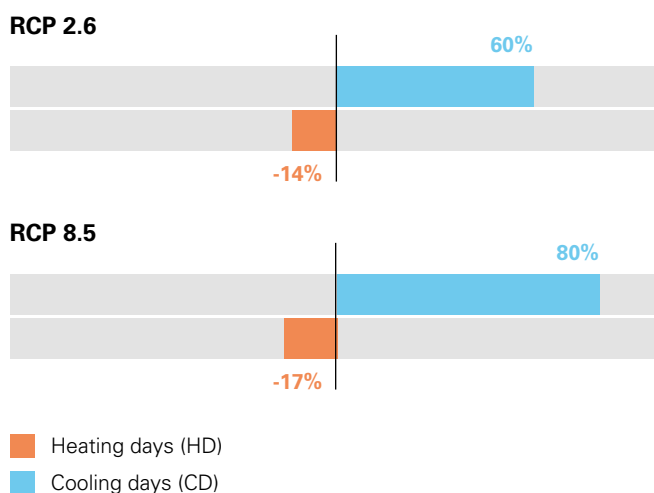
In the RCP 8.5 climate projections, the Mediterranean and Central/South America will experience a significant increase in average temperatures and a substantial decline in precipitation, with the effects becoming more pronounced in the second half of the century and the impact increasing up to 2100. In the RCP 2.6 scenario, the effects will be similar but less intense, with the trend slowing in the second half of the century, thereby producing a substantial differential between the two scenarios in 2100.

The scenarios are global in nature. Accordingly, in order to determine their effects in the areas of relevance for the Group, a collaborative initiative has been started with the Earth Sciences department of the International Center for Theoretical Physics (ICTP) of Trieste. As part of this collaboration, the ICTP provides projections for the major climate variables with a grid resolution of 50 km² and a forecast horizon running from 2030 to 2050. The main variables are average temperatures, rainfall and snowfall and solar radiation. The first phase of the study conducted in 2019 involved Italy and Spain, with the consequent definition of a preliminary physical scenario.

Italy

Acute phenomena: in the 2030-2050 period, heat waves are expected to increase appreciably both in terms of frequency and geographical distribution, especially in the southern regions of the country. In these scenarios, the intensity of extreme rain and snowfall events increases sharply, but their frequency declines compared with historic trends.

Chronic phenomena: the average annual temperature is expected to increase over the 2030-2050 period in both the RCP 2.6 and 8.5 scenarios. In the RCP 8.5 scenario, the temperature is expected to rise by an average of 0.4 °C compared with the RCP 2.6 scenario in the 2030-2050 period, with the differential then widening significantly in the second half of the century. Chronic changes in temperature can be analyzed to obtain information on the potential effects on cooling and heating demand in local energy systems. In terms of heating days (HDs), i.e. days with a temperature below 15 °C, and cooling days (CDs), or days with a temperature above 24 °C, the 2030-2050 period will see HDs decrease by 14% and CDs increase by 60% in the RCP 2.6 scenario, while the RCP 8.5 scenario will see a larger decline in HDs (-17%) and a larger increase in CDs (+80%).



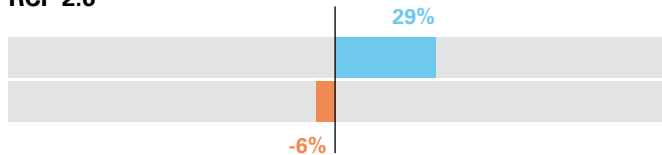
(6) The IPCC, founded in 1988 by the UNEP (United Nations Environment Program) and the WMO (World Meteorological Organization), is the main international body for the assessment of climate change. The IPCC provides science-based climate analysis in order to support governments in developing policies to combat climate change.

Spain

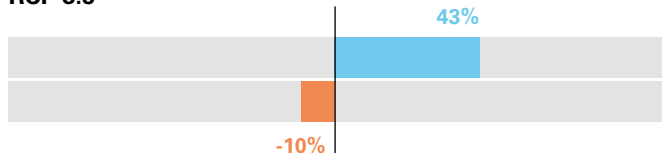
Acute phenomena: over the 2030-2050 period, heat waves are expected to increase appreciably in frequency, with their geographical spread expected to expand, especially in the southern area of the country. Extreme rainfall will increase in intensity but its frequency will decline. At the same time, extreme snowfalls will largely remain located in the current geographical areas but their frequency and intensity could decline sharply.

Chronic phenomena: the average annual temperature is expected to increase over the 2030-2050 period in both the RCP 2.6 and 8.5 scenarios. In the RCP 8.5 scenario, the temperature is expected to rise by an average of 0.4 °C compared with the RCP 2.6 scenario in the 2030-2050 period, with the differential then widening significantly in the second half of the century. In terms of heating days (HDs) and cooling days (CDs) the 2030-2050 period will see HDs decrease by 6% and CDs increase by 29% in the RCP 2.6 scenario, while the RCP 8.5 scenario will see a larger decline in HDs (-10%) and a larger increase in CDs (+43%).

RCP 2.6



RCP 8.5



- Heating days (HD)
- Cooling days (CD)

The transition scenario

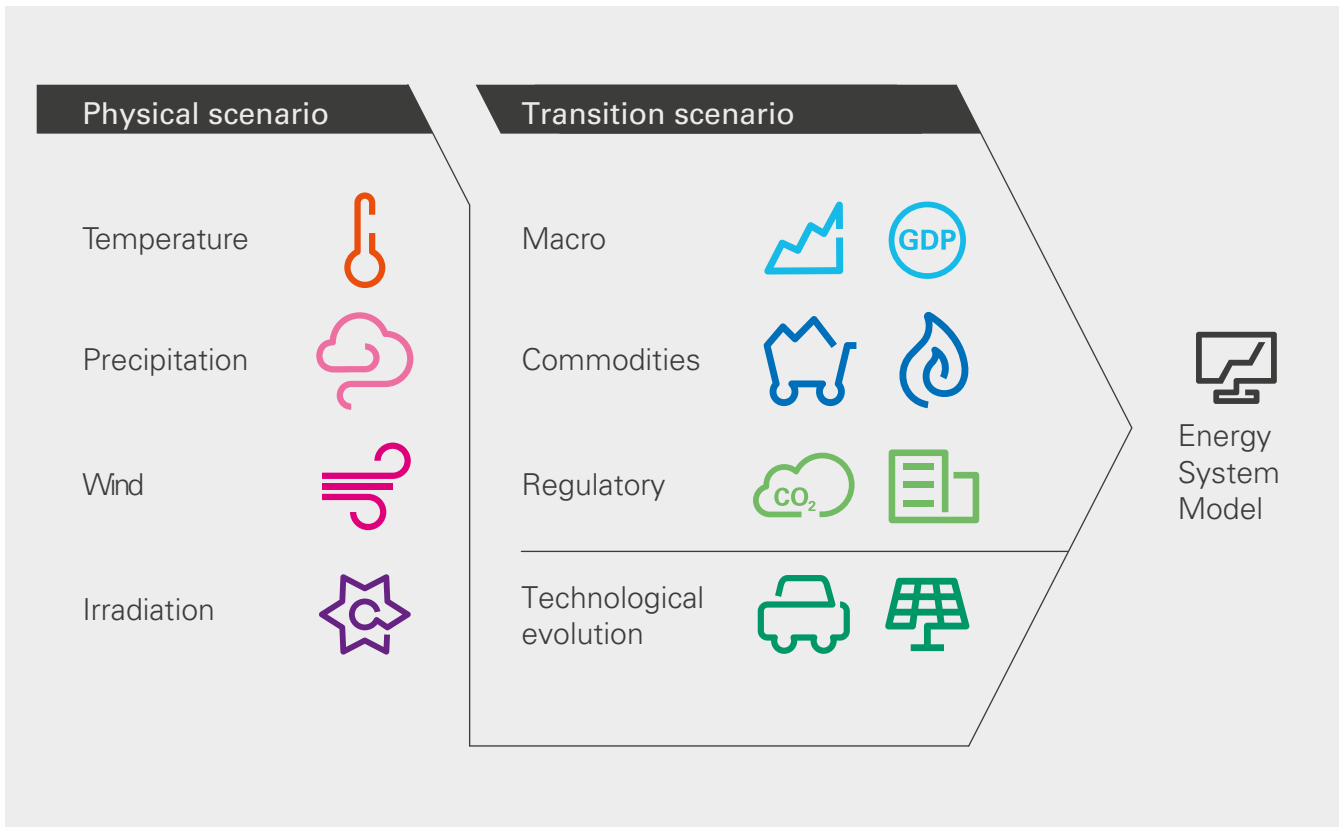
The transition scenario depicts the evolution of industrial and business sectors in an economic, social and regulatory context consistent with different trends in greenhouse gas (GHG) emissions and, therefore, is correlated with the RCP 2.6 and 8.5 climate scenarios. The Group has therefore equipped itself with quantitative tools that incorporate assumptions regarding the context to produce corresponding projections for energy demand, electricity demand, electricity production, the penetration of renewables and electric vehicles, etc.: in short, all the variables that characterize a national energy system relevant to the Group's activities.

In defining the transition scenarios, we distinguish between:

- > assumptions concerning the global macroeconomic and energy context in terms of commodity prices, interest rates, gross domestic product etc., using international benchmarks produced by entities such as the International Energy Agency (IEA), Bloomberg New Energy Finance (BNEF), International Institute for Applied Systems Analysis (IIASA), etc. With regard to IIASA, for example, consideration was given to the fundamentals driving the "Shared Socioeconomic Pathways" (SSPs), in which general energy scenarios related to physical climatic scenarios are developed. The information deriving from the "SSPs" is used to support long-term forecasts on commodity prices;
- > assumptions concerning local policies and regulatory measures associated with the fight against climate change, such as the reduction of carbon dioxide emissions, the efficiency of the energy system, the decarbonization of the electricity sector, the reduction of oil consumption etc. For Italy and Spain, reference is made to those countries' integrated National Energy and Climate Plans (NECPs), which are also approved at the European level, while outside Europe, reference is made to the respective national energy programs of the countries involved.

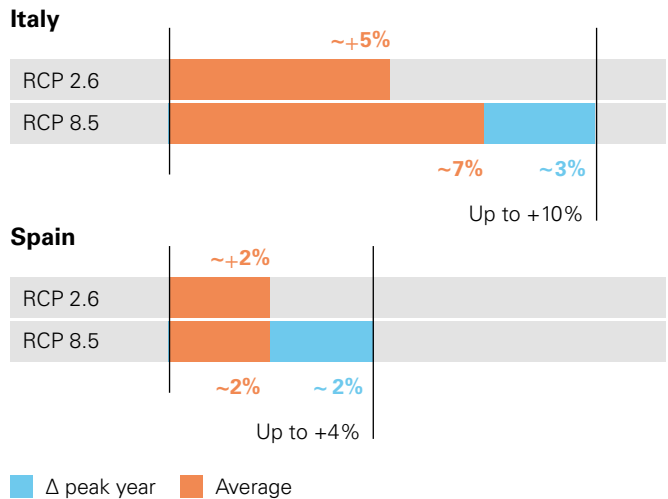
In order to define the transition scenario for the electricity sector, the Group considers the elements described above (physical scenarios, assumptions about the macro and energy context, regulatory developments) as prerequisites for the assessment of future projections of electricity demand, electricity generation, renewables etc.

In this context, the effect of temperature on electricity demand in the long term (2030-2050) has been estimated. Italian electricity demand is provisionally forecast to increase on average by up to 5%, due to the combined effect of the chronic increase in temperature and the transition of the system towards greater electrification of energy consumption.



Moreover, in the RCP 8.5 physical scenario the probability of extremely hot years increases, leading to a future increase of up to 10% in electricity demand, together with the risks associated with more frequent extreme weather events. In the case of Spain, however, over the same time horizon the chronic effects would involve an average increase in demand of around 2% and, in the possible peak year of the RCP 8.5 scenario, it could reach 4%. The smaller increase in electricity demand in Spain compared with Italy mainly reflects the narrower scope for the future electrification of consumption, as it is currently already largely electrified as a consequence of the presence of nuclear power in the country. These effects only reflect the long-term impact of temperature on electricity demand and the inertial evolution of the national energy system. They do not consider the repercussions of climate change on economies underscored in the IPCC's special report on global warming, which could also have indirect effects on economies and, therefore, on electricity demand.

Effects on energy demand (2030-2050)



Group strategy

The determination of the Group's strategy is based on many factors, beginning with an evaluation of the external environment. In particular, the following analyses are performed:

- > an analysis of macroeconomic, energy and climate scenarios: assessments and projections at the global and local levels to identify the main macroeconomic, energy and climate drivers in the short, medium and long term;
- > competitive landscape analysis: a comparison of the economic, financial, industrial, ESG (Environmental, Social & Governance) performance of companies in the utilities sector and other industries (for example, automotive, tech, oil & gas) in order to monitor, shape and support the Group's competitive advantage and leadership position;
- > industrial vision: an overview of the macro-trends affecting the company's business, with an assessment of the potential impacts on the Group's business based on a broad internal and external collaborative effort to identify actions to prevent, adapt to and manage disruption and changes in our business.

The analysis of what is happening and what could happen in the external environment underpins the phase of designing our strategic options and consequent positioning, which is structured into the following main activities:

- > long-term positioning: evaluation of strategic options over a time horizon that extends beyond that used in industrial planning, with (i) the definition and the quantitative and qualitative development of alternative macroeconomic, energy and climate scenarios against which overall strategy can be assessed, and (ii) analysis based on stress testing for various factors, including the evolution of the industrial sector, technology, competitive structure and policies;

- > strategic dialogue: a rolling process where key strategic issues are discussed separately from the typical strategic planning process, which in turn is enriched by the continuous feedback of the strategic dialogue. It is part of a strategic design phase where communication between executives in the different businesses produces valuable insight for the development of new strategic options, underscoring the need for cultural or organizational change and synergies between businesses;
- > assessment of ESG factors and results of materiality analysis: Enel conducts materiality analysis using a well accepted methodology, taking account of the main standards in this area (Global Reporting Initiative - GRI and the Sustainability Accounting Standards Board - SASB) with the aim of identifying the most important issues for both the Company and for stakeholders (material issues) and to verify their "alignment" or "misalignment" with external expectations and internal importance.

The strategy of the Enel Group has proven its ability to create sustainable long-term value, integrating the themes of sustainability and close attention to climate change issues while simultaneously ensuring a steady increase in profitability.

The Group is among the leaders guiding the energy transition through the decarbonization of electricity generation and the electrification of energy consumption, which represent opportunities both to increase value creation and to contribute positively to more rapid achievement of the Sustainable Development Goals set by the United Nations (SDGs) in the 2030 Agenda.

Strategic Plan

The new 2020-2022 Strategic Plan confirms this approach, explicitly integrating the SDGs into our financial strategy.

By promoting a sustainable business model and behavior, the Enel Group has the ambition to contribute to the achievement of all the SDGs, leveraging SDG 17 (Strengthen the means of implementation and revitalize the global partnership for sustainable development) to foster global partnerships to tackle the many challenges faced by the world today.

More specifically, the investment plan is aimed directly at four main SDGs that will account for more than 90% of the Group's total investment in 2020-2022, equal to a total of €28.7 billion:

- > Affordable and Clean Energy (SDG 7);

- > Industry, Innovation and Infrastructure (SDG 9);
- > Sustainable Cities and Communities (SDG 11);
- > Climate Action (SDG 13).

The purpose-driven strategic pillars of the new Plan represent the main industry trends and enabling factors connected with the energy transition and the achievement of the SDGs.

The trends in decarbonization and electrification, which are naturally connected with the generation and sale of electricity, will be enabled by the development of increasingly digital grids and the evolution towards a platform-based business model and operational approach.

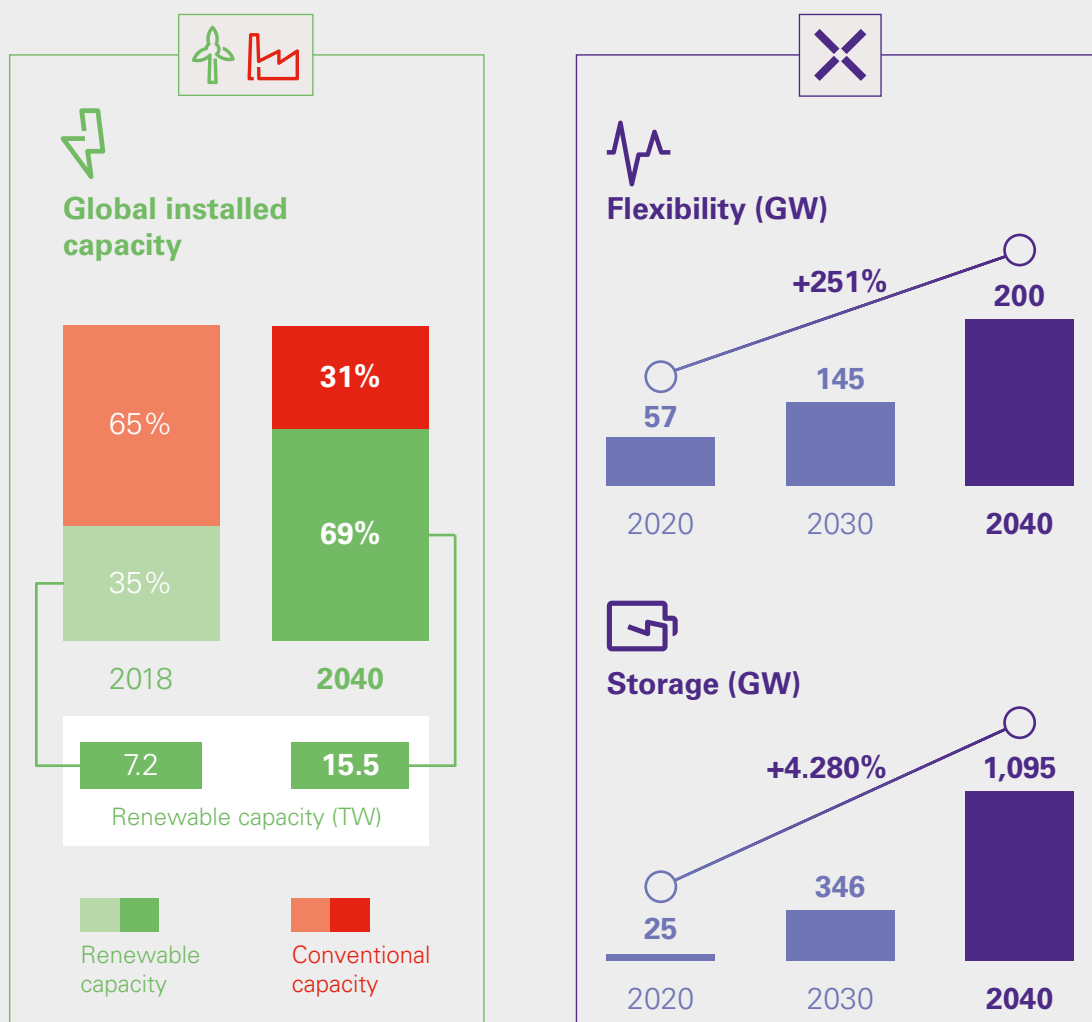


Decarbonization

In terms of decarbonization, in a configuration of the scenario⁽⁷⁾ consistent with limiting global warming within the levels established with the Paris Agreement, installed renewable capacity should increase from 35% in 2018 to 69% in 2040 thanks to the progressive decline in production costs and to the increased public awareness of climate issues. This evolu-

tion of the system towards more variable sources will require greater flexibility to manage the balance between generation and consumption. Accordingly, demand response and storage technologies are also expected to grow significantly, also in this case boosted by a steep decline in costs, which are expected to halve over the next 20 years.

The global context - Decarbonization

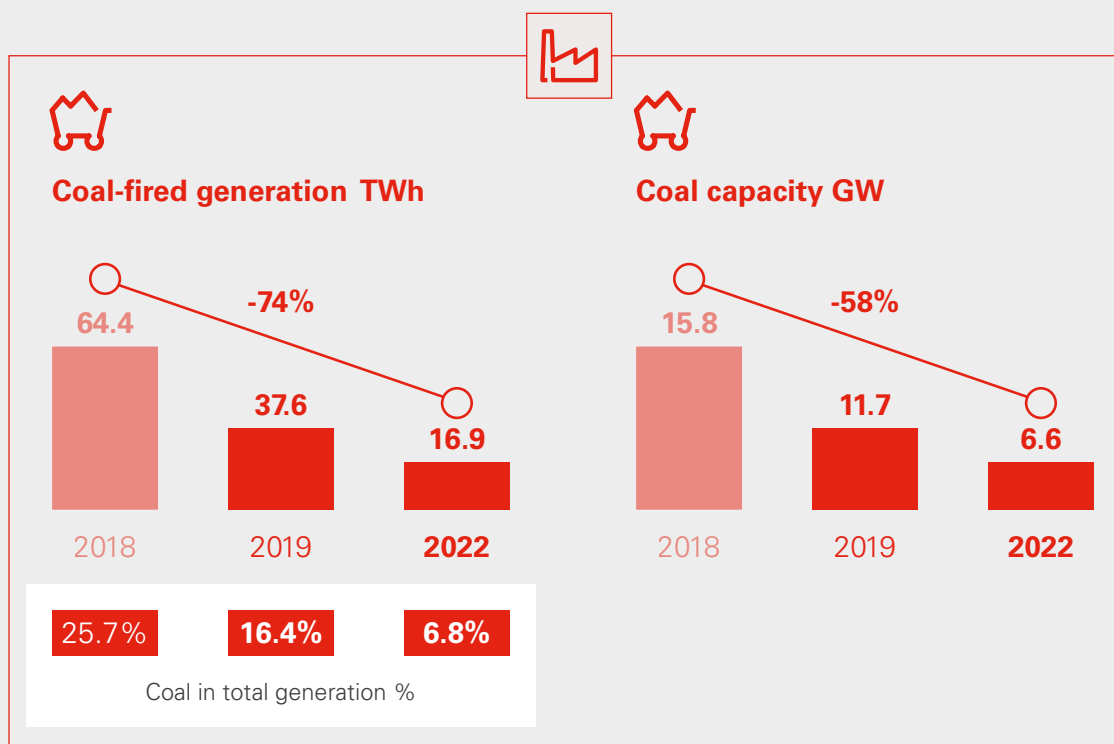


(7) Sustainable Development Scenario IEA (International Energy Agency), *World Energy Outlook 2019*.

In order to respond more effectively to the challenges posed by the rapid growth of renewable energy, enabling the Group to effectively supplement and accelerate the evolution of thermal generation, a common structure and management team have been created for all power generation. The major decarbonization objectives of the plan will there-

fore be achieved thanks to an acceleration of renewables development as well as the progressive decommissioning of coal-fired plants. The objective is to achieve an entirely marginal level of coal generation by 2030, with a 74% decrease in production as soon as 2022.

Progressive decrease in coal generation



The target for increasing renewable capacity is expected to rise by 14.1 GW in 2020-2022 and will be achieved through a number of strategic lines of development:

- > 5.4 GW will be developed in countries such as Italy, Spain and Chile, where new investments in renewable energy will support the decarbonization of our generation fleet;
- > 5.1 GW will mainly be developed in Brazil and the United States, where an increasing number of large customers are moving from the regulated market to purchase electricity from renewable sources primarily through long-term power purchase agreements (PPA);

- > 3.6 GW will be developed to support our presence in recently opened market or in entirely new markets, both directly and through joint ventures.

Thanks to these initiatives, 60% of the Group's total installed capacity in 2022 will be renewable.

In order to support the decarbonization process, the plan also envisages a significant contribution from the new flexibility services provided by Enel X. Demand response capacity will expand from 6.3 GW in 2019 to over 10.1 GW in 2022, while storage services will increase from the current 110 MW to about 440 MW in 2022.

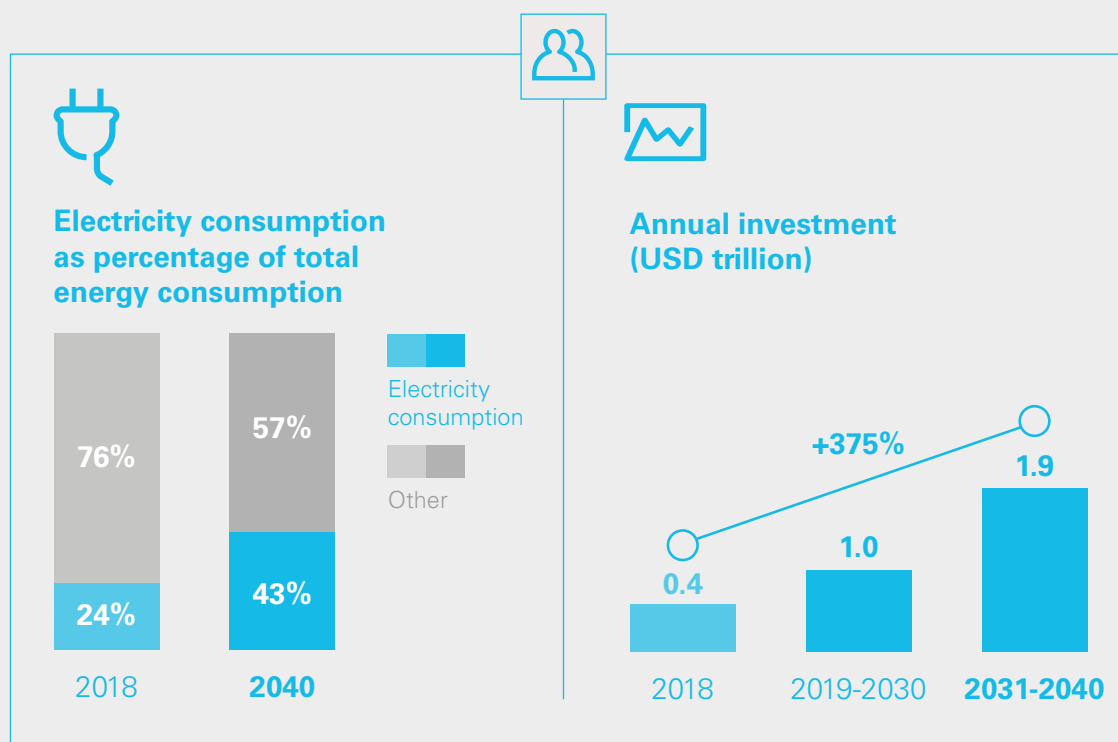
Electrification

Electrification – which means the substitution of electricity for other commodities in energy consumption – will play a central role in the Enel Group strategy.

In line with the IEA⁽⁸⁾ sustainable development scenario, the share of electricity in final global energy consumption should reach 43% in 2040 (from 24% in 2018). This scenario assumes a significant increase in the average annual investment for end use, which in 2030-2040 should be almost 5 times that in 2018. The opportunities deriving from this trend will involve a broad spectrum of activities, ranging from distributed generation to energy efficiency upgrading for buildings and electric vehicle infrastructure, thus supporting the growth of companies that move first.

Enel's plan seeks to achieve a stable market share in the free markets of European countries, supported by a 65% increase in the number of customers and 21% growth in volumes sold on the free market in 2022, mainly following the elimination of regulated rates in Italy, which is currently scheduled to occur at the start of 2022. In South American countries such as Brazil, Enel is already benefiting from the gradual opening of the market with long-term contracts with existing customers. Further impetus to the electrification process will come from electric mobility, with the installation of about 736,000 re-charging points by 2022, and more generally from the new services offered by Enel X.

The global context - Electrification



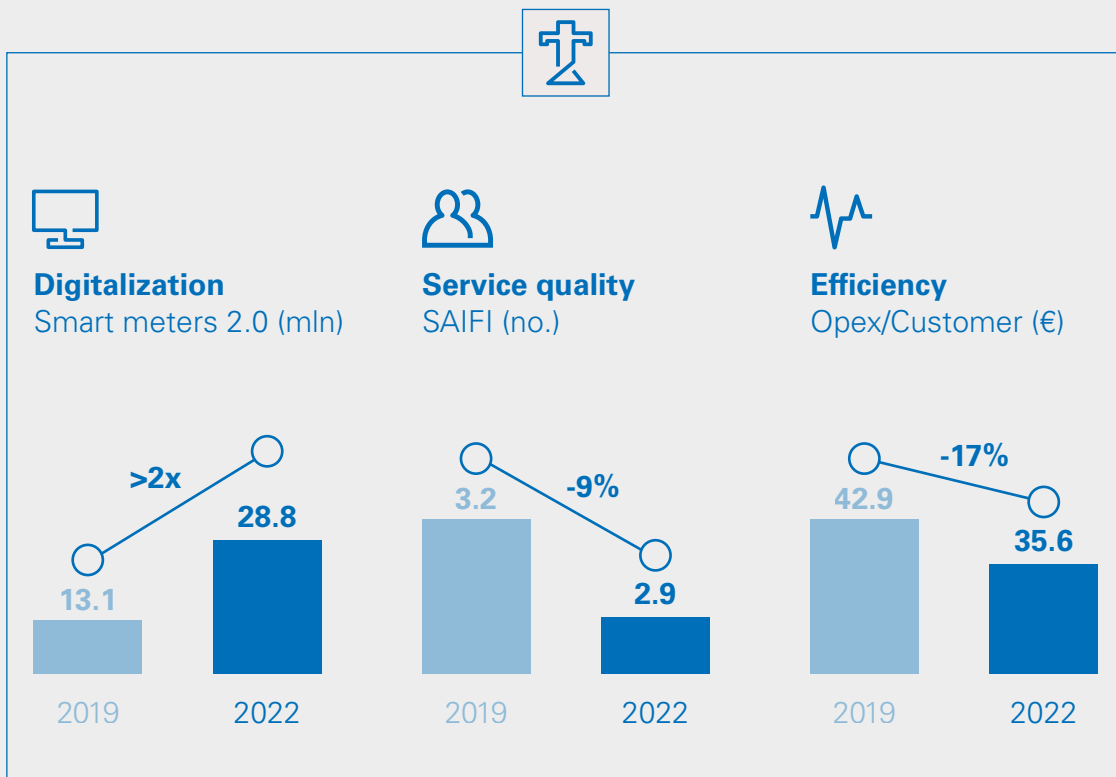
(8) Sustainable Development Scenario IEA (International Energy Agency), *World Energy Outlook 2019*.

Enablers

In order to adequately support value creation from these two macro trends, the plan identifies distribution grids as one of the main enablers. The evolution of the role of distributors will be a key factor in supporting the greater complexity involved with distributed renewable generation and electric mobility, in managing the digitalization process driven by innovative services offered to customers and in ensuring the resilience of the

energy system in view of the impacts of climate change. Enel's goal is to make grids more resilient and flexible and improve service quality. The average system interruption frequency rate is expected to decrease by 9% in three years, with a simultaneous efficiency drive that will decrease opex per customer by 17% in the same period. The plan provides for the number of Smart 2.0 meters to more than double, from 13.1 million to 28.8 million.

Evolution of the main distribution KPIs



In parallel, the Group will invest around €2.5 billion over the three-year period in platforms, mainly linked to the evolution of grids, the market and Enel X. The Group's strategy is based on the opportunity to reap the benefits of the platformization of its business operations or new business models.

For grids, a global platform means standardizing operations and maintenance, customer management processes and the allocation of resources and systems, enabling global optimization and convergence towards a plug & play model that can be exported when new grids are acquired.

On the retail end, Enel will build its operating model around products and services, rather than local markets. The global platform will enable the standardization of back-end and front-end processes and systems and the development of global products.

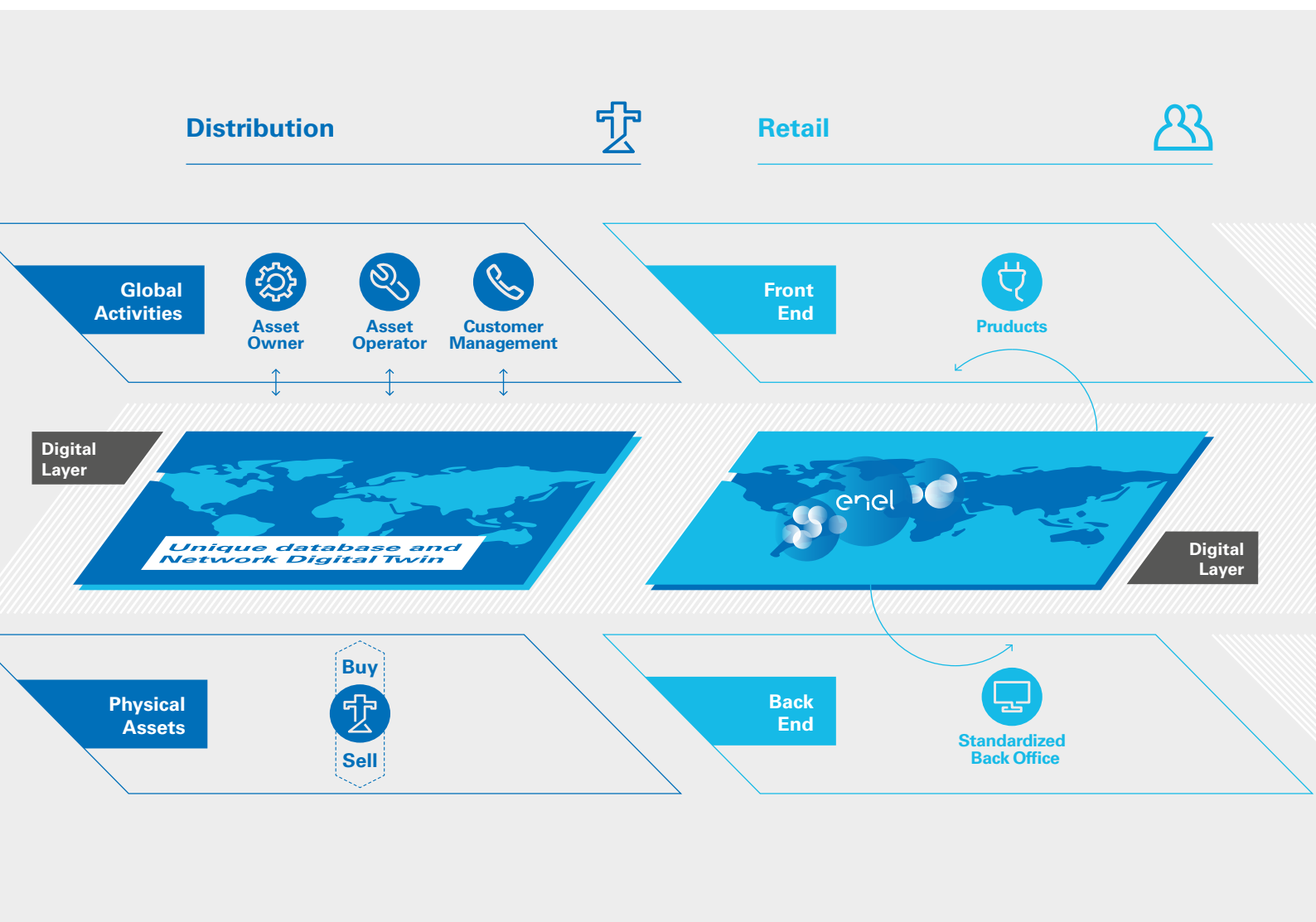
Enel X is a business model that was conceived as a platform by design, where innovative products and services are developed and delivered globally to our customers. This represents an opportunity for rapid scalability.



The new Strategic Plan, which is focused on sustainable businesses, incorporates a substantial improvement in our risk profile, consistent with the “sustainability = value” strategic paradigm.

Thanks to the measures launched to progressively reduce coal-fired generation, the decarbonization strategy is expected to reduce EBITDA at risk by about €0.5 billion over the 2020-2022 horizon of the plan. At the same time, the plan has revised the contribution of Argentina, which is afflicted by

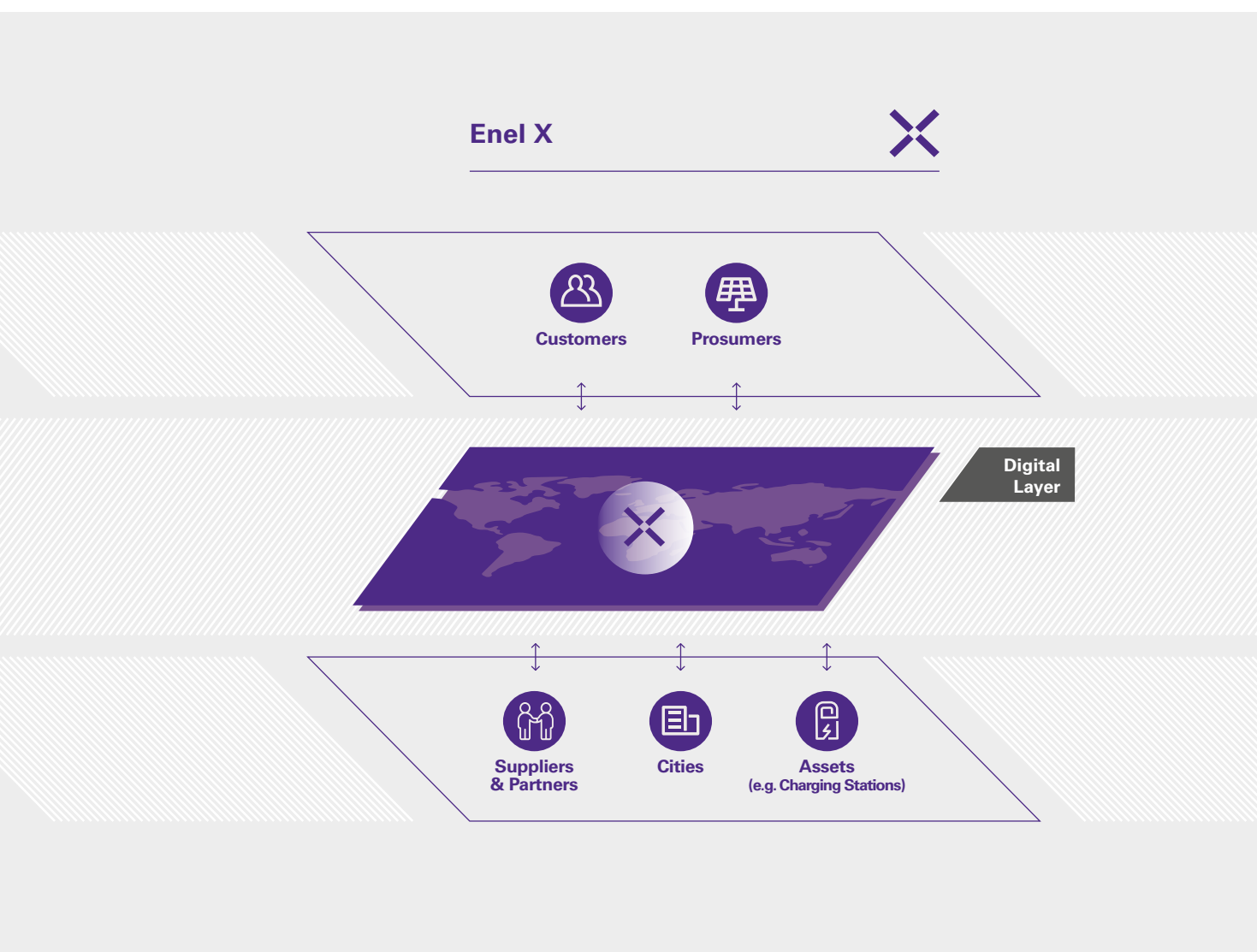
persistent economic instability, by around €0.9 billion. Owing in part to the new growth scenarios for energy volumes in the South American countries, these developments are associated with the benefit of volumes already contracted or related to regulated markets. In absolute terms, over the 2020-2022 period some 80% of the cumulative €58 billion of EBITDA will be generated by regulated or already contracted activities, and therefore only 20% is exposed to merchant risk.



With regard to the expected growth in renewable capacity (equal to 14.1 GW), while the gap to the target is just 5.3 GW, we can count on the existing pipeline of about 20 GW for the 2020-2022 period. Furthermore, about 60% of cumulative generation is already secured, with prices in line with plan assumptions, while the retail customer base will naturally hedge the remaining 40%. In addition, the progressive increase in renewable generation will produce a corresponding reduction in the level of risk associated with electricity

generation. The risk associated with possible developments in the prices of commodities connected with thermal generation is in fact greater than that associated with variance of renewable sources, while Enel can also count on natural geographic hedging.

To pursue our strategic objectives, organic investment will increase by 11% compared with the previous plan, raising EBITDA by 13% to €20.1 billion in 2022.



Thanks to the strategies it is deploying, the Group will be able to achieve ordinary low carbon EBITDA of €18.3 billion in 2022, which will bring the contribution of low-carbon products, services and technologies to 91% of the total. Over the course of the plan, in line with the EBITDA targets, more than 90% of capital expenditure will be allocated for low-carbon products, services and technologies.

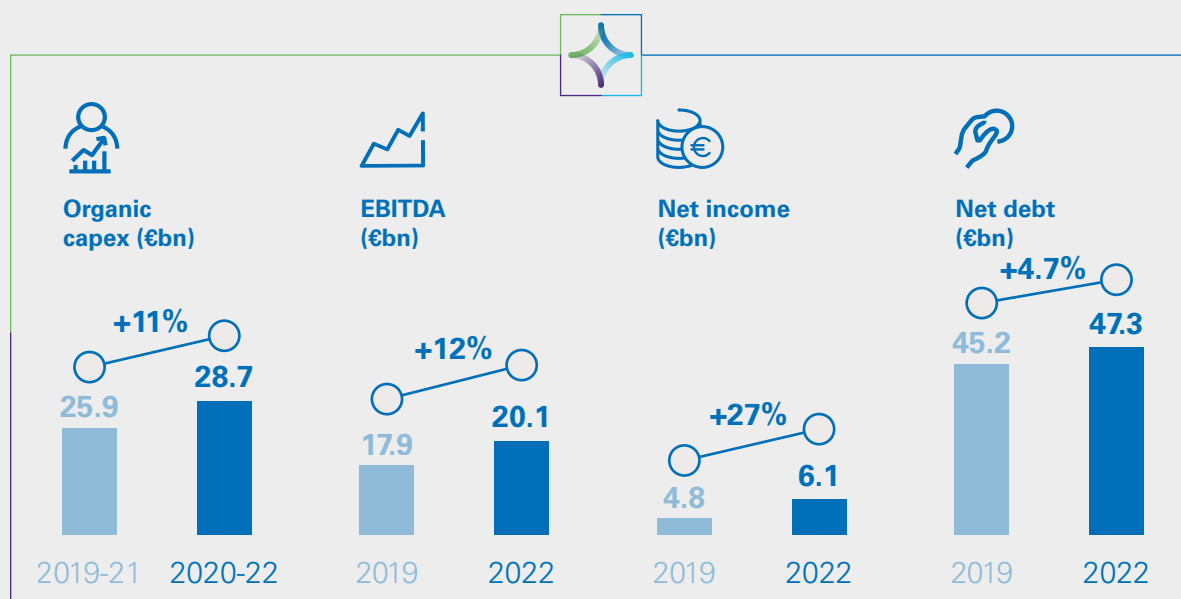
The strategy set out in the 2020-2022 plan is therefore based on the belief that the accurate and timely assessment of the main trends performed by the Enel Group is crucial for ensuring sustainability and growth into the future. One example of this is the Enel Group's recent placement of the first bond linked to achievement of the SDGs. This bond, which was placed at a lower cost compared with an ordinary issue,

confirms the potential inherent in the Group's sustainability strategy, in this case lowering the cost of debt.

Together with improved operating performance, the ongoing effort in managing finance operations and the simplification of Enel's structure will generate a 27% increase in net income. And debt will increase by just 3% despite the expansion of investment.

The progressive de-risking of our activities and the significant visibility of profits give us the confidence to confirm not only our three-year guaranteed minimum dividend per share policy, but also to establish a new minimum guaranteed dividend per share of €0.40 in 2022, confirming the soundness of Enel's sustainable strategy, which will produce an average growth rate for profits and dividends of over 8.0% in 2019-2022.

Group's key financial targets



The Group has also created the following indicator of developments in the energy transition.

Many of these indicators contribute to the achievement of SDG 13.

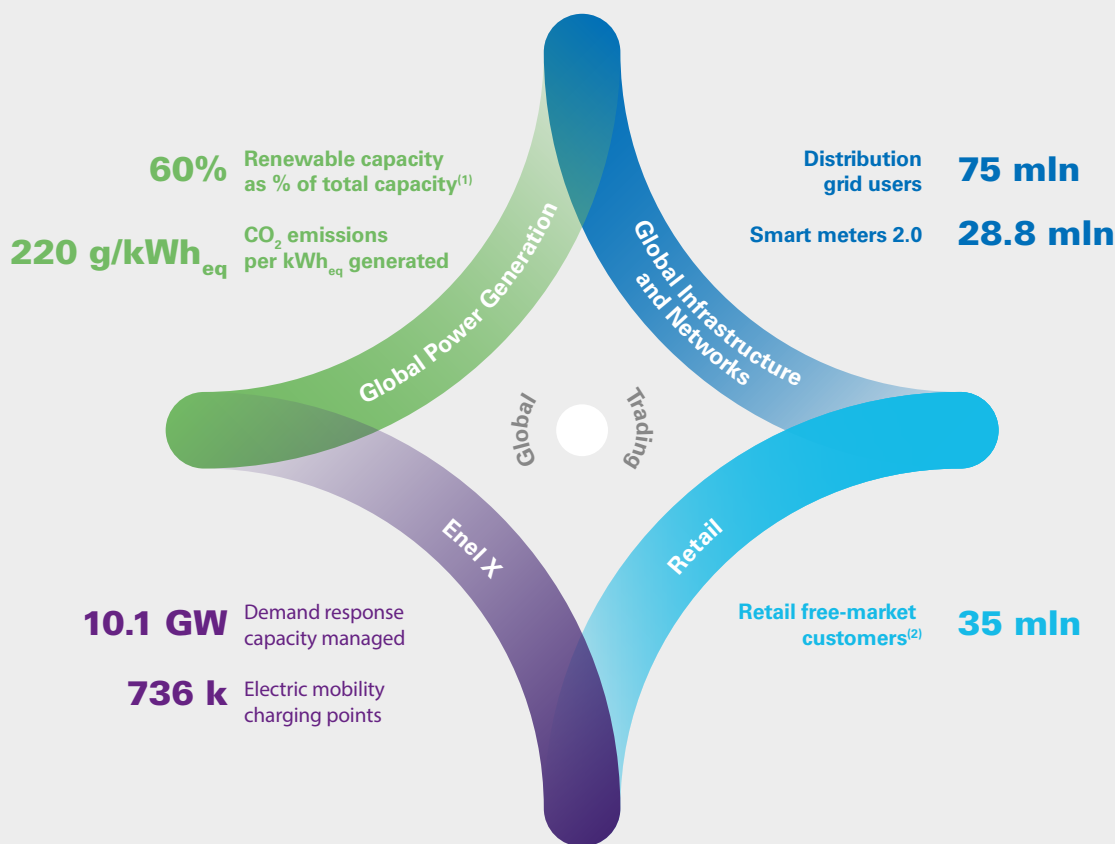
The Group is fully convinced that climate change can still be limited. The energy transition is well advanced, and to date all stakeholders are involved in the shared challenge of decarbonizing the sector. With the steady progress in the transition from fossil fuels to renewable energy, the electrification of the economy and energy consumption will continue to accelerate. This will generate sustained growth in demand in the medium and long term, ensuring that society has cleaner and more accessible energy.

The Group continues to promote the economic and social growth of the local communities in which it operates, confirming and strengthening its specific commitments for the

following SDGs: 2.5 million beneficiaries of quality education in 2015-2030 (SDG 4); 10 million beneficiaries of clean and accessible energy in 2015-2030 (SDG 7.1); 8 million beneficiaries of decent work and lasting, inclusive and sustainable economic growth in 2015-2030 (SDG 8).

People centricity is one of the pillars of Enel's sustainability strategy. We pay great attention to our people, setting specific objectives designed to strengthen their roles and skills and provide the tools for managing the energy transition, with clear and precise goals in terms of performance assessments and business climate. We work to promote upskilling and re-skilling programs aimed at supporting the energy transition as well as the development of digital skills, pursuing the goal of involving 100% of personnel in training devoted to this theme. The Group also aims to promote diversity by having 50% female participation in selection processes by 2022.

Main non-financial indicators 2022



(1) Including nuclear.
(2) Power & Gas.

The management of decarbonization and people as well as communities is consistent with the “just transition” commitment promoted by the United Nations and signed by Enel’s CEO in July 2019.

Clear objectives have also been set for increasing attention to workplace health and safety, to promoting a sustainable supply chain, to forging an increasingly integrated governance structure and to managing environmental impact through the

reduction of atmospheric emissions and consumption and the promotion of biodiversity.

Finally, technological transformation cannot be divorced from serious concerns about cyber security, where the Group confirms its objectives for disseminating cutting-edge solutions supported by associated verification measures (ethical hacking, vulnerability assessment, etc.), and fostering an effective IT security culture.

Assessment of the risks and opportunities connected with the Strategic Plan

The process of defining the Group’s strategies is accompanied by an accurate analysis of the risks and opportunities connected with those strategies.

Identifying those risks and opportunities within the Enel Group’s strategic and industrial planning process is designed to span the horizon of the Plan in an integrated manner.

Although the strategy underlying the Plan, as described above, envisages a phase of careful analysis and verification of the strategic risk factors and variables, it retains scenario assumptions regarding future events that will not necessarily occur, as they depend on variables that cannot be controlled by management. Upside and downside developments may occur as time unfolds.

Before being able to approve the Strategic Plan, a quantitative analysis of the risks and opportunities associated with the Group’s strategic positioning is presented annually to the Control and Risk Committee appointed by the Board of Directors. In particular, risk factors such as exchange rates, inflation, prices and volumes, regulatory developments, industrial growth, customer portfolio and efficiency, weather and climate events and risks connected with the competition are identified.

Based on the nature of the risk and opportunity drivers, the analytical approach that best represents their volatility is selected. In practice, we perform probabilistic analysis for all those variables whose market time series provide a robust foundation to estimate levels of correlation and representative volatility for future risk, and a deterministic analysis⁽⁹⁾ based on what-ifs and expert judgments of the possible evolution of the business with respect to the main risk factors for the execution of the Business Plan.

The validity of the results is also monitored with ex-post analyses by risk cluster. In 2019, most of the actual upside and downside events fell well within the limits estimated by the

risk models of the Strategic Plan presented at the end of 2018. Focusing on the stochastic risk analysis for the Strategic Plan, exchange rates and the volatility of energy and commodity prices represent almost all the volatility of the drivers. In particular, in addition to the dollar the most impacting currencies are the Argentine peso, the Colombian peso and the Brazilian real.

Nevertheless, the Group’s very structure ensures that the volatility of the South American currencies has only a negligible impact on net income, as demonstrated in the presentation at the Capital Markets Day. Italy and Spain represent more than half of the Group’s risk in terms of the impact of the volatility of energy prices and commodity price fluctuations on margins. Examining the other risk factors, we can see that geographical diversification significantly reduces the exposure to the risk associated with renewable resources – a highly positive factor considering the Group’s positioning and the steady expansion of renewable generation – while macroeconomic risks such as inflation and electricity demand are less significant than the others. In general, the Group can rely on a number of implicit correlations between risk factors to create diversification effects that significantly mitigate total exposures. These include our geographical diversification, or developments in exchange rates and inflation rates, or those in commodity prices and their impact on generation costs and revenue.

With regard to the risk factors estimated deterministically, note:

- > the monitoring of all possible regulatory issues, including those connected with climate legislation, is crucial for assessing any upside or downside impact on the Group;
- > the estimates based on stress testing of the drivers of industrial growth (mainly renewables and grids);
- > the estimates of the impact of not achieving the customer portfolio (retail markets and Enel X).

(9) Stochastic analysis conducted with the Monte Carlo method.

Risk management

Due to the nature of its business, the Group is exposed to a variety of risks, notably financial risks, industrial and environmental risks, strategic risk connected with the evolution of markets and risks connected with sustainability and climate change.

In order to effectively deal with such risks, Enel has adopted an internal control and risk management system (ICRMS). This system is the set of rules, procedures, and organizational structures aimed at identifying, measuring, monitoring and managing the main risks applicable to the Group.

The Board of Directors performs a policy-setting role and is committed to developing guidelines to ensure that decisions

at all levels of the Group are made in an informed manner consistent with the associated risks (including those connected with climate change). To this end, the Board draws on the expertise of the Control and Risk Committee, which issues prior opinions on a variety of matters, including the guidelines of the ICRMS.

The Group also has specific internal committees composed of senior management personnel that are responsible for governing and overseeing risk management, monitoring and control.

The following discusses the main types of risks and opportunities facing the Group.

Strategic risks connected with the market and the competitive environment

The markets and businesses in which the Group operates are exposed to steadily growing competition and evolution, from both a technological and regulatory point of view, with the timing of these developments varying from country to country.

As a result of these processes, Enel is exposed to growing competitive pressure and, as electricity is this century's en-

ergy vector, competition driven by contiguous sectors is also rising, although this offers utilities the opportunity to move into new businesses.

The Group constantly monitors developments in the competitive environment and the market in order to tailor its strategic development to this evolution.

Regulatory risks

The Group operates in regulated markets and changes in the operating rules of the various systems, as well as the prescriptions and obligations characterizing them, impact the operations and performance of the holding company.

In order to manage the risks associated with regulatory fac-

tors, Enel has intensified its relationships with local governance and regulatory bodies, adopting a transparent, collaborative and proactive approach in addressing and eliminating sources of instability in the regulatory framework.

Country risk

The Group has a major international presence, with some 50% of its revenue being generated abroad in a variety of currencies. In addition to changes in global macroeconomic and financial conditions, cash flows and corporate assets are also exposed to idiosyncratic risk factors, such as exchange rate volatility and changes in the economic, political, social and financial conditions in the various countries in which Enel operates. Global risks associated with pandemics or other

crises that may impact the continuity of the supply of materials or commodities, migratory flows or economic activity are also considered given that the impacts depend so closely on economic, social and even energy conditions in individual countries.

For a detailed analysis of this class of risk, please see the section "Reference scenario".

Financial risks

As part of its operations, Enel is exposed to a variety of financial risks that, if not appropriately mitigated, can directly impact our performance. These include commodity risk, exchange rate risk, interest rate risk, credit risk and liquidity risk.

The financial risk governance arrangements adopted by Enel establish specific internal committees, composed of top management and chaired by the Chief Executive Officers of the companies involved (including Enel SpA), which are responsible for policy setting and supervision of risk management, as well as the definition and application of specific policies at the Group and individual Region, Country and Global Business Line levels that establish the roles and responsibilities for risk man-

agement, monitoring and control processes, ensuring compliance with the principle of organizational separation of units responsible for operations and those in charge of monitoring and managing risk.

The financial risk governance system also defines a system of operating limits at the Group and individual Region, Country and Global Business Line levels for each risk, which are monitored periodically by risk management units. For the Group, the system of limits constitutes a decision-making tool to achieve its objectives.

For further information on the management of financial risks, please see note 44 of the consolidated financial statements.

Commodity risk

Enel operates in energy markets and for this reason is exposed to changes in the prices of fuel and electricity, which can have a significant impact on its results if not managed effectively.

To mitigate this exposure, the Group has developed a strategy of stabilizing margins by contracting for supplies of fuel and the delivery of electricity to end users or wholesalers in advance.

Enel has also implemented a formal procedure that provides for the measurement of the residual commodity risk, the specification of a ceiling for maximum acceptable risk and the implementation of a hedging strategy using derivatives on regulated markets and over-the-counter (OTC) markets. The commodity risk management process allows us to limit the impact on margins of unexpected changes in market prices and, at the same time, provides an adequate degree of flexibility to enable use to seize short-term opportunities.

In order to mitigate the risk of interruption of fuel supplies, the Group has developed a strategy of diversification of supply sources, using suppliers located in different geographical areas.

Exchange risk

In view of the geographical diversification of access to international markets for the issuance of debt instruments and transactions in commodities, Group companies are exposed to the risk that changes in exchange rates between the currency of account and other currencies could generate unexpected changes in the performance and financial position aggregates in their respective financial statements. Given the current structure of Enel, the exposure to exchange rate risk is mainly linked to the US dollar and is attributable to:

- > cash flows in respect of the purchase or sale of fuel or electricity;
- > cash flows in respect of investments, dividends from foreign subsidiaries or the purchase or sale of equity investments;
- > cash flows connected with commercial relationships;
- > financial assets and liabilities.

The Group's consolidated financial statements are also exposed to the exchange rate risk deriving from the conversion into euros of the items relating to investments in companies whose currency of account is not the euro (translation risk).

The exchange rate risk management policy is based on systematically hedging the exposures to which the Group companies are exposed, with the exception of translation risk.

Appropriate operational processes ensure the definition and implementation of appropriate hedging strategies, which typically employ financial derivatives obtained on OTC markets.

Controlling risk using dedicated processes and indicators makes it possible to limit potential adverse financial impacts while optimizing management of the cash flows of the portfolios.

Interest rate risk

The Group is exposed to the risk that changes in the level of interest rates could produce unexpected changes in net financial expense or the value of financial assets and liabilities measured at fair value. The exposure to interest rate risk derives mainly from the variability of the terms of financing, in the case of new debt, and from the variability of the cash flows in respect of interest on floating-rate debt. The policy for managing interest rate risk seeks to contain financial expense and its volatility by optimizing the Group's portfolio of financial liabilities and by obtaining financial derivatives on OTC markets. Managing risk through the use of specific processes and indicators enables us to limit any adverse financial impact and, at the same time, to optimize the debt structure with an appropriate degree of flexibility.

Credit risk

Commercial, commodity and financial transactions expose the Group to credit risk, i.e. the possibility of a deterioration in the creditworthiness of our counterparties that could have an adverse impact on the expected value of the creditor position and, for trade receivables only, increase average collection times.

The exposure to credit risk is attributable to the following types of operations:

- > the sale and distribution of electricity and gas in free and regulated markets and the supply of goods and services (trade receivables);
- > trading activities that involve the physical exchange of assets or transactions in financial instruments (the commodity portfolio);
- > trading in derivatives, bank deposits and, more generally, financial instruments (the financial portfolio).

The policy for managing credit risk associated with commercial activities and commodity transactions provides for a preliminary assessment of the creditworthiness of counterparties and the adoption of mitigation instruments, such as obtaining guarantees.

Managing risk through the use of specific risk indicators, and limits where possible, ensures that the economic and financial impacts associated with a possible deterioration in creditworthiness are contained within sustainable levels. At the same time, the necessary flexibility to optimize portfolio management is preserved.

In addition, the Group undertakes transactions to assign receivables without recourse, which results in the complete derecognition of the corresponding assets involved in the assignment.

Finally, with regard to financial and commodity transactions, risk mitigation is pursued through the diversification of the portfolio (preferring counterparties with a high credit standing) and the adoption of specific standardized contractual frameworks that contain risk mitigation clauses (e.g. netting arrangements) and possibly the exchange of cash collateral.

Liquidity risk

Liquidity risk is the risk that the Group, while solvent, would not be able to discharge its obligations in a timely manner or would only be able to do so on unfavorable terms owing to situations of tension or systemic crises (credit crunches, sovereign debt crises, etc.) or changes in the perception of Group riskiness by the market.

Among the factors that define the risk perceived by the market, the credit rating assigned to Enel by rating agencies plays a decisive role, since it influences its ability to access sources of financing and the related financial terms of that financing. A deterioration in the credit rating could therefore restrict access to the capital market and/or increase of the cost of funding, with consequent negative effects on the performance and financial situation of the Group.

In 2019, Fitch revised its rating for Enel upwards, from "BBB+" to "A-". Moody's also improved its outlook for Enel's rating from stable to positive during the year. Accordingly, at the end of the year, Enel's rating was: (i) "BBB+" with a stable outlook for Standard & Poor's; (ii) "A-" with a stable outlook for Fitch; and (iii) "Baa2" with a positive outlook for Moody's.

Enel's liquidity risk management policies are designed to maintain a level of liquidity sufficient to meet its obligations over a specified time horizon without having recourse to additional sources of financing as well as to maintain a prudential liquidity buffer sufficient to meet unexpected obligations. In addition, in order to ensure that the Group can discharge its medium and long-term commitments, Enel pursues a borrowing strategy that provides for a diversified structure of financing sources to which it can turn and a balanced maturity profile.

Risks connected with human capital

The profound transformations of the energy sector, which has experienced sweeping technological developments, require companies in the industry to recruit people with new experience and professional skills, as well as imposing the need for major cultural and organizational changes. Organizations must move to adopt new, agile and flexible business models. Policies to enhance diversity and to manage and promote talent have become key factors for companies that are managing the transition and have a widespread geographical presence. Enel places the people who work for it at the center of its business model: the management of human capital is a priority for which specific objectives have been established. The main goals include: the development of the digital capabilities and skills made necessary by the Fourth Industrial Revolution,

as well as the promotion of reskilling and upskilling programs for employees in order to support the energy transition; the effective involvement of employees in the pursuit of the corporate purpose, which ensures the achievement of better results while offering greater satisfaction to our people; the development of systems for evaluating the working environment and performance; the dissemination of diversity and inclusion policies to all countries in which the Group operates, as well as instilling an inclusive organizational culture based on the principles of non-discrimination and equal opportunity, a key driver in ensuring that everyone can make an effective contribution. In addition, Enel is developing specific initiatives to foster the diffusion of agile working methods in business processes.

Risks connected with digital technology

Cyber attacks

The speed of technological developments that constantly generate new challenges, the ever increasing frequency and intensity of cyber attacks and the attraction of critical infrastructures and strategic industrial sectors as targets underscore the potential risk that, in extreme cases, the normal operations of companies could grind to a halt. Cyber attacks have evolved dramatically in recent years: their number has grown exponentially, as has their complexity and impact, making it increasingly difficult to promptly identify the source of threats. In the case of the Enel Group, this exposure reflects the many environments in which it operates (data, industry and people), a circumstance that accompanies the intrinsic complexity and interconnection of the resources that over the years have been increasingly integrated into the Group's daily operating processes.

The Group has adopted a holistic governance approach to cyber security that is applied to all the sectors of IT (Information Technology), OT (Operational Technology) and IoT (Internet of Things). The framework is based on the commitment of top management, on global strategic management, on the involvement of all business areas as well as on the units involved in the design and management of our systems. It seeks to use cutting edge technologies, to design ad hoc business processes, to strengthen people's IT awareness and to implement regulatory requirements for IT security.

In addition, the Group has developed an IT risk management methodology founded on "risk-based" and "cyber security by design" approaches, thus integrating the analysis of business risks into all strategic decisions. Enel has also created its own Cyber Emergency Readiness Team (CERT) in order to proactively respond to any IT security incidents.

Finally, in 2019, the Group also took out an insurance policy for cyber security risks in order to mitigate IT threats.

Digitalization, IT effectiveness and service continuity

The Group is carrying out a complete digital transformation of how it manages the entire energy value chain, developing new business models and digitizing its business processes. A consequence of this digital transformation is that the Group is increasingly exposed to risks related to the functioning of the IT systems implemented throughout the Company, which could lead to service interruptions or data losses.

These risks are managed using a series of internal measures developed by the Global Digital Solutions (GDS) unit, which is responsible for guiding the Group's digital transformation. It has set up an internal control system that introduces control points along the entire IT value chain, enabling us to prevent the emergence of risks engendered by such issues as the creation of services that do not meet business needs, the failure to implement adequate security measures and service interruptions. The internal control system of the Global Digital Solutions unit oversees both the activities performed in-house and those outsourced to external associates and service providers. Furthermore, Enel is promoting the dissemination of a digital culture and digital skills within the Group in order to successfully guide the digital transformation and minimize the associated risks.

Risks connected with the protection of personal data

The collection and processing of personal data represents one of the biggest challenges in the era of digitalization and globalization of markets. The Group has taken up this challenge by accelerating the digital transformation process while rapidly expanding the number of customers and geographical scope of operations at the global level. This naturally increases our exposure to the risks connected with the protection of personal data, an issue that must also take account of the substantial growth in privacy legislation: implementing these regulations in-

appropriately can cause financial losses and reputational harm. In order to manage and mitigate this risk, Enel has adopted a structure designed to fully protect the personal data of all the individuals with whom we interact. This effort is sustained by our Data Protection Officers, who are responsible for supporting the business areas in the adoption of a “privacy by design” approach, in which the protection of personal data is a key element of the design of any initiative or business process.

Environmental risks

Last year saw the continuation of the growth in the sensitivity of the entire community to risks connected with development models that generate environmental impacts and exploit scarce natural resources (including many raw materials and water).

In response to these needs, governments have imposed increasingly restrictive environmental regulations, placing ever more stringent constraints on the development of new industrial initiatives and, in the most impactful industries, incentivizing or requiring the elimination of technologies no longer considered sustainable.

In this context, companies in every sector, and above all industry leaders, are ever more aware that environmental risks are increasingly economic risks. As a result, they are called upon to increase their commitment and accountability for developing and adopting innovative and sustainable technical solutions and development models.

Enel has made the effective prevention and minimization of environmental impacts and risks a foundational element of each project across its entire life cycle.

The adoption of ISO 14001-certified environmental manage-

ment systems across the entire Group ensures the implementation of structured policies and procedures to identify and manage the environmental risks and opportunities associated with all corporate activities.

Also contributing are the multitude of actions to achieve the challenging environmental improvement objectives set by Enel, such as, for example, those regarding atmospheric emissions, waste production and water consumption, especially in areas with high water stress.

The risk of water scarcity is directly mitigated by Enel’s development strategy, which is based on the growth of generation from renewable sources that are essentially not dependent on the availability of water for their operation. Special attention is also devoted to assets in areas with a high level of water stress, in order to develop technological solutions to reduce consumption.

Finally, ongoing collaboration with local river basin management authorities enables us to adopt the most effective shared strategies for the sustainable management of hydroelectric generation assets.

Strategic risks and opportunities connected with climate change

The identification and management of risks connected with climate change

Climate change and the energy transition will impact Group activities in a variety of ways.

In order to identify the main types of risk and opportunity and their impact on the business associated with them in a structured manner consistent with the TCFD, we have adopted a framework that explicitly represents the main relationships between scenario variables and types of risk and opportunity, specifying the strategic and operational approaches to managing them, comprising mitigation and adaptation measures. There are two main macro-categories of risks/opportunities: those connected with developments in physical variables and those linked to the evolution of the transition scenarios.

Physical risks are divided in turn between acute (i.e. extreme events) and chronic, with the former linked to extremely intense meteorological conditions and the latter to more gradual but structural changes in climate conditions.

Extreme events expose the Group to the risk of prolonged unavailability of assets and infrastructure, the cost of restoring service, customer disruptions and so on. Chronic changes in climate conditions expose the Group to other risks or opportunities: for example, structural changes in temperature could cause changes in electricity demand and have an impact on

output, while alterations in rainfall or wind conditions could impact the Group's business by increasing or decreasing potential electricity generation.

The energy transition towards a more sustainable model characterized by a gradual reduction of CO₂ emissions has risks and opportunities connected both with changes in the regulatory and legal context and trends in technology development, electrification and the consequent market developments.

Consistent with the climate and transition scenarios used by Enel to determine risks and opportunities, the main transition-related phenomena are beginning to emerge in relation to customer behavior, industrial strategies being adopted in all economic sectors and regulatory policies. Between 2020 and 2030, the transition trends will become visible in response to the evolution of the context: the Enel Group has decided to facilitate the transition, and is therefore ready to seize all the opportunities that may arise from an acceleration in that transition. As discussed previously, our strategic choices, which are already strongly oriented towards the energy transition, to which we have dedicated more than 90% of investments, enable us to incorporate risk mitigation and opportunity maximization "by design," adopting a positioning that takes account of the medium and long-term phenomena we have identified. The strategic choices are accompanied by the operating best practices adopted by the Group.

Framework on the main risks and opportunities

SCENARIO PHENOMENA	TIME HORIZON	RISK & OPPORTUNITY CATEGORY	DESCRIPTION	IMPACT	MANAGEMENT APPROACH
Acute physical	Starting with short term (1-3 years)	Extreme events	Risk: especially extreme weather/ climate events.	Extreme events can damage assets and interrupt operations.	The Group adopts best practices to manage the restoration of service as quickly as possible. We also work to implement investments in resilience (for Italy) . With regard to risk assessment in insurance, the Group has a loss prevention program for property risk that also assesses the main exposures to natural events. Looking forward, the assessments will also include the potential impacts of long-term trends in the most significant climate variables.
Chronic physical	Starting with long term (2030-2050)	Market	Risk/opportunity: increase or decrease in electricity demand; increase or decrease in output.	Electricity demand is also affected by temperature, whose fluctuation can impact our business.	The Group's geographical and technological diversification means that the impact of changes (positive and negative) in a single variable is mitigated at the global level. In order to ensure that operations always take account of weather and climate phenomena, the Group adopts a range of practices such as, for example, weather forecasting, real-time monitoring of plants and long-term climate scenarios.
Transition	Starting with medium term (2022-2030)	Policy & Regulation	Risk/opportunity: policies on CO ₂ prices and emissions, energy transition incentives, greater scope for investment in renewables and resilience regulation.	Policies concerning the energy transition and resilience can impact the volume of and returns on investments.	The Group is minimizing its exposure to risks through the progressive decarbonization of its generation fleet. The Group's strategic actions, which are focused on investment in renewables, networks and customers, enable us to mitigate potential threats and exploit the opportunities connected with the energy transition. The Group is also actively contributing to the formation of public policies.



SCENARIO PHENOMENA	TIME HORIZON	RISK & OPPORTUNITY CATEGORY	DESCRIPTION	IMPACT	MANAGEMENT APPROACH
Transition	Starting with medium term (2022-2030)	Market	Risk/opportunity: changes in the prices of commodities and energy, evolution of energy mix, changes in retail consumption, changes in competitive environment.	Considering two alternative transition scenarios, the Group assesses the impact of trends in the proportion of renewable sources in the energy mix, electrification and the penetration of EVs to estimate their potential impacts.	The Group is maximizing opportunities by adopting a strategy founded on the energy transition and the rapid expansion of renewable generation and the electrification of energy consumption .
Transition	Starting with medium term (2022-2030)	Products & Services	Opportunity: increase in margins and greater scope for investment as a consequence of the transition in terms of greater penetration of new electrical technologies for residential consumption and electric transportation .	Trends in the electrification of transportation and residential consumption will potentially have an impact on our business.	The Group is maximizing opportunities thanks to its strong positioning in new businesses and services .
	Starting with medium term (2022-2030)	Technology		Considering two alternative transition scenarios, the Group assesses the potential opportunities to scale up current businesses in response to trends in the electrification of transportation.	The Group is maximizing opportunities thanks to its strong positioning in global networks .

The framework illustrated above also highlights the relationships that link the physical and transition scenarios with the potential impact on the Group's business. These effects can be assessed from the perspective of three time horizons: the short term (1-3 years), in which sensitivity analyses based on the Strategic Plan presented to investors in 2019 can be performed; the medium term (until 2030), in which it is possible to assess the effects of the energy transition; and the long term (2030-2050),

in which chronic structural changes in the climate should begin to emerge. The main sources of risk and opportunity identified, the best practices for the operational management of weather and climate phenomena, and the qualitative and quantitative impact assessments performed to date are discussed below. As declared by the TCFD, the process of disclosing information on the risks and opportunities connected with climate change will be gradual and incremental from year to year.



SCENARIO PHENOMENA	RISK & OPPORTUNITY CATEGORY	DESCRIPTION	TIME HORIZON ⁽¹⁾	IMPACT
Chronic physical	Market	Risk/opportunity: increase or decrease in electricity demand.	Short term	Electricity demand is also affected by temperature, whose fluctuations can have an impact on our business. Although structural changes should not emerge in the short/medium-term, in order to assess the sensitivity of Group performance to potential temperature variations, we have performed an analysis of sensitivity to changes of +/-1% in electricity demand for the Group as a whole.
Chronic physical	Market	Risk/opportunity: increase or decrease in renewables generation.	Short term	Renewables generation is also affected by the availability of resources, whose fluctuations can have an impact on our business. Although structural changes should not emerge in the short/medium-term, in order to assess the sensitivity of Group performance to potential temperature variations, we have performed an analysis of sensitivity to changes of +/-10% in potential electricity output by technology.

(1) Time horizon: short (2020-2022); medium (up to 2030); long (2030-2050).

Chronic and acute physical phenomena: repercussions on our business, risks and opportunities

Taking the IPCC scenarios as our reference point, developments in the following physical variables and the associated operational and industrial impacts connected with potential risks and opportunities are assessed.










Chronic physical changes creating risks and opportunities



The climate scenarios developed with the ICTP do not provide definitive indications of structural changes before 2030, but changes could begin to emerge between 2030 and 2050.

The main impacts of chronic physical changes would be reflected in the following variables:

Variables impacted by chronic physical changes

- > Electricity demand: variation in the average temperature level with a potential increase or reduction in electricity demand.
- > Thermal generation: variation in the level and average temperatures of the oceans and rivers, with effects on thermal generation.
- > Hydroelectric generation: variation in the average level of rainfall and snowfall and temperatures with a potential increase or reduction in hydro generation.
- > Solar generation: variation in the average level of solar radiation, temperature and rainfall with a potential increase or reduction in solar generation.
- > Wind generation: variation in the average wind level with a potential increase or reduction in wind generation. The Group will work to estimate the relationships between changes in physical variables and the change in the potential output of individual plants in the different categories of generation technology.

GBL AFFECTED (ICONS)	SCOPE	QUANTIFICATION - TYPE OF IMPACT		UPSIDE/ DOWNSIDE	QUANTIFICATION - RANGE		
					<100 €MN	100-300 €MN	>300 €MN
Global Power Generation 	Group	EBITDA/year	+1%	Upside			
			-1%	Downside			
	Group Potential hydroelectric output	EBITDA/year	+10%	Upside			
			-10%	Downside			
Global Power Generation 	Group Potential wind output	EBITDA/year	+10%	Upside			
			-10%	Downside			
	Group Potential solar output	EBITDA/year	+10%	Upside			
			-10%	Downside			

 Upside scenario current policies
 Downside scenario current policies

Scenario analysis has shown that chronic structural changes in the trends of physical variables will begin to occur after 2030. However, in order to obtain an indicative estimate of the potential impacts, it is possible to test sensitivity of the Business Plan to the factors potentially influenced by the physical scenario, regardless of any direct relationship with climate variables. Of course, such stress testing has an extremely low probability of occurrence based on historical events and geographical diversification. The variables examined are: electrici-

ty demand (+/-1% per year), whose variations can potentially impact the generation and retail businesses. It was stress tested for all countries in which the Group operates. The output potential of renewable plants was also stressed (+/-10% over a single year). Variations in this variable can potentially impact the generation business. It was stressed separately at the individual technology level around the globe. The data reported show the effect on a single year for a single generation technology and include both the volume and price effects.

Acute physical changes that represent sources of risk and opportunity

With regard to acute physical phenomena (extreme events), the incidence and frequency of extreme physical phenomena can cause significant and unexpected physical damage to assets and generate negative externalities associated with the interruption of service.

To assess the scale of the risks of extreme climate events, the scenario results will be examined in terms of the frequency and intensity of the key phenomena, together with technical information on generation assets, taking account of the differing levels of resilience, and identifying metrics to measure potential losses and any externalities caused by the interruption of business operations.

The intensification of the effects of climate change means it is essential to adopt adaptive behaviors: each catastrophic event represents a lesson learned for Enel, from which we draw inspiration to strengthen design techniques and preventive measures to ensure the resilience of the asset portfolio.

From this perspective, the method and the information extracted from the ex post analysis of events play a crucial role

Group practices for managing weather events in generation operations

- > Weather forecasting both to monitor renewable resource availability and detect extreme events, with warning systems to ensure the protection of people and assets.
- > Insurance policies to cover damage to assets and the negative externalities caused, for example, by lost electricity production.
- > Real-time remote monitoring of generation plants.
- > Safe rooms in areas exposed to tornadoes and hurricanes, such as the wind farms in Oklahoma in the United States.

In addition, in order to ensure rapid response to adverse events, the Group has adopted specific emergency management procedures with protocols for real-time communication and management of all activities to restore operations rapidly and standard checklists for damage assessment and the safe return to service for all plants as rapidly as possible.

in determining the processes and practices to be deployed in mitigating such events in the future.

Generation

With regard to generation, over time the Group has implemented targeted measures at specific sites and established ad hoc management activities and processes.

Measures implemented for specific sites in recent years include:

- > improving cooling water management systems for certain plants in order to counter the problems caused by the decline in water levels on rivers, such as the Po in Italy;
- > installing fogging systems to improve the flow of inlet air and offset the reduction in power output caused by the increase in ambient temperature in CCGTs;
- > installing drainage pumps, raising embankments, periodic cleaning of canals and interventions to consolidate land adjacent to plants to prevent landslides in order to mitigate flood risks.

The Group adopts a series of best practices to manage the impact of weather events on power generation, such as:

Infrastructure and Networks

The Enel Group's Infrastructure and Networks Global Business Line has adopted a more complex and innovative approach to respond to such extreme events denominated "4R," in addition to the measures already envisaged to upgrade and improve the electricity distribution grid. This new approach has been structured over the past few years in a body of documentation that governs the measures to be taken in preparation for a grid emergency once the damage has been caused. More specifically, the 4R strategy comprises:

4R - Risk prevention

An initial “risk prevention” phase, which includes all actions to reduce the probability of losing grid components due to an event and/or to minimize its effects. This is pursued both through measures to enhance the robustness of grid infrastructure in extreme weather events and maintenance measures. Measures to reinforce the grid have been implemented not only to improve service quality in general, but also to reduce the risk of prolonged or widespread outages in the event of a malfunction, using a probabilistic approach. This approach has mainly been used to reduce the risk of outages at critical installations (primary substations) or for particular grid configurations (where no alternative power supply routes are available).

In Italy, to prevent service interruptions due to the breakage of overhead power lines as a result of snowfall, the risk of such interruptions has been assessed on the basis of the probability of losing segments of the grid and then calculating the relative impact in terms of customers without power and the loss in terms of power not delivered. To address these risks, investments include the targeted replacement of uninsulated lines with insulated conductors, increasing the number of alternative routes to restore power and the use of remote control systems to isolate the section of the grid affected by the fault as quickly as possible.

Again in Italy, the measures to increase resilience are contained in the three-year investment plan of e-distribuzione and are designed to limit the risk of service interruptions caused by the main critical factors that may impact e-distribuzione’s medium-voltage grid. The measures for the 2017-2021 period involve some 4 million customers and over 7,000 km of medium-voltage lines.

4R - Readiness

A subsequent “readiness” phase that includes all measures to improve the timeliness with which potentially risky events are identified, ensuring coordination with the Civil Protection Department and local officials, as well as to prepare intervention measures once a fault has occurred. Examples of measures include systems for forecasting meteorological events and their impact on the grid, the provisioning of adequate equipment to build temporary plant or emergency grid structures, the preparation of operational plans and the organization of exercises. One of the most important measures is certainly the definition of agreements for the mobilization of designated extraordinary resources to respond to an emergency. These include both internal resources and the resources of contracting companies operating in other areas of a country and/or in other countries.

4R - Response

The third phase is the “response” phase, meaning the operational response capacity for a specific extreme event, which is directly correlated with the ability to mobilize operational resources in the field and with the availability of grid backup and redundancies.

4R - Recovery

The final phase is the “recovery” phase, which seeks to restore an acceptable and safe level of service in the shortest possible time.

Response and recovery are complementary. The philosophy that guides interventions in these two phases is that exceptional resources must be used to deal with exceptional events, and that all the available resources prepared in the readiness phase must therefore be mobilized. The assessment of the damage caused to the grid is the first activity to be performed. Enel promptly activates a task force of specialized technicians and deploys special equipment (helicopters and generators) to restore service, and mobilizes personnel from other areas/countries. Great attention is paid in these phases to communication with all the players involved and the determination

of the most effective strategy to manage the repair of power lines and the restoration of service to customers.

In this regard, the Enel Group in Italy is a permanent guest of the Operations Committee of the National Civil Protection Department and has signed protocols with both the National Civil Protection Department and Regional Civil Protection Departments in order to facilitate communication in emergency situations, joint training and any other initiative that makes collaboration with the civil protection system more effective and rapid.

Transition phenomena: repercussions on our business, risks and opportunities

With regard to the risks and opportunities associated with transition variables, we use the different reference scenarios

in combination with the various elements that make up the risk identification process (e.g. competitive context, long-term vision of the industry, materiality analysis, etc.) to identify the drivers of potential risks and opportunities. Priority is given to the most material phenomena. The main risks and opportunities identified within this framework are described below.

Policy & Regulation

Limits on emissions and carbon pricing

The enactment of laws and regulations that introduce more stringent emission limits by government action (non-market driven) and market-based mechanisms, such as a carbon tax in non-ETS (Emissions Trading System) sectors or an expansion of the ETS in other sectors.

- > Opportunities: command & control regulations and market-based mechanisms strengthening CO₂ price signals to foster investment in carbon-free technologies.
- > Risks: lack of a coordinated approach among the various actors and policy-makers involved and limited effectiveness of the policy instruments deployed, with an impact on the speed of the trend towards electrification and decarbonization in the various sectors, compared with a decisive group strategy focused on the energy transition.

Incentives for the energy transition

Development incentives and opportunities with a view to the energy transition, consequently guiding the energy system towards the use of low-emission energy resources as the mainstream approach in the energy mixes of countries, greater electrification of energy consumption, energy efficiency, flexibility of the electrical system and upgrading of infrastructure, with a positive impact on the return on investment and new business opportunities.

- > Opportunities: additional volumes and greater margins due to additional investment in the electricity industry, in line with the electrification strategy, decarbonization and the upgrading of enabling infrastructure.
- > Risks: obstacles to achieving energy transition targets due to regulatory systems that do not effectively support the energy transition (delays in permitting, no upgrading of the electricity grid, etc.).

Resilience regulation

To improve standards or introduce ad hoc mechanisms to incentivize investments in resilience in the context of the evolution of climate change.

- > Opportunities: benefits from investments that reduce service quality and continuity risks for the community.
- > Risks: in the case of especially severe extreme events with a greater-than-expected impact, there is a risk that recovery could be slower than planned, with an associated reputational risk.).

Financial measures for the energy transition

Incentives for the energy transition through appropriate policy measures and financial instruments, which should be capable of supporting an investment framework and a long-term, credible and stable positioning of policy-makers. Introduction of rules and/or public and private financial instruments (e.g. funds, mechanisms, taxonomies, benchmarks) aimed at integrating sustainability into financial markets and public finance instruments.

- > Opportunities: the creation of new markets and sustainable finance products consistent with the investment framework, activating greater public resources for decarbonization and access to financial resources in line with energy transition objectives and the related impact on costs and on finance charges; introduction of subsidized support tools (funds and calls) for the transition.
- > Risks: actions and instruments are not sufficient to provide incentives consistent with an overall positioning tailored to the energy transition, uncertainty or slowdown in the introduction of new instruments and rules due to the deterioration in the public finances or differences in application in the geographic areas in which the Group operates.

Market

Market dynamics

Market dynamics, such as those connected with the variability of commodity prices, the increase in electricity consumption due to the energy transition and the penetration of renewables, have an impact on business drivers, with effects on margins and on production and sales volumes.

- > Opportunities: positive effects associated with the growth in electricity demand and the greater room for renewables and all sources of flexibility.
- > Risks: less room in the market for residual thermal generation technologies in the short term. However, as the penetration of renewables in the electricity mix increases, the system could require greater flexibility, including regulated gas-fired generation.

Technology

Penetration of new technologies

Gradual penetration of new technologies such as storage and demand response; digital lever to transform operating models and “platform” business models.

- > Opportunities: investments in developing technology solutions.

Products and Services

Electrification of residential energy consumption

With the gradual electrification of end uses, the penetration of products with lower costs and a smaller impact in terms of residential emissions will expand (for example, the use of heat pumps for heating and cooling).

- > Opportunities: increase in electricity consumption.
- > Risks: additional competition in this market segment.

Electric mobility and electrification of industrial energy consumption

Use of more efficient and effective modes of transportation from the point of view of climate change, with a special focus on the development of electric mobility and charging infrastructure; electrification of large-scale industrial energy users.

- > Opportunities: positive effects of the increase in electricity demand and greater margins connected with the penetration of electric transportation.

The Group has already taken strategic actions to mitigate potential risks and exploit the opportunities offered by the energy transition. Thanks to our industrial and financial strategy incorporating ESG factors, an integrated approach shaped by sustainability and innovation makes it possible to create long-term shared-value.

A strategy focused on complete decarbonization and the energy transition makes the Group resilient to the risks associated with the introduction of more ambitious policies for emission reductions and maximizes opportunities for the development of renewable generation, infrastructure and enabling technologies. Unlike chronic climate impacts, developments in the transition scenario could have impacts in the short and medium term (by 2030) as well.

As with climate variables, we can test the current Business Plan (2020-2022) for its sensitivity to the factors potentially influenced by the transition scenario, with particular regard to the price of CO₂ (ETS). Examining the main transition variables, the price of CO₂ appears to be an especially reliable driver of regulatory measures that could accelerate the transition process.

To assess the impact of possible changes in this driver, the effects of a potential change of +/-10% in the CO₂ price for Italy and Spain are determined. This price change would modify the equilibrium price of both wholesale markets, with repercussions on the margins of Global Power Generation for both thermal and renewable plants.

To quantify the risks and opportunities engendered by the energy transition in the medium term, two scenarios have been considered for Italy and Spain:

“Current policies” scenario

Based on the current energy transition policies of Italy and Spain (PNIEC), which are presumably consistent with an intermediate climate scenario between RCP 8.5 and RCP 2.6. The “current policies” scenario considered for the two countries, while among the less ambitious scenarios of RCP 2.6, represents a plausible outlook in that it derives from policies that have already been approved and which will probably not be disregarded. At a global level, however, if the world’s leading countries do not adopt effective decarbonization policies, instead pursuing policies that produce no change or actually worsen conditions, the “current policies” approach could still lead to a climate scenario in line with SPC 8.5.

“Accelerated policies” scenario

Based on potential rapid transition policies aimed at achieving CO₂ reduction targets that are presumably consistent with the RCP 2.6 scenario. This scenario also incorporates an increase in energy efficiency and a drive to electrify end-user energy consumption.

SCENARIO PHENOMENA	RISK & OPPORTUNITY CATEGORY	DESCRIPTION	TIME HORIZON ⁽¹⁾	IMPACT
Transition	Policy & Regulation	Risk: impact on margin due to measures affecting CO ₂ price.	Short/medium term	Considering the potential impact of regulatory measures to incentivize energy transition, the Group assesses the exposure to changes of +/- 10% in the price of CO₂ using sensitivity analysis.
Transition	Market	Opportunity: increase in margins due to impact of transition on electrification of energy consumption. Risk: increase in competition and possible decrease in market share.	Medium term	Considering two alternative transition scenarios, the Group assesses the impact of trends in efficiency, the adoption of electric devices and the penetration of EVs to estimate its potential effect on electricity demand
Transition	Products & Services	Opportunity: increase in margins and greater scope for investment due to impact of transition in terms of penetration of new technologies and electric transportation.	Medium term	Considering two alternative transition scenarios, the Group has assessed the impact of trends in the electrification of transportation and residential consumption to assess the potential effects.




(1) Time horizon: short (2020-2022); medium (up to 2030); long (2030-2050).

Considering these transition scenarios and models of the energy system, we determined their impact on the variables that most greatly affect our business, such as electricity demand, the system energy mix and the increase in electricity consumption due to the electrification of final consumption. The transition effects over the medium term can produce new opportunities, thanks to the growth of renewables, and potential risks linked to the loss of profitability for thermal plants. Based on assumptions about future regulatory developments and market trends, we can forecast developments in output in the Group's electricity markets (for now, Italy and Spain only) and unit margins. These considerations offer a basis for determining the Group's possible strategic positioning in terms of resource allocation (for example, maintaining or increasing our market share in renew-

ables or accelerating the phase-out of obsolete technologies).

By 2030, the dynamics of the energy transition may produce significant opportunities in the retail electricity market. The progressive electrification of final consumption, especially in transportation and the residential sector, will lead to a significant increase in electricity consumption.

Considering the transition scenarios developed by the Group for Italy and Spain, the increase in electricity consumption in the domestic segment could produce an increase of more than €300 million in EBITDA by 2030 compared with 2022. Considering a more optimistic transition scenario, i.e. one with a higher electrification rate for transportation and heating/cooling, the effects could be even greater, leaving unchanged the assumptions for margins and market share set out in the Plan.

GBL AFFECTED (ICONS)	SCOPE	QUANTIFICATION - TYPE OF IMPACT		UPSIDE/ DOWNSIDE	QUANTIFICATION - RANGE			IMPACT WITH ACCELERATED TRANSITION
					< 100 €MLN	100-300 €MLN	>300 €MLN	
Global Power Generation 	Italy and Iberia	EBITDA/year	+10%	Upside	■			
			-10%	Downside	■			
Retail 	Italy and Iberia	EBITDA 2030 vs 2022		Upside		■	▲	
Enel X 	Italy and Iberia	Gross margin Σ 2022-2030		Upside		■	▲	

■ Upside scenario current policies
■ Downside scenario current policies



**4. PERFORMANCE
& METRICS
REPORT
ON OPERATIONS**



Definition of performance indicators

In order to present the results of the Group and analyze their financial structure, Enel has prepared separate reclassified schedules that differ from the schedules envisaged under the IFRS-EU adopted by the Group and presented in the consolidated financial statements. These reclassified schedules contain different performance indicators from those obtained directly from the consolidated financial statements, which management believes are useful in monitoring the performance of the Group and representative of the financial performance of our business.

With regard to those indicators, on December 3, 2015, CONSOB issued Communication no. 92543/15, which gives force to the Guidelines issued on October 5, 2015, by the European Securities and Markets Authority (ESMA) concerning the presentation of alternative performance measures in regulated information disclosed or prospectuses published as from July 3, 2016. These Guidelines, which update the previous CESR Recommendation (CESR/05-178b), are intended to promote the usefulness and transparency of alternative performance indicators included in regulated information or prospectuses within the scope of application of Directive 2003/71/EC in order to improve their comparability, reliability and comprehensibility.

Accordingly, in line with the regulations cited above, the criteria used to construct these indicators are the following.

Gross operating margin: an operating performance indicator, calculated as "Operating income" plus "Depreciation, amortization and impairment losses".

Ordinary gross operating margin: it is calculated by adjusting the "Gross operating margin" for all items generated by non-recurring transactions, such as acquisitions or disposals of businesses (for example, capital gains and losses), with the exception of those transactions carried out in the renewable segment, related to the new "Build, Sell and Operate" business model launched in the 4th Quarter of 2016, where the income from the disposal (or repurchase) of projects represents an ordinary activity for the Group.

Ordinary operating income: it is calculated by adjusting the "Operating income" for the effects of the non-recurring transactions referred to with regard to the gross operating margin,

as well as significant impairment losses on assets following impairment testing or classification under "Assets held for sale".

Group ordinary net income: it is defined as "Group net income" generated by Enel's core business and is equal to "Group net income" excluding the impact on it (and therefore net of any tax effects and non-controlling interests) of the items discussed under "Ordinary operating income".

Low carbon ordinary EBITDA: it is the ordinary gross operating margin of the set of products, services and technologies included in the following Business Lines: Enel Green Power, Infrastructure and Networks, Enel X and End-user Markets (excluding gas).

Gross global value added from continuing operations: this is defined as value created for stakeholders and is equal to "Revenue", including "Net income/(expense) from commodity management" net of external costs defined as the algebraic sum of "cost of fuels", "cost of electricity purchases", "costs of materials", "capitalized costs of internal projects", "other costs" and "costs for services, rentals and leases"; with the latter net of "costs for fixed water diversion fees" and "costs for public land usage fees".

Net non-current assets: calculated as the difference between "Non-current assets" and "Non-current liabilities" with the exception of:

- > "Deferred tax assets";
- > "Securities" and "Other financial receivables" included in "Other non-current financial assets";
- > "Long-term borrowings";
- > "Employee benefits";
- > "Provisions for risks and charges (non-current portion)";
- > "Deferred tax liabilities".

Net current assets: calculated as the difference between "Current assets" and "Current liabilities" with the exception of:

- > "Current portion of long-term financial receivables", "Factoring receivables", "Securities", "Cash collateral" and "Other financial receivables" included in "Other current

- financial assets”;
- > “Cash and cash equivalents”;
 - > “Short-term borrowings” and the “Current portion of long-term borrowings”;
 - > “Provisions for risks and charges (current portion)”;
 - > “Other financial payables” included in “Other current liabilities”.

Net assets held for sale: calculated as the algebraic sum of “Assets held for sale” and “Liabilities held for sale”.

Net capital employed: calculated as the sum of “Net non-current assets” and “Net current assets”, “Provisions for risks and charges”, “Deferred tax liabilities” and “Deferred tax assets”, as well as “Net assets held for sale”.

Net financial debt: a financial structure indicator, determined by:

- > “Long-term borrowings” and “Short-term borrowings and the current portion of long-term borrowings”, taking account of “Short-term financial payables” included in “Other current liabilities”;
- > net of “Cash and cash equivalents”;
- > net of the “Current portion of long-term financial receivables”, “Factoring receivables”, “Cash collateral” and “Other financial receivables” included in “Other current financial assets”;
- > net of “Securities” and “Other financial receivables” included in “Other non-current financial assets”.

More generally, the net financial debt of the Enel Group is calculated in accordance with paragraph 127 of Recommendation CESR/05-054b implementing Regulation (EC) no. 809/2004 and in line with the CONSOB instructions of July 28, 2006, net of financial receivables and long-term securities.

Main changes in the scope of consolidation

In the two periods under review, the scope of consolidation changed as a result of a number of transactions. For more

information, please see note 6 on the consolidated financial statements.



Performance of the Group

Operations

229.1 TWh

Net electricity generation
of which
99.4 TWh renewables

50%

Net efficient installed
renewable capacity
for a **total of 42.1 GW**

2.2 mln km

Electricity **distribution
and transmission grid**

44.7 mln

End users with
active **smart meters** of which
13.1 mln of second generation

69.9 mln

Retail customers of which
22.8 mln free market

79,565

Charging points
+62.5% compared with 2018

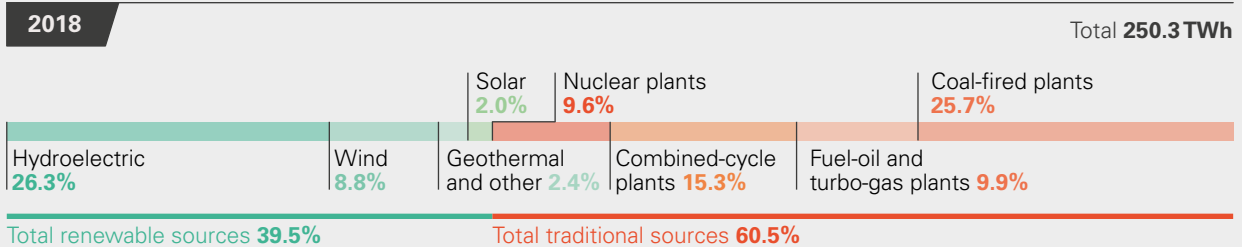
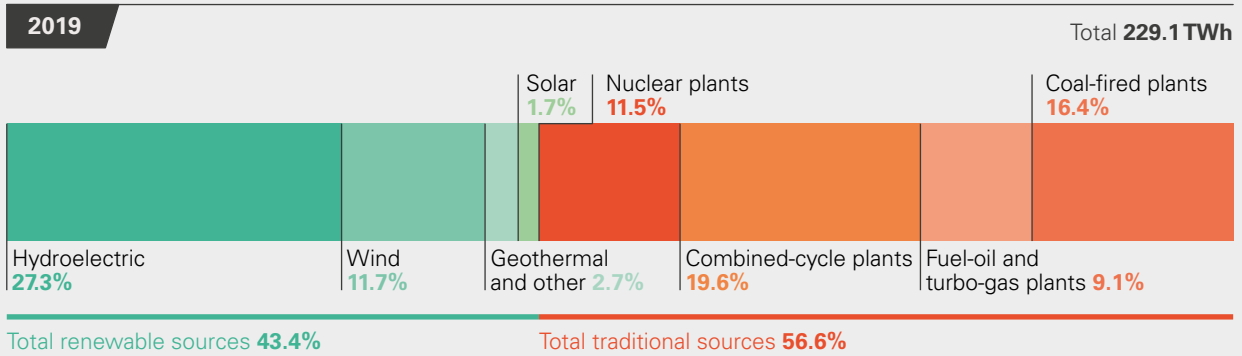
The following presents the operating, environmental and financial performance of the Group

SDG		2019	2018	Change
	Net electricity generation (TWh)	229.1	250.3	(21.2)
	of which:			
7	- renewables (TWh)	99.4	98.9	0.5
	Total net efficient capacity (GW)	84.3	85.6	(1.3)
7	Net efficient installed renewable capacity (GW)	42.1	39.2	2.9
7	Net efficient installed renewable capacity (%)	50%	46%	4%
7	Net efficient additional installed renewable capacity (GW)	3.58	2.68	0.90
9	Electricity transported on Enel's distribution grid (TWh) ⁽¹⁾	504.0	484.4	19.6
9	End uses with active smart meters (no.)	44,668,538	43,770,085	898,453
9	Electricity distribution and transmission grid (km)	2,230,029	2,226,097	3,932
	End users (no.)	73,258,840	72,945,664	313,176
	Electricity sold by Enel (TWh)	301.7	295.4	6.3
	Gas sold to end users (billions of m ³)	10.5	11.2	(0.7)
	Retail customers (no.)	69,914,992	71,117,743	(1,202,751)
	- of which free market	22,780,590	21,478,721	1,301,869
11	Demand response capacity (MW)	6,297	6,215	82
11	Charging points (no.)	79,565	48,967	30,598
11	Storage (MW)	110	70	40

(1) The figure for 2018 reflects a more accurate measurement of quantities transported.

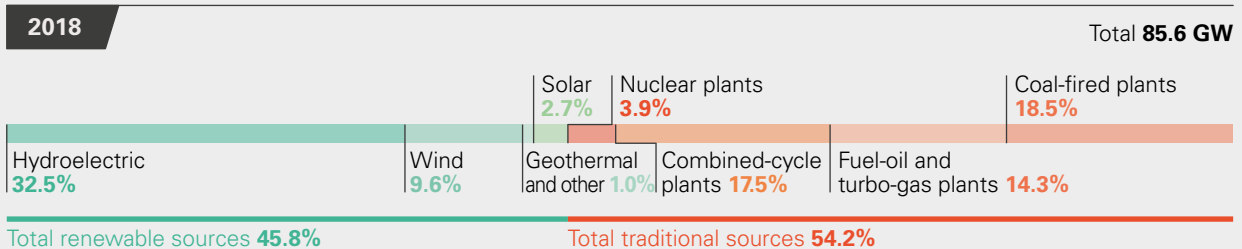
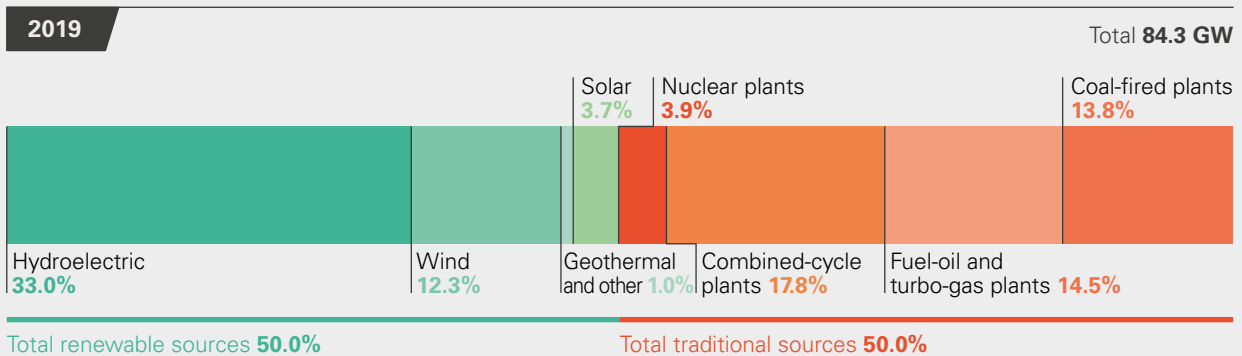
Net electricity generation (%)

Net electricity generation in 2019 totaled 229.1 TWh, a decrease on 2018 that reflected an 18.7% decline in thermal generation compared with the previous year, mainly due to a reduction in coal-fired generation (-41.6% compared with 2018). Contributing to this development, which was connected with the decarbonization of the generation mix cited above, were operations in Italy and Spain, as well as the sale of the Reftinskaya power plant in Russia.



Total net efficient capacity (%)

At the end of December 2019, the Group's **total net efficient installed capacity** was 84.3 GW, down 1.3 GW from 2018, mainly due to the sale of the Reftinskaya coal-fired power plant in Russia. This reduction was partially offset by the entry into operation of new renewable plants, mainly wind and solar in Spain, Mexico and the United States.



Main climate change and environmental sustainability indicators

296 g/kWh_{eq}
Specific emissions of CO₂
from total generation
-19.8% compared to 2018

54.85%
Zero-emission generation
(% of total)

€16,211 mln
EBITDA for low-carbon products,
services and technologies
+10.7% compared to 2018

€9,131 mln
Capex for low-carbon products,
services and technologies

	2019	2018	Change	
Direct greenhouse gas emissions - Scope 1 (million/t _{eq}) ⁽¹⁾	70.0	95.2	(25.2)	-26.5%
Indirect greenhouse gas emissions - Scope 2 (million/t _{eq}) purchase of electricity from the grid (location based) ⁽²⁾	1.55	1.40	0.2	10.7%
Indirect greenhouse gas emissions - Scope 2 (million/t _{eq}) purchase of electricity from the grid (market based) ⁽²⁾	2.30	2.11	0.2	9.0%
Indirect greenhouse gas emissions - Scope 2 (million/t _{eq}) distribution grid losses (location based) ⁽¹⁾	3.82	3.68	0.1	3.8%
Indirect greenhouse gas emissions - Scope 3 (million/t _{eq}) ⁽¹⁾	56.92	59.56	(2.64)	-4.4%
<i>of which emissions connected with gas sales (million/t_{eq})</i>	<i>23.9</i>	<i>25.4</i>	<i>(1.5)</i>	<i>-5.9%</i>
Specific emissions of CO ₂ from total generation (g/kWh _{eq}) ⁽³⁾	296	369	(73.0)	-19.8%
Specific emissions of SO ₂ (g/kWh _{eq}) ⁽³⁾	0.59	0.75	(0.2)	-21.3%
Specific emissions of NO _x (g/kWh _{eq}) ⁽³⁾	0.60	0.72	(0.1)	-16.7%
Specific emissions of particulates (g/kWh _{eq}) ⁽³⁾	0.12	0.17	(0.1)	-29.4%
Total direct fuel consumption (Mtoe)	30.1	37.0	(6.9)	-18.6%
Reference price of CO ₂ (€)	24.8	15.9	8.9	56.0%
Average efficiency of thermal plants (%) ⁽⁴⁾	42.0	40.1	1.9	4.7%
Zero-emission generation (% of total)	54.85	49.14	5.71	11.6%
EBITDA for low-carbon products, services and technologies (millions of €)	16,211	14,645	1,566.0	10.7%
Capex for low-carbon products, services and technologies (millions of €)	9,131	7,773	1,358.0	17.5%
Ratio of capex for low-carbon products, services and technologies to total (%)	92%	91%	-	1.1%
Water withdrawal in water-stressed areas (%)	14.1	11.6	2.5	21.6%
Specific water requirement for total generation (l/kWh _{eq})	0.33	0.38	(0.1)	-13.2%

(1) The Scope values for 2018 have been modified by adding the new calculation categories introduced in 2019.

(2) Scope 2 emissions for electricity purchased from the grid have been recalculated to take account of an expansion of the calculation basis.

(3) Specific emissions are calculated considering total emissions from thermal generation as a ratio of total renewable, nuclear and thermal generation (including the contribution of heat).

(4) The calculation does not consider Italian O&G plants being decommissioned or of marginal impact. In addition, the figures do not take account of consumption and generation for cogeneration relating to Russian thermal generation plants. Average efficiency is calculated on the basis of the plant fleet and is weighted by generation.

The Group's ambition for leadership in the fight against climate change was further strengthened in 2019: the target for the reduction of direct emissions from generation by 2020, which was set in 2015 at 350 g/kWh_{eq} of CO₂ with a 25% reduction compared with 2007, was achieved one year early. In fact, 2019 closed with a reduction of 20% compared with the base year, to 296 g/kWh_{eq} of CO₂. In addition, in 2019 direct emissions of CO₂ equivalent (Scope 1) amounted to around 70 million tons equivalent, a decrease of 27% on 2018. The reduction is attributable to a decline in thermal generation and the concomitant increase in generation from renewables, which raised the proportion of electricity generated with zero-emissions sourced to 54.9% of total consolidated output in 2019 (a significant increase on the 49.1% registered in 2018).

Specific atmospheric emissions of SO₂ and NO_x also declined by about 21% and 17% respectively compared with 2018, as confirmed by emissions of particulates, which declined further due to a reduction in generation from coal during 2019.

Responsible water resource management

Water is an essential part of electricity generation, and Enel therefore believes that the availability of this resource is a critical part of future energy scenarios. The Group has always managed the water we use efficiently through ongoing monitoring of all power plants located in areas threatened by water scarcity. Enel employs the following levels of analysis:

- > the mapping of generation sites in areas at risk of water scarcity, i.e. where the average availability of per capita water resources is below the benchmark level set by the FAO (the mapping is performed using the Global Water Tool of the World Business Council for Sustainable Development);
- > the identification of "critical" generation sites, i.e. those in water scarcity areas drawing on fresh water;
- > more efficient management of water resources in order to maximize the use of waste water and sea water.

About 8% of the Enel Group's total electricity output uses fresh water in water-stressed areas. In 2019 the total water requirement was 77.3 million cubic meters, some 20% less than in 2018, reflecting a decrease in thermal generation compared with the previous year. The specific requirement for 2019 was 0.33 l/kWh_{eq}, 13% less than in 2018.

Preserving biodiversity

Preserving biodiversity is one of the strategic objectives of Enel's environmental policy. The Group promotes specific projects in the various areas in which we operate in order to help protect local species, their natural habitats, and the local ecosystems in general. These projects cover a vast range of areas, including: inventory and monitoring; programs to protect specific species; methodological research and other studies; repopulation and reforestation; and the construction of infrastructure supports to promote the presence and activities of various species (e.g. artificial nests along power distribution lines for birds or fish ladders at hydroelectric plants).

Group performance

€17,704 mln

Gross operating margin
+8.3% compared to 2018

€6,878 mln

Operating income
€9,900 million in 2018

€2,174 mln

Group net income
-54.6% compared to 2018

€17,905 mln

Ordinary gross operating margin
+10.8% compared to 2018

€11,096 mln

Ordinary operating income
of which **30% from Enel Green Power**

€4,767 mln

Group ordinary net income
+17.4% compared to 2018

Millions of euro

	2019	2018	Change	
Revenue	80,327	75,575	4,752	6.3%
Costs	61,890	59,756	2,134	3.6%
Net income/(expense) from commodity risk management	(733)	532	(1,265)	-
Gross operating margin	17,704	16,351	1,353	8.3%
Depreciation, amortization and impairment losses	10,826	6,451	4,375	67.8%
Operating income	6,878	9,900	(3,022)	-30.5%
Financial income	3,953	4,361	(408)	-9.4%
Financial expense	6,397	6,409	(12)	-0.2%
Total net financial income/(expense)	(2,444)	(2,048)	(396)	-19.3%
Share of income/(losses) from equity investments accounted for using the equity method	(122)	349	(471)	-
Income before taxes	4,312	8,201	(3,889)	-47.4%
Income taxes	836	1,851	(1,015)	-54.8%
Net income from continuing operations	3,476	6,350	(2,874)	-45.3%
Net income from discontinued operations	-	-	-	-
Net income (Group and non-controlling interests)	3,476	6,350	(2,874)	-45.3%
Net income attributable to shareholders of Parent Company	2,174	4,789	(2,615)	-54.6%
Net income attributable to non-controlling interests	1,302	1,561	(259)	-16.6%

Revenue

Millions of euro

	2019	2018	Change	
Sale of electricity	40,045	39,278	767	2.0%
Transport of electricity	10,470	10,101	369	3.7%
Fees from network operators	866	1,012	(146)	-14.4%
Transfers from institutional market operators	1,625	1,711	(86)	-5.0%
Sale of gas	3,294	4,401	(1,107)	-25.2%
Transport of gas	617	576	41	7.1%
Sale of fuels	914	919	(5)	-0.5%
Fees for connection to electricity and gas networks	785	714	71	9.9%
Revenue from construction contracts	749	735	14	1.9%
Sale of commodities under contracts with physical delivery (IFRS 9)	16,294	11,833	4,461	37.7%
Other revenue	4,668	4,295	373	8.7%
Total	80,327	75,575	4,752	6.3%

The increase in **revenue** is largely attributable to the item “Sale of commodities under contracts with physical delivery” as a result of reclassifications with no impact on margins. The reclassifications were connected with the application of the IFRIC Agenda Decision of March 2019 to non-financial transactions with physical delivery measured at fair value in accordance with IFRS 9.

The additional increase in revenue is attributable to the positive performance of Infrastructure and Networks, in particular in Latin America, mainly due to the contribution of Enel Distribuição São Paulo in Brazil and the settlement of outstanding regulatory items in Argentina, and to Thermal Generation and Trading in Italy, reflecting in particular an increase in trading activities. These effects were only partially offset by lower revenue from on End-user Markets in Spain and Italy and by adverse exchange rate developments.

Other revenue recognized in 2019 included:

- > the gain on the sale of Mercure Srl, a special purpose vehicle to which Enel Produzione had previously transferred the Valle del Mercure biomass plant (€108 million);
- > the negative goodwill (€181 million) deriving from the definitive allocation of the purchase price of (i) a number of companies sold by Enel Green Power North America Renewable Energy Partners LLC (€106 million) and (ii) Tradewind, which went from being an associate to a wholly-owned subsidiary (negative goodwill of €75 million);
- > the gain of €42 million on the sale of Gratiot and Outlaw, two renewables projects developed by Tradewind;
- > an increase in revenue in Argentina following the agree-

ment between Edesur and local authorities settling reciprocal disputes originating in the period from 2006 to 2016 (€233 million);

- > the reimbursement envisaged for the exercise of the right of withdrawal by a major industrial customer concerning the supply of electricity by Enel Generación Chile (€160 million), of which €80 million regarding thermal generation and the remaining €80 million concerning renewables generation;
- > the adjustment of the price for the acquisition of eMotorWerks in 2017 following application of a number of contractual clauses (€98 million);
- > the fee of €50 million from the agreement reached by e-distribuzione with F2i and 2i Rete Gas for the early all-inclusive settlement of the second indemnity connected with the disposal in 2009 of the interest held by e-distribuzione in Enel Rete Gas.

In 2018, that item had mainly comprised:

- > the gain and the re-measurement at fair value totaling €190 million connected with the sale of eight companies involved in Project Kino in Mexico at the end of September 2018;
- > the indemnity of €128 million received in connection with the agreement of e-distribuzione for the sale of Enel Rete Gas in 2009;
- > the gain of €65 million on the sale of EF Solare Italia;
- > the gain of €18 million on the sale of a number of renewables companies in Uruguay.

Costs

Millions of euro

	2019	2018	Change	
Electricity purchases	20,449	19,802	647	3.3%
Consumption of fuel for electricity generation	4,228	4,920	(692)	-14.1%
Fuel for trading and gas for sale to end users	9,284	12,783	(3,499)	-27.4%
Materials	2,110	1,911	199	10.4%
Personnel	4,634	4,581	53	1.2%
Services, leases and rentals ⁽¹⁾	16,264	16,254	10	0.1%
Other operating expenses	7,276	1,769	5,507	-
Capitalized costs	(2,355)	(2,264)	(91)	-4.0%
Total	61,890	59,756	2,134	3.6%

(1) Of which costs for fixed water diversion fees of €171 million in 2019 (€167 million in 2018) and costs for public land usage fees of €26 million in 2019 (€24 million in 2018).

The increase in costs is mainly attributable to the application of the IFRIC Agenda Decision of March 2019 to non-financial transactions with physical delivery measured at fair value in accordance with IFRS 9, which involved reclassifications of

income statement items with no impact on margins.

Please see the notes to the consolidated financial statements for more details on costs for the year.

Gross operating margin

The following table reports developments in the gross operating margin by business area:

Millions of euro

	2019	2018	Change	
Thermal Generation and Trading	1,395	1,117	278	24.9%
Enel Green Power	4,604	4,608	(4)	-0.1%
Infrastructure and Networks	8,278	7,539	739	9.8%
End-user Markets	3,287	3,079	208	6.8%
Enel X	158	124	34	27.4%
Services	126	85	41	48.2%
Other, eliminations and adjustments	(144)	(201)	57	28.4%
Total	17,704	16,351	1,353	8.3%

The rise in the **gross operating margin** despite adverse exchange rate developments (especially in Latin America) mainly reflects:

> Infrastructure and Networks operations in Latin America (€496 million), mainly due to the change in the scope of consolidation with the acquisition of Enel Distribuição São Paulo, income from the agreement between Edesur and the Argentine government settling reciprocal disputes from the period from 2006 to 2016 and in Italy (€227 million), mainly due to a decrease in compliance costs connected with the purchase of energy efficiency certificates. In ad-

dition, in 2019 e-distribuzione recognized additional indemnities of €50 million connected with the disposal to F2i of Enel Rete Gas; in 2018 those indemnities had amounted to €128 million;

> Thermal Generation and Trading in Spain (€165 million) and Latin America (€173 million), due respectively to (i) the suspension of taxes on thermal and nuclear generation as well as an increase in the margin of nuclear plants, which made up the shortfall caused by the significant decrease in hydro output due to poor water conditions in 2019 and (ii) the improvement in margins posted by the Fortaleza plant in Bra-

zila, mainly reflecting a decline in provisioning costs and the effect of the renegotiation of a supply contract between Enel Generación Chile and its customer Anglo American following payment of an indemnity of €80 million. In addition, writedowns totaling €308 million were recognized on inventories of spare parts and fuels held by coal-fired plants in Italy and Spain for which impairment losses were recognized. This was partially offset in Italy by the gain on the disposal of Mercure Srl by Enel Produzione, which net of transaction costs amounted to €94 million;

- > End-user Markets in Latin America (€85 million), mainly due to the impact of the acquisition of Enel Distribuição São Paulo, and in Italy (€81 million), due to greater operating efficiency linked especially to lower electricity provisioning costs,

which more than offset the decline in quantities sold;

- > Enel X, thanks to the adjustment of the price for the acquisition of eMotorWerks in 2017, as noted for revenue (€98 million).

The Enel Green Power Business Line posted a gross operating margin in line with the previous year, as the income recorded in North America for the negative goodwill following the purchase of a number of companies of Enel Green Power North America Renewable Energy Partners (EGPNA REP) and Tradewind, the capital gains from the sales of Gratiot and Outlaw and the higher average prices applied to electricity sales in Italy were essentially offset by the gains recorded in 2018 on the sale of a number of Mexican companies (Project Kino) and the sale of EF Solare Italia.

Ordinary gross operating margin

Millions of euro	2019							Total
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	
Gross operating margin	1,395	4,604	8,278	3,287	158	126	(144)	17,704
Indemnity from disposal of interest in Enel Rete Gas	-	-	(50)	-	-	-	-	(50)
Adjustment to fair value of purchase price of a number of Greek companies	-	30	-	-	-	-	-	30
Writedown of fuel and spare parts inventories of a number of coal-fired plants in Italy and in Spain ⁽¹⁾	308	-	-	-	-	-	-	308
Writedown of Reftinskaya coal-fired plant in Russia	7	-	-	-	-	-	-	7
Disposal of interest in Mercure Srl	(94)	-	-	-	-	-	-	(94)
Ordinary gross operating margin	1,616	4,634	8,228	3,287	158	126	(144)	17,905

(1) The writedown of fuel and materials/spare parts inventories is not considered ordinary because it was connected with the impairment recognized for a number of coal-fired plants in Italy and Spain.

Millions of euro

2018

	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Gross operating margin	1,117	4,608	7,539	3,079	124	85	(201)	16,351
Indemnity from disposal of interest in Enel Rete Gas	-	-	(128)	-	-	-	-	(128)
Gain on sale of EF Solare Italia	-	(65)	-	-	-	-	-	(65)
Ordinary gross operating margin	1,117	4,543	7,411	3,079	124	85	(201)	16,158

Operating income

Millions of euro

	2019	2018	Change	
Thermal Generation and Trading	(3,494)	(118)	(3,376)	-
Enel Green Power	3,276	3,505	(229)	-6.5%
Infrastructure and Networks	5,277	4,787	490	10.2%
End-user Markets	2,163	1,958	205	10.5%
Enel X	(98)	19	(117)	-
Services	(75)	(38)	(37)	-97.4%
Other, eliminations and adjustments	(171)	(213)	42	19.7%
Total	6,878	9,900	(3,022)	-30.5%

The decrease in **operating income** reflected an increase in depreciation, amortization and impairment losses of €4,375 million, despite the improvement in the gross operating margin. The increase in depreciation, amortization and impairment losses reflected the writedowns in 2019 of a number of coal-fired plants in Italy, Spain, Chile and Russia, which led to the recognition of impairment losses totaling €4,010 million. More specifically, in the 1st Half of 2019 two plants in Chile were written down by €356 million, reflecting in part the effect of the agreement with the Chilean government on their early closure, while in Russia writedowns reflected the sale of the Reftinskaya coal-fired plant, which at June 30, 2019 had been classified as held for sale and its value adjusted (€127 million) to take account of the sale price. In the 3rd Quarter of 2019, the adverse developments in conditions in Spain associated with the deterioration in commodity prices and the operation of the CO₂ emission market, compromised the competitiveness of coal-fired plants. In Italy, in addition to the deterioration in market conditions, the implementation of the new system for remunerating generation capacity availabili-

ty (the capacity market) narrowed the future scope for using plants with higher levels of CO₂ emissions, providing for the exclusion of coal-fired plants from the electricity market. For these reasons, the carrying amount of a number of coal-fired plants in Italy and Spain, including dismantling charges, was written down by a total of €3,527 million.

The change in operating income also includes the depreciation charges on rights of use over leased assets, which as from January 1, 2019 are recognized as leased property, plant and equipment and depreciated over the term of the associated leases in application of IFRS 16 (€203 million), and the writedown of the receivable for the Funac by the Brazilian distribution company Enel Distribuição Goiás in the amount of €96 million.

These factors were partly offset by the writeback of €265 million recognized in respect of gas-fired plants in Italy following impairment testing.

Ordinary operating income

Millions of euro	2019							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Operating income	(3,494)	3,276	5,277	2,163	(98)	(75)	(171)	6,878
Indemnity from disposal of interest in Enel Rete Gas	-	-	(50)	-	-	-	-	(50)
Disposal of interest in Mercure Srl	(94)	-	-	-	-	-	-	(94)
Writedown of fuel and spare parts inventories of a number of coal-fired plants in Italy and in Spain ⁽¹⁾	308	-	-	-	-	-	-	308
Writedown of a number of coal-fired plants in Italy	1,936	-	-	-	-	-	-	1,936
Writedown of a number of coal-fired plants in Spain	1,591	-	-	-	-	-	-	1,591
Revaluation of a number of gas-fired plants in Italy	(265)	-	-	-	-	-	-	(265)
Writedown of a number of coal-fired plants in Chile	356	-	-	-	-	-	-	356
Writedown of Reftinskaya coal-fired plant in Russia	134	-	-	-	-	-	-	134
Writedown of a number of renewables projects in Italy and North America	-	70	-	-	-	-	-	70
Writedown of Funac receivable of Enel Distribuição Goiás	-	-	96	-	-	-	-	96
Writedown of certain intangible assets of Enel X North America	-	-	-	-	77	-	-	77
Writedown of certain assets of Enel Italia	-	-	-	-	-	29	-	29
Adjustment of purchase price of a number of Greek companies	-	30	-	-	-	-	-	30
Ordinary operating income	472	3,376	5,323	2,163	(21)	(46)	(171)	11,096

(1) The writedown of fuel and materials/spare parts inventories is not considered ordinary because it was connected with the impairment recognized for a number of coal-fired plants in Italy and Spain.

Millions of euro		2018							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total	
Operating income	(118)	3,505	4,787	1,958	19	(38)	(213)	9,900	
Indemnity from disposal of Enel Rete Gas	-	-	(128)	-	-	-	-	(128)	
Gain on sale of EF Solare Italia	-	(65)	-	-	-	-	-	(65)	
Writedown of Alcúdia plant (Spain)	82	-	-	-	-	-	-	82	
Reversal of impairment on EGP Hellas CGU and impairment of wind projects (Cyclades islands)	-	(117)	-	-	-	-	-	(117)	
Writedown of Nuove Energie CGU	27	-	-	-	-	-	-	27	
Net writedown of biomass and solar plants in Italy	-	94	-	-	-	-	-	94	
Ordinary operating income	(9)	3,417	4,659	1,958	19	(38)	(213)	9,793	

Group net income

Group net income for 2019 amounted to €2,174 million, compared with €4,789 million the previous year. The decrease in operating income discussed above was accompanied by:

- > the effects of the repurchase in March 2019 of control of 13 companies from EGPNA REP, which led to a change in the scope of consolidation and the recognition of a capital loss by EGPNA REP;
- > the recognition in 2018 of (i) the reversal of impairment of the financial receivable arising following the sale of 50% of Slovak Power Holding for €186 million and (ii) the positive adjustment of the fair value of that receivable in the amount of €134 million;
- > the writedown of a financial receivable in Spain in the amount of €21 million associated with the Litoral coal-fired plant, which underwent impairment testing;
- > the revaluation in 2018 of the assets of the equity investment measured using the equity method of Slovak Power Holding in the amount of €362 million and the writedown in 2019 of the same equity investment in the amount of €34 million;

- > the recognition of prepaid taxes in 2018 on prior-year losses by Enel Distribuição Goiás (€274 million) and Enel Green Power SpA due to the merger with 3Sun (€85 million);
- > non-controlling interests, which benefitted from an improvement in net income as a ratio of pre-tax income in the two years under review, reflecting in particular the impairment recognized on the wholly-owned subsidiary Enel Produzione.

These effects were partially offset by the reversal of deferred tax liabilities of Enel Distribuição São Paulo following the merger with Enel Brasil Investimentos Sudeste SA ("Enel Sudeste") in the amount of €494 million.

Group net ordinary income in 2019 amounted to €4,767 million (€4,060 million in 2018), an increase of €707 million compared with 2018. The following table provides a reconciliation of Group net income with Group net ordinary income, indicating the non-recurring items and their respective impact on performance, net of the associated tax effects and non-controlling interests.

Millions of euro

	2019	2018
Group net income	2,174	4,789
Indemnity from disposal of interest in Enel Rete Gas	(49)	(128)
Disposal of interest in Mercure Srl	(97)	-
Writedown of certain assets held by Slovak Power Holding	38	(646)
Writedown of fuel and spare parts inventories of a number of coal-fired plants in Italy and in Spain	203	-
Writedown of a number of coal-fired plants in Italy	1,400	-
Writedown of a number of coal-fired plants in Spain	849	-
Revaluation of a number of gas-fired plants Italy	(188)	-
Writedown of a number of coal-fired plants in Chile	151	-
Writedown of Reftinskaya coal-fired plant in Russia	60	-
Writedown of Funac receivable of Enel Distribuição Goiás	38	-
Writedown of certain intangible assets of Enel X North America	77	-
Writedown of certain assets of Enel Italia and Enel Green Power	50	-
Writedown of assets of a number of wind and hydro projects in North America	31	-
Adjustment of purchase price of a number of Greek companies	30	-
Writedown of Alcúdia plant (Spain)	-	43
Reversal of impairment on EGP Hellas CGU and impairment of wind projects (Cyclades islands)	-	(39)
Gain on sale of EF Solare Italia	-	(64)
Writedown of Nuove Energie CGU	-	20
Writedown of biomass and solar plants in Italy	-	85
Group ordinary net income ⁽¹⁾	4,767	4,060

(1) Taking account of tax effects and non-controlling interests.

Analysis of the Group's financial position and financial structure

€92,113 mln

Net capital employed
€88,941 million
at December, 31 2018

€45,175 mln

Net financial debt
+9.9% compared to 2018

+22%

Sustainable financing/Total gross
debt €61,547 million

€9,947 mln

Total capital expenditure of which
43.2% in renewables

Analysis of the Group's financial position

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Net non-current assets:				
- property, plant and equipment and intangible assets	99,010	95,780	3,230	3.4%
- goodwill	14,241	14,273	(32)	-0.2%
- equity investments accounted for using the equity method	1,682	2,099	(417)	-19.9%
- other net non-current assets/(liabilities)	(5,022)	(5,696)	674	11.8%
Total net non-current assets	109,911	106,456	3,455	3.2%
Net current assets:				
- trade receivables	13,083	13,587	(504)	-3.7%
- inventories	2,531	2,818	(287)	-10.2%
- net receivables due from institutional market operators	(3,775)	(3,200)	(575)	-18.0%
- other net current assets/(liabilities)	(7,282)	(7,589)	307	4.0%
- trade payables	(12,960)	(13,387)	427	3.2%
Total net current assets	(8,403)	(7,771)	(632)	-8.1%
Gross capital employed	101,508	98,685	2,823	2.9%
Provisions:				
- employee benefits	(3,771)	(3,187)	(584)	-18.3%
- provisions for risks and charges and net deferred taxes	(5,722)	(6,838)	1,116	16.3%
Total provisions	(9,493)	(10,025)	532	5.3%
Net assets held for sale	98	281	(183)	-65.1%
Net capital employed	92,113	88,941	3,172	3.6%
Total shareholders' equity	46,938	47,852	(914)	-1.9%
Net financial debt	45,175	41,089	4,086	9.9%

Property, plant and equipment and intangible assets increased, essentially reflecting investment in the period (€9,255 million), changes in the scope of consolidation (€1,192 million), largely due to the acquisition of control of a number of companies of EGPNA REP that had previously been accounted for using the equity method, the consolidation of Tradewind Energy and the acquisition of YouSave. Other factors included the adjustment of the carrying amount (including dismantling charges) of the Bocamina I and Tarapacá plants in Chile and a number of plants in Italy and Spain (€762 million) and the effects of accounting for hyperinflation. These factors were partly offset by adverse exchange rate developments (€607 million), mainly in Latin America, by depreciation, amortization and impairment losses of €9,535 million for the year, and by the sale of the Reftinskaya GRES coal-fired plant to JSC Kuzbassenergo.

The change in *goodwill* mainly reflects the writedown of certain assets of a project company in North America, as the project will no longer be pursued.

Net assets held for sale mainly regard the value of a number of hydro companies accounted for using the equity method held by EGPNA (now Enel North America) and the Rionegro plant in Colombia, while as noted above the Reftinskaya GRES coal-fired plant was sold during the 4th Quarter of 2019.

Net capital employed at December 31, 2019 amounted to €92,113 million and was funded by shareholders' equity attributable to the shareholders of the Parent Company and non-controlling interests in the amount of €46,938 million and net financial debt of €45,175 million. At December 31, 2019, the debt/equity ratio was 0.96 (0.86 at December 31, 2018).

Analysis of the Group's financial structure

Net financial debt

Net financial debt and changes in the period are detailed in the table below.

Millions of euro	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Long-term debt:				
- bank borrowings	8,407	8,819	(412)	-4.7%
- bonds	43,294	38,633	4,661	12.1%
- other borrowings	2,473	1,531	942	61.5%
<i>Long-term debt</i>	<i>54,174</i>	<i>48,983</i>	<i>5,191</i>	<i>10.6%</i>
Long-term financial receivables and securities	(3,185)	(3,272)	87	2.7%
Net long-term debt	50,989	45,711	5,278	11.5%
Short-term debt				
Bank borrowings:				
- short-term portion of long-term bank borrowings	1,121	1,830	(709)	-38.7%
- other short-term bank borrowings	579	512	67	13.1%
<i>Short-term bank borrowings</i>	<i>1,700</i>	<i>2,342</i>	<i>(642)</i>	<i>-27.4%</i>
Bonds (short-term portion)	1,906	1,341	565	42.1%
Other borrowings (short-term portion)	382	196	186	94.9%
Commercial paper	2,284	2,393	(109)	-4.6%
Cash collateral on derivatives and other financing	750	301	449	-
Other short-term financial payables ⁽¹⁾	351	438	(87)	-19.9%
<i>Other short-term debt</i>	<i>5,673</i>	<i>4,669</i>	<i>1,004</i>	<i>21.5%</i>
Long-term financial receivables (short-term portion)	(1,585)	(1,522)	(63)	-4.1%
Financial receivables - cash collateral	(2,153)	(2,559)	406	15.9%
Other short-term financial receivables	(369)	(859)	490	57.0%
Cash and cash equivalents with banks and short term securities	(9,080)	(6,693)	(2,387)	-35.7%
<i>Cash and cash equivalents and short-term financial receivables</i>	<i>(13,187)</i>	<i>(11,633)</i>	<i>(1,554)</i>	<i>-13.4%</i>
Net short-term debt	(5,814)	(4,622)	(1,192)	-25.8%
NET FINANCIAL DEBT	45,175	41,089	4,086	9.9%
Net financial debt of "Assets held for sale"	-	362	(362)	-

(1) Includes current financial payables included in Other current financial liabilities.

Net financial debt amounted to €45,175 million at December 31, 2019, an increase of €4,086 million compared with December 31, 2018, due mainly to the increase in bond issues and other borrowings, only partly offset by changes in cash holdings and financial receivables.

At December 31, 2019, **gross financial debt** amounted to €61,547 million, an increase of €5,553 million on the previous year.

Gross financial debt

Millions of euro	at Dec. 31, 2019			at Dec. 31, 2018		
	Gross long-term debt	Gross short-term debt	Gross debt	Gross long-term debt	Gross short-term debt	Gross debt
Gross financial debt	57,583	3,964	61,547	52,350	3,644	55,994
of which:						
- debt connected with achievement of SDGs	13,758	-	13,758	8,535	-	8,535
Debt connected with achievement of SDGs/Total gross financial debt (%)			22%			15%

More specifically, **gross long-term debt** (including the short-term portion) amounted to €57,583 million, of which €13,758 million in respect of financing connected with achievement of SDGs. It breaks down as follows:

- > bonds in the amount of €45,200 million, of which €7,260 million in respect of sustainable bonds. More specifically, bonds increased by a total of €5,226 million compared with December 31, 2018, mainly reflecting the following sustainable issues of Enel Finance International:
 - €1,000 million in respect of a fixed-rate green bond, issued in January 2019 and maturing in 2025;
 - \$1,500 million (equivalent to €1,336 million) in respect of a bond issue in September 2019 and maturing in September 2024, linked to the Group's ability to achieve a certain percentage of installed renewables capacity by December 31, 2021 (SDG 7);
 - €2,500 million in respect of multi-tranches bond issues in October 2019 and maturing in 2024, 2027 and 2034, linked to the Group's ability to achieve a certain percentage of installed renewables capacity (SDG 7) and to reduce direct greenhouse gas emissions (SDG 13);
- > bank borrowings of €9,528 million, of which €6,498 in respect of sustainable loans. The aggregate decreased by €1,121 million compared with the previous year, mainly reflecting repayments during the year.

The following sustainable credit facilities were obtained in 2019, on which no drawings were outstanding at December 31, 2019:

- a credit facility of €1,000 million obtained on October 2, 2019 by Enel SpA linked to the achievement of the United Nations Sustainable Development Goals;
- a credit line of \$220 million (equivalent to €196 million) and a loan of \$340 million (equivalent to €303 million) obtained on November 20, 2019 by Enel Finance America linked to the achievement of the United Nations' Sustainable Development Goals;
- > other borrowings of €2,855 million, which increased by €1,128 million due to the application of the IFRS 16 on leases.

Gross short-term financial debt amounted to €3,964 million, decreasing by €320 million compared with December 31, 2018. It consists mainly of commercial paper in the amount of €2,284 million and cash collateral on derivatives and other financing totaling €750 million.

Cash and cash equivalents and short- and long-term financial receivables came to €16,372 million, an increase of €1,467 million compared with the end of 2018, mainly due to the increase in cash held at banks and short-term securities in the amount of €2,387 million, only partly offset by declines in cash collateral paid to counterparties and in other short-term financial receivables in the amount of €406 million and €489 million, respectively.

Cash flows

Millions of euro

	2019	2018	Change
Cash and cash equivalents at the beginning of the year ⁽¹⁾	6,714	7,121	(407)
Cash flows from operating activities	11,251	11,075	176
Cash flows from investing/disinvesting activities	(9,115)	(9,661)	546
Cash flows from financing activities	306	(1,636)	1,942
Effect of exchange rate changes on cash and cash equivalents	(76)	(185)	109
Cash and cash equivalents at the end of the year ⁽²⁾	9,080	6,714	2,366

(1) Of which cash and cash equivalents equal to €6,630 million at January 1, 2019 (€7,021 million at January 1, 2018), short-term securities equal to €63 million at January 1, 2019 (€69 million at January 1, 2018) and cash and cash equivalents pertaining to assets held for sale in the amount of €21 million at January 1, 2019 (€31 million at January 1, 2018).

(2) Of which cash and cash equivalents equal to €9,029 million at December 31, 2019 (€6,630 million at December 31, 2018), short-term securities equal to €51 million at December 31, 2019 (€63 million at December 31, 2018) and cash and cash equivalents pertaining to assets held for sale in the amount of €21 million at December 31, 2018.

Cash flows from operating activities in 2019 were a positive €11,251 million, an increase of €176 million compared with the previous year, mainly reflecting the improvement in the gross operating margin, partly offset by the increase in cash requirements connected with the change in net current assets.

Cash flows from investing/disinvesting activities in 2019 absorbed funds in the amount of €9,115 million, while in 2018 they had absorbed liquidity totaling €9,661 million. Capital expenditure by Business Line is reported in the next section. Investments in entities (or business units) less cash and cash equivalents acquired amounted to €692 million and were mainly accounted for by the acquisition through Enel Green Power North America (EGPNA, now renamed Enel North America), of 100% of seven renewables plants previously held by Enel Green Power North America Renewable Energy Partners (EGPNA REP), a joint venture held equally by EGPNA and General Electric Capital's Energy Financial Services. Disposals of entities and business units, net of cash and cash equivalents sold, generated cash flows of €320 million. They mainly regarded the disposal of 100% of three solar plants in Brazil, the disposal of the business unit comprising the Mercure biomass generation plant and the disposal by EGPNA (now Enel North America) of 30% of its stake in the EGPNA

REP joint venture, which holds a number of renewable energy project development companies (the Athena operation).

Cash flows from financing activities generated an increase in liquidity in the amount of €306 million, while in 2018 they showed cash absorption of €1,636 million. The flow in 2019 is essentially associated with:

- > the increase in net financial debt (the net balance of repayments and new borrowing) in the amount of €3,743 million;
- > the payment of dividends totaling €3,957 million;
- > transactions in non-controlling interests amounting to €530 million, mainly regarding the increase in the interest in Enel Américas under a number of share swap contracts with a financial institution, which increased the stake from 51.8% to 59.97%, and the non-proportional capital increase in the subsidiary.

In 2019, cash flows from operating activities in the amount of €11,251 million more than offset the cash needs for investing activities totaling €9,115 million.

The Group also made greater recourse to external sources of financing in order to benefit from favorable market conditions, creating a substantial liquidity buffer for use in future operations.

Capital expenditure

Millions of euro

	2019	2018	Change	
Thermal Generation and Trading	851	839	12	1.4%
Enel Green Power	4,293 ⁽¹⁾	2,784 ⁽²⁾	1,509	54.2%
Infrastructure and Networks	3,905	3,830	75	2.0%
End-user Markets	449	374	75	20.1%
Enel X	270	183	87	47.5%
Services	134	106	28	26.4%
Other, eliminations and adjustments	45	36	9	25.0%
Total	9,947	8,152	1,795	22.0%

(1) The figure does not include €4 million regarding units classified as "held for sale".

(2) The figure does not include €378 million regarding units classified as "held for sale".

Capital expenditure increased by €1,795 million compared with 2018, mainly reflecting investment in wind and solar plants in Spain, the United States, Canada, South Africa and Brazil.

Enel shares

Enel and the financial markets

	2019	2018
Gross operating margin per share (euro)	1.74	1.61
Operating income per share (euro)	0.68	0.97
Group net earnings per share (euro)	0.21	0.47
Group net ordinary earnings per share (euro)	0.47	0.40
Dividend per share (euro) ⁽¹⁾	0.328	0.28
Group shareholders' equity per share (euro)	2.99	3.12
Share price - 12-month high (euro)	7.21	5.39
Share price - 12-month low (euro)	5.08	4.24
Average share price in December (euro)	6.89	4.94
Market capitalization (millions of euro) ⁽²⁾	70,047	50,254
No. of shares outstanding at December 31 (millions) ⁽³⁾	10,165	10,167

(1) Dividend proposed by the Board of Directors on March 19, 2020.

(2) Calculated on average share price in December.

(3) The change is due to the purchase of 1,549,152 treasury shares with a par value of €1.00 each

		Current ⁽¹⁾			
Enel stock weighting in:		at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2017	
- FTSE-MIB index		16.40%	15.04%	13.86%	11.68%
- FTSE-MIB index		4.46%	4.21%	3.78%	3.92%
Rating					
Standard & Poor's	Outlook	STABLE	STABLE	STABLE	STABLE
	Medium/long-term	BBB+	BBB+	BBB+	BBB+
	Short-term	A-2	A-2	A-2	A-2
Moody's	Outlook	POSITIVE	POSITIVE	STABLE	STABLE
	Medium/long-term	Baa2	Baa2	Baa2	Baa2
	Short-term	-	-	-	P2
Fitch	Outlook	STABLE	STABLE	STABLE	STABLE
	Medium/long-term	A-	A-	BBB+	BBB+
	Short-term	F2	F2	F2	F2

(1) Figures updated to January 28, 2020.

Global economic conditions were weak in 2019, continuing the slowdown that began in the 2nd Half of 2018. The trade tensions between the United States and China (with the consequent introduction of new tariffs), geopolitical strains, and the persistent uncertainty about the outcome of the Brexit negotiations all impacted investment decisions.

Among other key developments, 2019 was marked by a further deceleration in the Chinese economy and the tightening of financial conditions in the United States (the consequence of the premature start to the normalization of interest rates by the Federal Reserve towards the end of 2018), which slowed the rapid pace of growth in that country.

Growth was modest in the euro area, averaging 0.2% on a quarterly basis beginning in the 2nd Quarter of 2019, mainly due to weaker external demand and the difficulties in manufacturing and the industrial sector in general.

In Latin America, economic conditions were weak and varied, marked by strong political instability (i.e. Argentina, Chile, Peru and Bolivia).

The easing of geo-political tensions (with the “phase-one” agreement between the United States at the start of 2020 and the dissipation of the risk of a hard Brexit following the overwhelming victory of the Conservatives in the British elections), together with the improvement of global financial conditions (the return of more expansionary monetary policies in both the mature and emerging economies), strengthened optimism at the start of the year concerning the pace of global economic recovery. However, the outbreak of the COVID-19 epidemic in China and the subsequent escalation of new infections in Italy in the early months of the year have radically changed the situation. To date, significant but temporary and limited economic damage is forecast in the 1st Half of the year, mainly for economies with strong economic ties with China and those that have taken stringent precautionary measures to contain the spread of the virus (with restrictions on the circulation of people and activities). The coming months will offer a more certain picture of the economic consequences of the outbreak and the repercussions on the financial markets.

Despite the uncertainty in the economic environment, the main European equity indices posted gains for 2019. Spain's Ibex35 posted a gain of 11.8%, while France's CAC40 rose 26.4% and Germany's DAX30 increased by 25.5%.

The FTSE Italy All-Share registered a gain of 27.2%.

The euro-area utilities segment closed the year up 22.2%.

With regard to Enel shares, 2019 ended with the stock price at €7.072, up 40.2% on the previous year, nearly double the performance of the sector index for the euro area.

On January 23, 2019 Enel paid an interim dividend of €0.14 per share from 2018 profits and on July 24, 2019, it paid the balance of the dividend for that year in the amount of €0.14. Total divi-

dends distributed in 2019 amounted to €0.28 per share, about 18% higher than the €0.237 per share distributed in 2018.

With regard to 2019, on January 22, 2020 an interim dividend of €0.16 was paid, while the balance of the dividend is scheduled for payment on July 22, 2020.

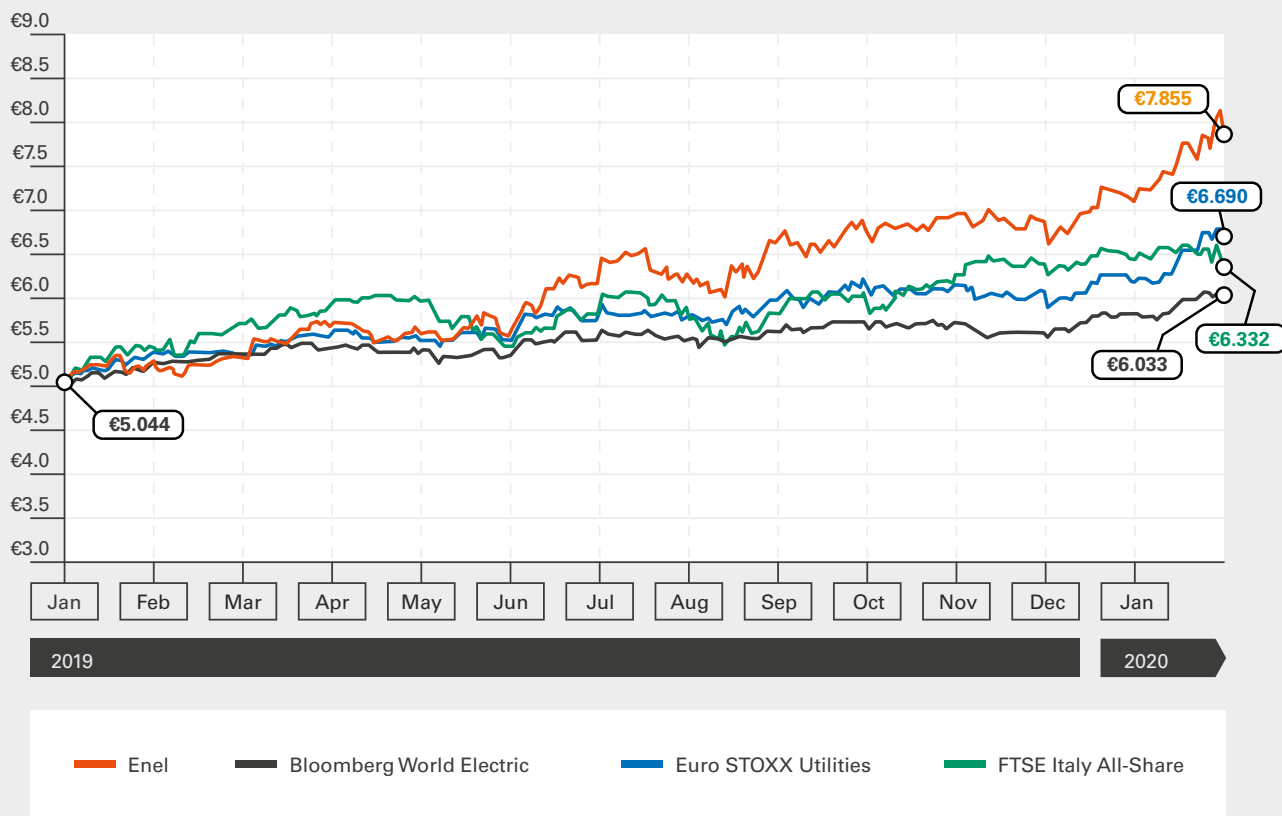
The outlook for investors is changing rapidly: the changes taking place and the challenges the world presents us today are also impacting the way we invest. Companies are no longer seen as closed systems, but rather as open systems that generate wealth through interaction with the environment and the communities in which they operate, and towards which they are accountable. In this context, Enel's pursuit of a strategy aimed at creating value through decarbonization and seizing the opportunities offered by electrification has been understood and appreciated by institutional investors, whose stake in Enel at December 31, 2019 reached an all-time high of 60.3% (compared with 57.6% at December 31, 2018), while the share of individual investors has fallen to 16.1% (compared with 18.8% at December 31, 2018). The interest of the Ministry for the Economy and Finance was unchanged at 23.6%.

The number of Environmental, Social and Governance (ESG) investors continued to rise steadily: at December 31, 2019, social responsible investors (SRIs) held about 10.8% of share capital (against 10.5% at December 31, 2018), while investors who have signed the Principles for Responsible Investment represent 43% of share capital (39.1% at December 31, 2018).

For further information we invite you to visit the Investor Relations section of our corporate website (<http://www.enel.com/investors>) and download the Enel Investor app, which contains financial data, presentations, real-time updates of the share price, information on the composition of corporate bodies and the rules of shareholders' meetings, as well as periodic updates on corporate governance issues.

We have also created contact centers for private investors (which can be reached by phone at +39-0683054000 or by e-mail at azionisti.retail@enel.com) and for institutional investors (phone: +39-0683051; e-mail: investor.relations@enel.com).

Performance of Enel share price and the Bloomberg World Electric, Euro STOXX Utilities and FTSE Italy All-Share indices from January 1, 2019 to January 31, 2020



Source: Bloomberg.



People centricity

People management, development and motivation

The Enel Group workforce at December 31, 2019 numbered 68,253 (down 1,019 compared with December 31, 2018). The contraction in the Group workforce reflects the impact of the balance between new hires and terminations during the period (-1,094) and the change in the scope of consolidation

(a total of +75), which included the disposal of the Mercure plant by Enel Produzione in Italy, the acquisition in March of Tradewind in the United States, the disposal of the Reftinskaya GRES plant in Russia and the acquisition of PayTipper Network Srl, FlagPay Srl and PayTipper in Italy.

No.	at Dec. 31, 2019	at Dec. 31, 2018
Thermal Generation and Trading	9,432	10,286
Enel Green Power	7,957	7,478
Infrastructure and Networks	34,822	35,740
End-user Markets	6,336	6,492
Enel X	2,808	2,733
Services	6,013	5,646
Other	885	897
Total	68,253	69,272

Change in workforce

No.	
Balance at December 31, 2018	69,272
Hirings	3,726
Terminations	(4,820)
Change in the scope of consolidation	75
Balance at December 31, 2019	68,253



Breakdown of changes in workforce

		2019	2018	Change	
Hiring rate		5.5%	4.9%	0.6	11.6%
New hires by gender:		3,726	3,414	312	9.1%
- of which men	no.	2,702	2,410	292	12.1%
	%	72.5%	70.6%	1.9	2.7%
- of which women	no.	1,024	1,004	20	2.0%
	%	27.5%	29.4%	-1.9	-6.6%
New hires by age group:		3,726	3,414	312	9.1%
- <30	no.	1,865	1,622	243	15.0%
	%	50.1%	47.5%	2.6	5.4%
- 30-50	no.	1,698	1,628	70	4.3%
	%	45.6%	47.7%	-2.1	-4.5%
- >50	no.	163	164	(1)	-0.6%
	%	4.4%	4.8%	-0.4	-9.2%
New hires by geographical area:		3,726	3,414	312	9.1%
- Italy	no.	1,042	796	246	30.9%
	%	28.0%	23.3%	4.7	20.0%
- Iberia	no.	430	425	5	1.1%
	%	11.5%	12.5%	-0.9	-7.4%
- Latin America	no.	1,098	1,182	(84)	-7.1%
	%	29.5%	34.6%	-5.1	-14.9%
- Europe and Euro-Mediterranean Affairs	no.	528	345	183	53.0%
	%	14.2%	10.1%	4.1	40.2%
- North America	no.	435	594	(159)	-26.8%
	%	11.7%	17.4%	-5.7	-32.9%
- Africa, Asia and Oceania	no.	193	72	121	-
	%	5.2%	2.1%	3.1	-
Turnover rate		7.1%	6.9%	0.02	3.1%
Terminations by gender:		4,820	4,746	74	1.6%
- of which men	no.	3,766	3,846	(80)	-2.1%
	%	78.1%	79.8%	-1.7	-2.1%
- of which women	no.	1,054	900	154	17.1%
	%	21.9%	18.7%	3.2	17.1%
Terminations by age group:		4,820	4,746	74	1.6%
- <30	no.	626	499	127	25.5%
	%	13.0%	10.4%	2.6	25.5%
- 30-50	no.	1,867	1,532	335	21.9%
	%	38.7%	31.8%	7.0	21.9%
- >50	no.	2,327	2,715	(388)	-14.3%
	%	48.3%	56.3%	-8.1	-14.3%
Terminations by geographical area:		4,820	4,746		
- Italy	no.	1,607	1,668	(61)	-3.7%
	%	33.3%	34.6%	-1.3	-3.7%
- Iberia	no.	254	425	(171)	-40.3%
	%	5.3%	8.8%	-3.5	-40.3%
- Latin America	no.	2,103	1,862	241	12.9%
	%	43.6%	38.6%	5.0	12.9%
- Europe and Euro-Mediterranean Affairs	no.	369	384	(15)	-3.9%
	%	7.7%	8.0%	-0.3	-3.9%
- North America	no.	392	374	18	4.8%
	%	8.1%	7.8%	0.4	4.8%
- Africa, Asia and Oceania	no.	95	33	62	-
	%	2.0%	0.7%	1.3	-

The energy transition is opening new horizons for the Group, not only for the business but above all for the people who work for us. In this context, Enel has begun specific upskilling and reskilling programs. The former focus on developing existing professional skills, adding new skills dictated by technology and innovative processes. Reskilling, on the other hand, seeks to create new job profiles, replacing skills that are becoming obsolete or no longer in demand, and to enable people to tackle new activities. Selection, hiring and internal mobility processes therefore play a key role, as do partnerships with universities.

Enel is going beyond the traditional concept of training, stimulating the individual's ability to undertake a learning path according to his or her specific needs, passions and aptitudes. In 2019, more than 2.6 million hours of training were provided, covering managerial, technical, behavioral and language training, as well as health and safety, skills and digital culture. Enel has also set itself the goal of involving 100% of our employees in digital skills training by 2022; to date we have involved 46% of our people.

Average training hours per employee

	2019	2018	Change	
Average number of training hours	38.8	40.2	(1.4)	-3.5%
Average number of training hours by level:				
- senior managers	58.4	40.3	18.1	44.9%
- middle managers	44.9	42.2	2.7	6.5%
- office staff	29.6	33.5	(3.9)	-11.6%
- blue collar	49.6	50.1	(0.5)	-0.9%
Average number of training hours by gender:				
- men	39.7	41.2	(1.5)	-3.5%
- women	35.0	36.2	(1.2)	-3.3%

In 2019, the process of evaluating quantitative and qualitative performance involved various levels of the Group's personnel in a fluid and comprehensive exchange process. In 2019, 100% of eligible personnel⁽¹⁾ were involved, of whom 99% were evaluated. Quantitative appraisals, in turn, were conducted for employees with variable remuneration plans, which involved the assignment of specific targets. The corporate-climate survey plays an important role within the Company as it enables the identification of areas of improvement in three key areas – wellness, engagement and safety – and the gathering suggestions on working life issues and aspects. The action plans developed following the 2018 survey are being implemented.

Enel's commitment to promoting diversity and inclusion is a process that started in 2013 with the adoption of our policy on human rights, followed in 2015 by our global diversity and inclusion policy. In 2019, the global workplace harassment policy was published. It addresses the issue of sexual harassment and other forms of harassment, making explicit the

principle of respect for the integrity and dignity of the individual in the workplace. Enel's approach is based on the fundamental principles, enunciated in the diversity and inclusion policy, of non-discrimination, equal opportunities and human dignity in all its forms, inclusion and promoting work-life balance. The application of our policies has enabled us to develop global and local projects to promote diversity in terms of gender, age, nationality and disability, and to advance the culture of inclusion at all levels of the Group and in every situation that can be encountered in the workplace. The impact of these policies is being monitored on the basis of a detailed set of indicators associated with the various actions and contexts. More specifically, Enel has set the public objective of ensuring equal gender representation in the initial stages of the selection and recruiting process (about 50% by 2021). In 2019, in line with the established trajectory, women accounted for 42% of participants in selection processes, an increase on the 39% registered in 2018.

(1) Eligible employees: employees who have an open-ended contract and were employed for at least three months in 2019. Provisional figure as the completion of the assessment process has been postponed until May 2, 2020 owing to the COVID-19 emergency.

Diversity and inclusion

		2019	2018	Change	
Workforce by gender:		68,253	69,272	(1,019)	-1.5%
- of which men	no.	53,933	54,972	(1,039)	-1.9%
	%	79%	81%	-2	-1.9%
- of which women	no.	14,320	14,300	20	0.1%
	%	21%	21%	-	0.1%
Workforce by age group:		68,253	69,272	(1,019)	-1.5%
- <30	%	11.6%	11.8%	-0.2	-1.9%
- 30-50	%	54.6%	57.0%	-2.4	-4.2%
- >50	%	33.8%	31.2%	2.6	8.4%
Workforce by level:		68,253	69,272	(1,019)	-1.5%
- manager (%)		2.0%	1.9%	0.1	2.8%
- middle manager (%)		16.6%	15.9%	0.7	4.6%
- white collar (%)		53.1%	50.1%	3.0	6.1%
- blue collar (%)		28.3%	32.1%	-3.8	-11.9%
Disabled personnel or personnel belonging the protected categories (%)		3.3%	3.2%	0.1	3.2%
Women in management positions (no.)		285	265	20	7.5%

Workplace health and safety

Enel considers employee health, safety and general well-being to be its the most valuable asset, one to be preserved both at work and at home. We are committed to developing and promoting a strong culture of safety throughout the world in order to ensure a healthy work environment. Quality and safety must go hand in hand. All of us are responsible for our own health and safety and that of the people with whom we interact and, as provided for in the Enel "Stop Work Policy", they are required to promptly report and halt any situation of risk or unsafe behavior. The constant commitment of us all, the integration of safety both in our processes and in our training, the reporting and analysis of near misses, rigor in the selection and management of contractors, controls over quality, the sharing of experience throughout the Group and benchmarking against the leading international players are all cornerstones of Enel's culture of safety.

In 2019 the SHE 2.019 project was launched, continuing the activities of the SHE 365 project. It involves both the Group's personnel and suppliers in initiatives concerning safety, health and the environment. During last year, this concrete and operational commitment was increasingly focused on the Group's business, strengthening the lines of work along three main lines:

> the Commitment Chain, focusing on preventing severe or

fatal injuries;

- > Inter BL Integration, to strengthen the synergy of the actions of the individual Business Lines with the Countries and Regions;
- > Contractors' Engagement to improve the safety standards of companies that work with Enel.

Safety is integrated into tender processes, and we closely monitor our contractors' performance both upstream with our qualification system and ongoing as the contracts progress through numerous control processes and tools such as the Supplier Performance Management (SPM) system. During 2019, we prepared the HSE Terms document, attached to all contracts, which companies must sign when contracts are awarded. The document, unique for the Group, defines the requirements regarding health, safety and significant environmental aspects that the contractor must comply with and enforce with their subcontractors during the execution of works. In addition, considerable impulse was given to the "Safety Supplier Assessment", specific audits on safety issues to be undertaken at the supplier's premises and on worksites. The audits are performed during the qualification phase for each new supplier, in cases where critical issues have emerged (severe or fatal injuries) or where the supplier has received a low SPM rating. In 2019, a total of 746 contractor assessments were performed.

	Unit	2019	2018	Change	
Injury frequency rate (FR) - Enel ⁽¹⁾	i	0.899	0.943	(0.04)	-4.7%
Fatal injuries at Enel	no.	1	1	-	-
"High consequence" injuries at Enel ⁽²⁾	no.	3	5	(2)	-40.0%
Fatal injuries at contractors ⁽³⁾	no.	6	7	(1)	-14.3%
"High consequence" injuries at contractors ⁽²⁾	no.	16	13	3	23.1%

(1) This index is calculated as the ratio between the number of injuries (all injury events including those with three or fewer missed days of work) and hours worked/1,000,000.

(2) Sum of:

- injuries that at December 31, 2019 involved more than 6 months of absence from work;
- injuries that at December 31, 2019 were still under investigation and are considered serious (initial prognosis > 30 days);
- injuries classified as "life changing accidents" (LCA), regardless of the number of missed days of work connected with them.

(3) For 2018, considering all the areas in which the Group operates and the activities managed, including companies accounted for using the equity method and companies operating under the BSO (build, sell and operate) model, the number of fatal injuries totaled 8.

In 2019, the injury frequency rate (FR) for Enel employees declined to 0.90 injuries for every million hours worked (-5% compared with 2018), confirming the effectiveness of the safety strategy and policies implemented in the Group.

In 2019, 1 fatal accident occurred involving an employee of the Enel Group, and 6 fatal accidents involving contractors. The causes were mainly associated with mechanical incidents.

Also in 2019, 3 "high consequence" accidents occurred involving employees of the Enel Group, and 16 such accidents involving contractors, mainly of a mechanical nature.

The Enel Group has established a structured health management system, based on prevention measures to develop a corporate culture that promotes psycho-physical health, organizational wellbeing and a balance between personal and professional life. With this in mind, the Group conducts global and local awareness campaigns to promote healthy lifestyles, sponsors screening programs aimed at preventing the onset of diseases and guarantees the provision of medical services. More specifically, we have a policy for the prevention of local diseases and provide support in the event of diseases or accidents abroad. A smartphone application has also been introduced with travel information, a guideline on vaccinations, and a new global insurance policy has been taken out for all employees traveling abroad. Furthermore, the Group constantly monitors epidemiological and health developments in order to implement plans for preventive and protective measures to preserve the health of its employees and those who work for the Group, both locally and globally. In addition, the Enel Group has a systematic and ongoing process for identifying and assessing work-related stress risks, in accordance with the "Stress at Work Prevention and Wellbeing at Work Promotion" policy, for the prevention, identification and management of stress in work situations, also providing recommendations aimed at promoting a culture of organiza-

tional wellbeing.

A number of health and safety communication campaigns were conducted during the year in areas of specific concern for the Company, while some 692,000 hours of training were provided to Enel personnel. In 2019, innovation projects on safety were continued and new initiatives were launched, focusing on prevention and protection measures, the execution and analysis of corrective controls, as well as staff training.

Responsible relations with communities

The energy sector is undergoing a profound transformation and our ever greater emphasis on social and environmental factors, together with an inclusive approach, allows us to create long-term value for Enel and for the communities in which we operate. This model has been incorporated along the entire value chain: analyzing the needs of communities right from the development phases of new activities; taking account of social and environmental factors in the establishment of sustainable worksites; managing assets and plants to make them sustainable development platforms to the benefit of the territories in which they are located. Another development was the broadening of this approach in the design, development and supply of energy services and products, helping to build cities that are increasingly sustainable and deploying new technologies. Enel is committed to respecting the rights of communities and to contributing to their economic and social development, interacting every day with a multitude of stakeholders. In 2019, Enel, with some 1,800 projects and more than 4 million beneficiaries⁽²⁾, contributed to the establishment of ecosystems in the countries in which it operates to guarantee access to electricity in rural areas and address inadequate power supplies (SDG 7), reaching

7.9 million beneficiaries in 2019 (with a target of 10 million beneficiaries by 2030); promoted the economic and social development in the communities (SDG 8), reaching 2.1 million beneficiaries in 2019 (with a target of 8.0 million beneficiaries by 2030) and supported quality education (SDG 4), reaching

1.3 million beneficiaries in 2019 (with a target of 2.5 million beneficiaries by 2030). Contributing to this were also more than 800 partnerships with local organizations, social enterprises, universities, international associations and non-governmental organizations in the various countries.



(2) Beneficiaries are the people for which a project is implemented. Enel only considers direct beneficiaries in the current year. The number of beneficiaries includes the activities and projects carried out in all the areas in which the Group operates (for companies within the scope of the NFS, the number of beneficiaries does not include companies accounted for using the equity method, Group foundations and non-profit organizations and companies operating within the Build, Sell and Operate mechanism).

The innovation ecosystem

For Enel, innovation and digitalization are key pillars of its strategy to grow in a rapidly changing context while ensuring high safety standards, business continuity and operational efficiency, and thus enabling new uses of energy and new ways of managing it, making it accessible to an ever larger number of people.

Enel operates through an Open Innovability model, a consensus-based ecosystem that makes it possible to connect all areas of the Company with startups, industrial partners, small and medium-sized enterprises, research centers and universities through a variety of system, such as crowdsourcing platforms and the Innovation Hub network. Enel has numerous innovation partnership agreements that, in addition to Enel's traditional lines of business such as renewables and conventional generation, have promoted the development of new solutions for e-mobility, microgrids, energy efficiency and the industrial Internet of Things (IoT). During 2019, Enel opened 1 new hub in Boston, expanding our presence in the leading innovation ecosystems in the world, with 7 Innovation Hubs (Silicon Valley, Boston, Tel Aviv, Madrid, Moscow, Santiago de Chile and Rio de Janeiro) and 3 Innovation Hub & Labs (Catania, Pisa and Milan). Thanks to our presence in innovation ecosystems and the organization of bootcamps, scouting initiatives dedicated to specific technologies of interest to the Group, in 2019 Enel forged contacts with some 2,500 start-ups. The online crowdsourcing platform Openinnovability.com is a digital forum where project ideas are the

protagonists of the challenges launched on the site through calls for applications. Activities to promote and develop the culture of innovation and entrepreneurship within the Company also continued through the Innovation Academies and the Innovation Ambassadors project.

Furthermore, in 2019 the activities of the innovation communities continued, involving different areas and skills within the Company. Energy storage, blockchain, drones, augmented and virtual reality, 3D printing, artificial intelligence, wearables, robotics and green hydrogen are the areas and technologies addressed within these communities. In recent years, Enel has intensified the use of drones in the monitoring and maintenance of its assets, inspecting solar fields, wind farms, dams and hydroelectric reservoirs, closed components in traditional plants and distribution lines with the aim of increasing the efficiency of operational and maintenance processes and above all reduce workers' exposure to risks. Furthermore, storage systems, in addition to guaranteeing ongoing support for current business activities, pave the way to new frontiers of sustainable business. Finally, in 2019 a community was born with the aim of applying green hydrogen produced by electrolysis powered by renewable electricity. We consider it the only way to sustainably produce hydrogen in the long run, as it is characterized by zero greenhouse gas emissions and powered from renewable sources. As of 2019, over €84 million have been invested in technological innovation.

Customer management

Our constant focus on the customer and our commitment to delivering high-quality products and services are important factors that distinguish Enel in the relationship with its customers in the various countries in which the Group operates. Reliable, secure and uninterrupted distribution, together with quality, efficiency and transparency in electricity sales are the hallmark of every phase of our relationship with customers. Enel's leadership position has been gained thanks to the attention we place on the customer in providing quality services: aspects that concern more than just the provision of electricity and/or natural gas, extending, above all, to intangible aspects of our service that relate to the perception and satisfaction of our customers. Through our products for both the

residential and business markets, the Company confirmed its focus of the last few years, with dedicated offers with a lower environmental impact and a concentration on the most vulnerable segments of the population. In fact, all the countries in which the Group operates provide forms of support (often linked to government initiatives) which assist these segments of the population in paying their electricity and gas bills, so as to give everyone equal access to electricity.

Enel has also established numerous processes to ensure customers receive a high level of service. In Italy, the commercial quality of all our contact channels (customer service calls, Enel Points and stores, utility bills, app, e-mail, social media, account manager, fax) is ensured through systematic moni-

toring of the sales and management processes in order to ensure compliance with applicable laws and regulations and respect for the privacy, freedom and dignity of our customers. Enel also confirms its interest in digitalization, electronic invoicing and new services. With Enel X, we offer innovative solutions to residential customers (technological solutions for smart homes, home automation, solar and photovoltaic

systems, boilers, maintenance services, lighting, etc.), government customers (public lighting, monitoring services for smart cities, surveillance systems, etc.) and large customers (demand response services, consulting and energy efficiency solutions). We also promote electric mobility through the development of public and private charging infrastructures.

Sustainable supply chain

Enel bases its procurement processes on pre-contractual and contractual conduct centered around mutual good faith, transparency and collaboration. In addition to meeting certain quality standards, the services of our vendors must also go hand in hand with the adoption of best practices in terms of human rights and working conditions, health and safety and environmental and ethical responsibility. Our procurement procedures are designed to guarantee service quality in full respect of the principles of economy, effectiveness, timeliness, fairness and transparency. The procurement process plays a central role in value creation in its various forms (safety, savings, timeliness, quality, earnings, revenue, flexibility) as a result of ever-greater interaction and integration with the outside world and the different parts of the company organization. In 2019, we signed agreements with a total of more than 30,000 vendors.

Vendor management involves three essential stages, which integrate social, environmental and governance issues, the qualification system; the definition of general terms and conditions of contract and the Supplier Performance Management (SPM) system in the evaluation process. Enel's global vendor-qualification system (with about 8,200 active qualifications as at December 31, 2019) enables us to accurately assess businesses that intend to participate in tender processes and serves as a guarantee for the Company, while the SPM system seeks to monitor vendor services in terms of the quality, timeliness and sustainability of contract execution. Furthermore, we continued working on those activities that enable the ever-greater integration of environmental, social and governance issues in the supply chain strategy, creating shared value with vendors in a vision of a circular economy.

Value created for stakeholders

Millions of euro

	2019	2018
Revenue	80,327	75,575
Income/(Expense) from commodity risk	(733)	532
External costs	56,022	53,833
Gross global value added from continuing operations	23,572	22,274
Gross value added from discontinued operations		
Gross global value added	23,572	22,274
distributed to:		
Shareholders	3,050	2,765
Lenders	2,609	2,493
Employees	4,634	4,582
Government	2,069	3,168
Enterprises	11,210	9,266

Enel's stakeholders are individuals, groups or institutions whose contribution is needed to achieve our mission or who have a stake in its pursuit. The economic value created and

shared by Enel gives a good indication of how the Group has created wealth for the following stakeholders: shareholders, lenders, employees and government.

Results by business area



































The representation of performance by business area presented here is based on the approach used by management in monitoring Group performance for the two periods under review, taking account of the operational model adopted by the Group as described above.

With regard to disclosures for operating segments, beginning with the close of the accounts at September 30, 2019, the Enel Group has changed its primary and secondary reporting segments in accordance with the provisions of IFRS 8. Specifically, bearing in mind that in 2019 management began to report performance by business area, the Group has therefo-

re adopted the following reporting sectors:

- > Primary sector: business area;
- > Secondary sector: geographical area.

The business area is therefore the main discriminant in the analyzes performed and decisions taken by the management of the Enel Group, and is fully consistent with the internal reporting prepared for these purposes since the results are measured and evaluated first and foremost for each business area and only thereafter are they broken down by country. The following chart outlines these organizational arrangements.

Holding							
Regions and Countries	Global Business Lines					Local Businesses	
	Thermal Generation	Trading	Enel Green Power	Infrastructure and Networks	Enel X	End-user markets	Services
Italy							
Iberia							
Europe and Euro-Mediterranean Affairs							
Africa, Asia and Oceania							
North and Central America							
Latin America							

In particular, the new organization continues to be based on matrix of Business Lines (Thermal Generation and Trading, Enel Green Power, Infrastructure and Networks, End-user Markets, Enel X, Services and Holding/Other) and geographical areas (Italy, Iberia, Europe and Euro-Mediterranean Affairs, Latin America, North America, Africa, Asia and Oceania, Central/Holding).

Finally, it should be noted that with effect from September 2019, the Latin America area connected with the Enel Green Power Business Line also includes the countries Panama,

Costa Rica, Guatemala, El Salvador and Nicaragua, which had previously been reported in the North and Central America geographical area (now renamed North America and consisting of the following countries: United States, Canada and Mexico). In order to ensure full comparability of the figures commented here in the light of the new breakdown of the primary and secondary reporting sectors for IFRS 8 disclosure purposes and of the reallocation of countries in the Enel Green Power segment, the comparative figures for 2018 have been restated appropriately.

Results by business area for 2019 and 2018

Results for 2019 ⁽¹⁾

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue and other income from third parties	30,519	7,360	20,092	19,482	967	1,901	6	80,327
Revenue and other income from transactions with other segments	1,532	373	1,697	13,062	163	80	(16,907)	-
Total revenue and other income	32,051	7,733	21,789	32,544	1,130	1,981	(16,901)	80,327
Net income/(expense) from commodity risk management	(676)	14	-	(71)	-	-	-	(733)
Gross operating margin	1,395	4,604	8,278	3,287	158	126	(144)	17,704
Depreciation, amortization, and impairment losses	4,889	1,328	3,001	1,124	256	201	27	10,826
Operating income	(3,494)	3,276	5,277	2,163	(98)	(75)	(171)	6,878
Capital expenditure	851	4,293 ⁽²⁾	3,905	449	270	134	45	9,947

(1) Segment revenue includes both revenue from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.

(2) Does not include €4 million regarding units classified as "held for sale."

Results for 2018 ^{(1) (2)}

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue and other income from third parties	26,630	7,613	18,250	20,340	849	1,878	15	75,575
Revenue and other income from transactions with other segments	977	443	1,718	13,431	157	60	(16,786)	-
Total revenue and other income	27,607	8,056	19,968	33,771	1,006	1,938	(16,771)	75,575
Net income/(expense) from commodity risk management	640	(162)	-	(11)	-	65	-	532
Gross operating margin	1,117	4,608	7,539	3,079	124	85	(201)	16,351
Depreciation, amortization, and impairment losses	1,235	1,103	2,752	1,121	105	123	12	6,451
Operating income	(118)	3,505	4,787	1,958	19	(38)	(213)	9,900
Capital expenditure	839	2,784 ⁽³⁾	3,830	374	183	106	36	8,152

(1) Segment revenue includes both revenue from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.

(2) The figures have been restated to ensure comparability with the results for 2019, which are reported using business areas as the primary reporting segment.

(3) Does not include €378 million regarding units classified as "held for sale".

In addition to the above, the Group monitors performance by geographical area, classifying results by Region/Country. In the table below, gross operating margin is shown for the

two periods under review with the goal of providing a view of performance not only by Business Line, but also by Region/Country.

Gross operating margin

Millions of euro	Thermal Generation and Trading			Enel Green Power			Infrastructure and Networks		
	2019	2018	Change	2019	2018	Change	2019	2018	Change
Italy	(14)	22	(36)	1,240	1,220	20	3,906	3,679	227
Iberia	590	425	165	358	361	(3)	2,025	1,965	60
Latin America	642	469	173	2,218	2,201	17	2,259	1,763	496
<i>Argentina</i>	165	142	23	51	46	5	271	173	98
<i>Brazil</i>	107	7	100	335	395	(60)	1,144	815	329
<i>Chile</i>	211	124	87	899	877	22	222	228	(6)
<i>Colombia</i>	14	51	(37)	620	544	76	399	364	35
<i>Peru</i>	145	145	-	162	156	6	223	183	40
<i>Panama</i>	-	-	-	112	113	(1)	-	-	-
<i>Other countries</i>	-	-	-	39	70	(31)	-	-	-
Europe and Euro-Mediterranean Affairs	209	233	(24)	112	115	(3)	107	152	(45)
<i>Romania</i>	(2)	-	(2)	75	62	13	107	152	(45)
<i>Russia</i>	209	233	(24)	(1)	(1)	-	-	-	-
<i>Other countries</i>	2	-	2	38	54	(16)	-	-	-
North America	(18)	(6)	(12)	737	538	199	-	-	-
<i>United States and Canada</i>	(16)	(6)	(10)	658	398	260	-	-	-
<i>Mexico</i>	(2)	-	(2)	79	140	(61)	-	-	-
Africa, Asia and Oceania	-	-	-	62	58	4	-	-	-
<i>South Africa</i>	-	-	-	58	54	4	-	-	-
<i>India</i>	-	-	-	8	9	(1)	-	-	-
<i>Other countries</i>	-	-	-	(4)	(5)	1	-	-	-
Other	(14)	(26)	12	(123)	115	(238)	(19)	(20)	1
Total	1,395	1,117	278	4,604	4,608	(4)	8,278	7,539	739

End-user Markets			Enel X			Services			Other			Total		
2019	2018	Change	2019	2018	Change	2019	2018	Change	2019	2018	Change	2019	2018	Change
2,314	2,233	81	13	31	(18)	169	119	50	-	-	-	7,628	7,304	324
715	676	39	38	51	(13)	66	80	(14)	-	-	-	3,792	3,558	234
243	158	85	64	56	8	(123)	(104)	(19)	-	-	-	5,303	4,543	760
2	(16)	18	-	-	-	(1)	(1)	-	-	-	-	488	344	144
149	100	49	(1)	-	(1)	(49)	(42)	(7)	-	-	-	1,685	1,275	410
17	19	(2)	26	19	7	(72)	(61)	(11)	-	-	-	1,303	1,206	97
60	42	18	38	37	1	-	-	-	-	-	-	1,131	1,038	93
15	13	2	1	-	1	(1)	-	(1)	-	-	-	545	497	48
-	-	-	-	-	-	-	-	-	-	-	-	112	113	(1)
-	-	-	-	-	-	-	-	-	-	-	-	39	70	(31)
15	12	3	-	3	(3)	5	1	4	-	-	-	448	516	(68)
15	12	3	6	3	3	5	1	4	-	-	-	206	230	(24)
-	-	-	(2)	-	(2)	-	-	-	-	-	-	206	232	(26)
-	-	-	(4)	-	(4)	-	-	-	-	-	-	36	54	(18)
-	-	-	80	3	77	-	-	-	-	-	-	799	535	264
-	-	-	80	3	77	-	-	-	-	-	-	722	395	327
-	-	-	-	-	-	-	-	-	-	-	-	77	140	(63)
-	-	-	(1)	(4)	3	-	-	-	-	-	-	61	54	7
-	-	-	-	(4)	4	-	-	-	-	-	-	58	50	8
-	-	-	-	-	-	-	-	-	-	-	-	8	9	(1)
-	-	-	(1)	-	(1)	-	-	-	-	-	-	(5)	(5)	-
-	-	-	(36)	(16)	(20)	9	(11)	20	(144)	(201)	57	(327)	(159)	(168)
3,287	3,079	208	158	124	34	126	85	41	(144)	(201)	57	17,704	16,351	1,353



Thermal Generation and Trading

129.7 TWh

Net electricity generation
-41.6% from coal-fired plants
compared to 2018

42.2 GW

Net efficient generation capacity
-26.1% from coal-fired plants
compared to 2018

3.5%

Percentage of coal revenue
out of total

€1,395 mln

Gross operating margin
€1,117 million in 2018

Operations

Net electricity generation

Millions of kWh	2019	2018	Change	
Coal-fired plants	37,592	64,366	(26,774)	-41.6%
Fuel-oil and turbo-gas plants	20,887	24,832	(3,945)	-15.9%
Combined-cycle plants	44,980	38,134	6,846	18.0%
Nuclear plants	26,279	24,067	2,212	9.2%
Total net generation	129,738	151,399	(21,661)	-14.3%
- of which Italy	22,604	27,757	(5,153)	-18.6%
- of which Iberia	51,312	62,020	(10,708)	-17.3%
- of which Latin America	23,388	22,441	947	4.2%
- of which Europe and Euro-Mediterranean Affairs	32,434	39,181	(6,747)	-17.2%

The decrease in net generation was essentially due to a sharp decrease in coal generation in the amount of 26,774 million kWh, including Iberia (14,673 million kWh), Italy (7,941 million kWh) and Russia (5,239 million kWh) as a result of the decline in their competitiveness. This was partially offset by an

increase of 6,846 million kWh in combined-cycle generation, mainly in Italy (3,013 million kWh), Iberia (2,731 million kWh) and Latin America (1,092 million kWh). The increase in nuclear generation can be attributed to the increased use of nuclear energy in Iberia due to poor water availability.

Net efficient generation capacity

MW	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Coal-fired plants	11,695	15,828	(4,133)	-26.1%
Fuel-oil and turbo-gas plants	12,211	12,250	(39)	-0.3%
Combined-cycle plants	14,991	15,021	(30)	-0.2%
Nuclear plants	3,318	3,318	-	-
Total	42,215	46,417	(4,202)	-9.1%
- of which Italy	13,480	13,613	(133)	-1.0%
- of which Iberia	15,957	16,192	(235)	-1.5%
- of which Latin America	7,523	7,734	(211)	-2.7%
- of which Europe and Euro-Mediterranean Affairs	5,255	8,878	(3,623)	-40.8%

The decrease in net efficient generation capacity reflects the reduced use of coal-fired plants, especially in Russia (3,623 MW) following the disposal of the Reftinskaya plant mentioned earlier.

More generally, "thermal" and "coal" revenue, i.e., from

thermal and coal-fired plants respectively, has been declining steadily as a result of corporate strategic choices inspired by a sustainable business model pursuing objectives to combat climate change and achieve decarbonization, as shown in the following table (including percentage out of total):

Millions of euro	2019	2018
"Thermal" revenue	10,322	10,894
"Coal" revenue	2,827	4,043
Nuclear revenue	1,296	1,080
Percentage of "thermal" revenue out of total	12.8%	14.4%
Percentage of coal revenue out of total	3.5%	5.3%
Percentage of nuclear revenue out of total	1.6%	1.4%

Performance

Millions of euro	2019	2018	Change	
Revenue	32,051	27,607	4,444	16.1%
Gross operating margin	1,395	1,117	278	24.9%
Operating income	(3,494)	(118)	(3,376)	-
Capital expenditure	851	839	12	1.4%

The following tables show a breakdown of performance by Region/Country in 2019.

Revenue

Millions of euro				
	2019	2018	Change	
Italy	23,688	18,954	4,734	25.0%
Iberia	6,261	6,329	(68)	-1.1%
Latin America	1,915	1,726	189	11.0%
- of which Argentina	323	227	96	42.3%
- of which Brazil	289	270	19	7.0%
- of which Chile	828	739	89	12.0%
- of which Colombia	110	126	(16)	-12.7%
- of which Peru	365	364	1	0.3%
North America	29	3	26	-
Europe and Euro-Mediterranean Affairs	956	1,054	(98)	-9.3%
- of which Romania	42	55	(13)	-23.6%
- of which Russia	911	999	(88)	-8.8%
- of which other countries	3	-	3	-
Other	54	81	(27)	-33.3%
Eliminations and adjustments	(852)	(540)	(312)	-57.8%
Total	32,051	27,607	4,444	16.1%

The change in **revenue** is mainly attributable to the item "Sale of commodities under contracts with physical delivery", reflecting reclassifications, with no impact on margins, linked to the application of the IFRIC Agenda Decision of March 2019

to non-financial transactions with physical delivery measured at fair value in accordance with IFRS 9. For more information, please see section 4.3 of the notes to the consolidated financial statements.

Gross operating margin

Millions of euro				
	2019	2018	Change	
Italy	(14)	22	(36)	-
Iberia	590	425	165	38.8%
Latin America	642	469	173	36.9%
- of which Argentina	165	142	23	16.2%
- of which Brazil	107	7	100	-
- of which Chile	211	124	87	70.2%
- of which Colombia	14	51	(37)	-72.5%
- of which Peru	145	145	-	-
North America	(18)	(6)	(12)	-
Europe and Euro-Mediterranean Affairs	209	233	(24)	-10.3%
- of which Romania	(2)	-	(2)	-
- of which Russia	209	233	(24)	-10.3%
- of which other countries	2	-	2	-
Other	(14)	(26)	12	46.2%
Total	1,395	1,117	278	24.9%

The increase in the **gross operating margin** in 2019 is mainly due to:

- > an increase of €173 million in the margin in Latin America, mainly attributable to the indemnity in the amount of €80 million received from a major customer for having exercised the withdrawal option in advance and to the improvement in the margin of the Fortaleza plant (€108 million) due to a decrease in provisioning costs;
- > an increase of €165 million in Iberia, essentially attributable to the following factors:
 - an increase of €279 million in the margin on nuclear generation, mainly due to an increase in volumes generated and in prices, as well as a reduction in taxes on nuclear generation (€43 million);
 - a reduction of €63 million in taxes and duties on thermal generation due, above all, to suspension of taxes on power generation and on the consumption of hydrocarbons used to generate power in accordance with Royal Decree no. 15/2018 of October 5, 2018;
 - an increase in writedowns of fuel, consumables and spare parts inventories at a number of coal-fired plants

that underwent impairment testing, totaling €103 million, because their value was deemed non-recoverable through operations;

- deterioration of €90 million in the results on commodity contracts measured at fair value;
- > decrease of €36 million in the margin in Italy, mainly due to:
 - an increase in writedowns of fuel, consumables, and spare parts inventories at a number of coal-fired plants, totaling €205 million, because their value was deemed non-recoverable through operations;
 - recognition of a gain of €108 million by Enel Produzione on the disposal of the Mercure power plant, which was only partially offset by an increase in provisions for environmental costs in accordance with the contract and related to the industrial site;
 - a decrease of €65 million in costs for environmental compliance in thermal generation;
- > a decrease of €24 million in the margin posted for Europe and Euro-Mediterranean Affairs, recognized mainly in Russia.

Operating income

Millions of euro	2019	2018	Change	
Italy	(1,908)	(248)	(1,660)	-
Iberia	(1,650)	(274)	(1,376)	-
Latin America	68	266	(198)	-74.4%
- of which Argentina	100	89	11	12.4%
- of which Brazil	94	(1)	95	-
- of which Chile	(233)	30	(263)	-
- of which Colombia	(2)	37	(39)	-
- of which Peru	109	111	(2)	-1.8%
North America	(19)	(6)	(13)	-
Europe and Euro-Mediterranean Affairs	30	170	(140)	-82.4%
- of which Romania	(1)	-	(1)	-
- of which Russia	31	170	(139)	-81.8%
- of which other countries	-	-	-	-
Other	(15)	(26)	11	42.3%
Eliminations and adjustments	-	-	-	-
Total	(3,494)	(118)	(3,376)	-

The decrease in **operating income** is due to the increase of €3,654 million in depreciation, amortization and impairment, despite the improvement in the gross operating margin. More specifically, the increase in depreciation, amortization and impairment mainly concerned:

- > impairment in Italy, Spain, Chile and Russia for coal-fired plants totaling €4,010 million, as described in detail in the "Operating income" section of "Group performance";
- > an increase in depreciation and amortization in application of IFRS 16 (€34 million).

Capital expenditure

Millions of euro				
	2019	2018	Change	
Italy	189	172	17	9.9%
Iberia	388	345	43	12.5%
Latin America	193	251	(58)	-23.1%
Europe and Euro-Mediterranean Affairs	79	70	9	12.9%
Other	2	1	1	-
Total	851	839	12	1.4%

The increase in **capital expenditure** is mainly attributable to Italy (€17 million) and Iberia (€43 million) and concerns, above all, plant maintenance and safety upgrading. These effects

were partially offset by a decrease of €58 million in capital expenditure in Latin America, particularly in Argentina and Chile, regarding coal-fired and combined-cycle plants.



Enel Green Power

99.4 TWh

Net electricity generation
+20.3% from wind farms
compared to 2018

42.1 GW

Net efficient generation capacity
50% of total Group
generation capacity

€4,604 mln

Gross operating margin
€4,608 million in 2018

+54.2%

Capital expenditure compared
to 2018 for a total of €4,293 million

Operations

Net electricity generation

Millions of kWh	2019	2018	Change	
Hydroelectric	62,580	65,893	(3,313)	-5.0%
Geothermal	6,148	5,881	267	4.5%
Wind	26,668	22,161	4,507	20.3%
Solar	3,974	4,897	(923)	-18.8%
Other sources	21	108	(87)	-80.6%
Total net generation	99,391	98,940	451	0.5%
- of which Italy	24,308	25,476	(1,168)	-4.6%
- of which Iberia	10,090	12,172	(2,082)	-17.1%
- of which Latin America	48,448	48,137	311	0.6%
- of which Europe and Euro-Mediterranean Affairs	2,005	1,895	110	5.8%
- of which North America	12,969	9,752	3,217	33.0%
- of which Africa, Asia and Oceania	1,571	1,508	63	4.2%

Net electricity generation 2019 increased slightly from 2018 due to increases in wind and geothermal production, which were partially offset by decreases in hydroelectric and solar power generation. The most significant changes in wind power came in the United States and in Iberia, where production increased by 4,496 million kWh and 439 million kWh, respectively. These increases were partially offset by decre-

ases in wind power generation in Mexico (down 759 million kWh) due, in part, to the sale of a number of companies in September 2018.

The increase in geothermal generation came mainly in the United States (up 285 million kWh).

The decrease in hydro generation was due mainly to reduced water availability in Italy and Iberia, only partially offset

by an increase in Latin America (up 458 million kWh), where output varied throughout the region. Of particular note were increases in Brazil (+940 million kWh), Colombia (+857 mil-

lion kWh), and Peru (+462 million kWh), and these increases were offset by decreases in Argentina (-350 million kWh), Chile (-899 million kWh), and Panama (-308 million kWh).

Net efficient generation capacity

MW	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Hydroelectric	27,830	27,844	(14)	-0.1%
Geothermal	878	804	74	9.2%
Wind	10,327	8,190	2,137	26.1%
Solar	3,094	2,322	772	33.2%
Other sources	5	43	(38)	-88.4%
Total net power efficiency	42,134	39,203	2,931	7.5%
- of which Italy	13,972	14,011	(39)	-0.3%
- of which Iberia	7,391	6,525	866	13.3%
- of which Latin America	13,676	13,869	(193)	-1.4%
- of which Europe and Euro-Mediterranean Affairs	1,037	883	154	17.4%
- of which North America	5,282	3,220	2,062	64.0%
- of which Africa, Asia and Oceania	776	695	81	11.7%

Net power efficiency capacity for 2019 increased from 2018, mainly in the United States due to the acquisition by Enel Green Power North America (EPGNA, now named Enel North America) of 13 companies that own wind, geothermal and

solar plants, as well as to an increase in power generation capacity at the High Lonesome and Roadrunner plants. Wind and solar power generation capacity also increased in Iberia.

Performance

Millions of euro	2019	2018	Change	
Revenue	7,733	8,056	(323)	-4.0%
Gross operating margin	4,604	4,608	(4)	-0.1%
Operating income	3,276	3,505	(229)	-6.5%
Capital expenditure	4,293 ⁽¹⁾	2,784 ⁽²⁾	1,509	54.2%

(1) The figure does not include €4 million regarding units classified as "held for sale".

(2) The figure does not include €378 million regarding units classified as "held for sale".

The following tables show a breakdown of performance by country in 2019.

Revenue ⁽¹⁾

Millions of euro				
	2019	2018	Change	
Italy	1,918	2,084	(166)	-8.0%
Iberia	653	716	(63)	-8.8%
Latin America	3,692	3,843	(151)	-3.9%
- of which Argentina	64	59	5	8.5%
- of which Brazil	694	676	18	2.7%
- of which Chile	1,489	1,584	(95)	-6.0%
- of which Colombia	1,007	941	66	7.0%
- of which Peru	201	334	(133)	-39.8%
- of which Panama	169	151	18	11.9%
- of which other countries	68	98	(30)	-30.6%
North America	1,115	860	255	29.7%
- of which the United States	956	564	392	69.5%
- of which Mexico	159	296	(137)	-46.3%
Europe and Euro-Mediterranean Affairs	271	255	16	6.3%
- of which Romania	175	173	2	1.2%
- of which Greece	86	73	13	17.8%
- of which Bulgaria	8	9	(1)	-11.1%
- of which other countries	2	-	2	-
Africa, Asia and Oceania	107	101	6	5.9%
Other	105	316	(211)	-66.8%
Eliminations and adjustments	(128)	(119)	(9)	-7.6%
Total	7,733	8,056	(323)	-4.0%

(1) These figures have been adjusted for the purposes of comparison with those of December 2019 to take account of the fact that Panama, Costa Rica, Guatemala, El Salvador and Nicaragua, which were previously included in the North and Central America geographical area, are now included within Latin America.

Gross operating margin ⁽¹⁾

Millions of euro				
	2019	2018	Change	
Italy	1,240	1,220	20	1.6%
Iberia	358	361	(3)	-0.8%
Latin America	2,218	2,201	17	0.8%
- of which Argentina	51	46	5	10.9%
- of which Brazil	335	395	(60)	-15.2%
- of which Chile	899	877	22	2.5%
- of which Colombia	620	544	76	14.0%
- of which Peru	162	156	6	3.8%
- of which Panama	112	113	(1)	-0.9%
- of which other countries	39	70	(31)	-44.3%
North America	737	538	199	37.0%
- of which the United States	658	398	260	65.3%
- of which Mexico	79	140	(61)	-43.6%
Europe and Euro-Mediterranean Affairs	112	115	(3)	-2.6%
- of which Romania	75	62	13	21.0%
- of which Russia	(1)	(1)	-	-
- of which Greece	35	49	(14)	-28.6%
- of which Bulgaria	6	6	-	-
- of which other countries	(3)	(1)	(2)	-
Africa, Asia and Oceania	62	58	4	6.9%
Other	(123)	115	(238)	-
Total	4,604	4,608	(4)	-0.1%

(1) These figures have been adjusted for the purposes of comparison with those of December 2019 to take account of the fact that Panama, Costa Rica, Guatemala, El Salvador and Nicaragua, which were previously included in the North and Central America geographical area, are now included within Latin America.

Gross operating margin decreased by €4 million from 2018, which was essentially due to the following:

- > an increase of €199 million in the margin in North America, mainly due to:
 - an increase of €260 million in the margin the United States due essentially to the increase (€92 million) related to the change in the scope of consolidation following the acquisition by Enel North America (formerly Enel Green Power North America) of 13 companies sold by Enel Green Power North America Renewable Energy Partners LLC (EGPNA REP) and to the negative goodwill on the transaction (€106 million); to the negative goodwill related to the purchase of Tradewind Energy (€75 million), which was partially offset by the company's negative margin (-€53 million); to the gains on the disposal of the projects Outlaw (€22 million) and Gratiot (€20 million); to the increase in tax partnership income related to the companies High Lonesome Wind Power (€87 million) and Roadrunner Solar Project (€67 million),

which were partially offset by decreases in such income from Diamond Vista (-€40 million) and Rattlesnake Creek (-€39 million);

- a reduction of €61 million in the margin in Mexico due mainly to the change in the scope of consolidation following the sale of eight companies from Project Kino at the end of September 2018;
- > an increase of €17 million in the margin in Latin America, mainly due to:
 - the increase of €76 million in the margin in Colombia, due essentially to an increase in revenue on electricity sales (€73 million) as a result of an increase in average prices and in quantities traded on the power exchange, and lower costs for electricity purchases and transport (€78 million) related to lower quantities purchased, and to a decrease in fuel consumption (€15 million), partially offset by an increase in costs for ancillary services related to the electricity business (€82 million);
 - an increase of €22 million in the margin in Chile, essen-

tially attributable to recognition of €80 million in penalty revenue by Enel Generación Chile due to a major industrial client exercising the right to early withdrawal from a long-term electricity provisioning agreement, partially offset by a loss on the electricity margin (€62 million) as a result of a decrease in production;

- a decrease of €60 million in the margin in Brazil, where the increase in revenue from electricity sales as a result of greater generation, partly eroded by a reduction in spot prices, was more than offset by an increase in costs for the purchase of electricity and the change in the scope of consolidation related to the disposal of three plants;
- decrease of €31 million in the margin in other countries due mainly to a decline in revenue from the sale of electricity in Costa Rica and Guatemala as a result of

decreases in quantities generated and the change in the scope of consolidation that took place in Uruguay in December 2018;

- > an increase of €20 million in the margin in Italy due essentially to an increase in the sales price of electricity despite the lower volume of hydro generation, partially offset by the effect of the recognition in the previous year of the gain on the sale of EF Solare Italia (€65 million);
- > a reduction of €238 million in the margin that mainly reflected the recognition in the previous year of the gain on the sale of eight Project Kino companies in Mexico at the end of September 2018, as well as the fair value measurement of the Group's 20% interest in the companies (€190 million) and the gain on the sale of a number of companies in Uruguay (€18 million).

Operating income ⁽¹⁾

Millions of euro				
	2019	2018	Change	
Italy	909	828	81	9.8%
Iberia	183	208	(25)	-12.0%
Latin America	1,809	1,776	33	1.9%
- of which Argentina	38	39	(1)	-2.6%
- of which Brazil	250	309	(59)	-19.1%
- of which Chile	728	699	29	4.1%
- of which Colombia	560	488	72	14.8%
- of which Peru	123	107	16	15.0%
- of which Panama	96	98	(2)	-2.0%
- of which other countries	14	36	(22)	-61.1%
North America	418	364	54	14.8%
- of which the United States	367	270	97	35.9%
- of which Mexico	51	94	(43)	-45.7%
Europe and Euro-Mediterranean Affairs	58	195	(137)	-70.3%
- of which Romania	49	40	9	22.5%
- of which Russia	-	(1)	1	-
- of which Greece	10	154	(144)	-93.5%
- of which Bulgaria	3	3	-	-
- of which other countries	(4)	(1)	(3)	-
Africa, Asia and Oceania	24	19	5	26.3%
Other	(125)	115	(240)	-
Eliminations and adjustments	-	-	-	-
Total	3,276	3,505	(229)	-6.5%

(1) These figures have been adjusted for the purposes of comparison with those of December 2019 to take account of the fact that Panama, Costa Rica, Guatemala, El Salvador and Nicaragua, which were previously included in the North and Central America geographical area, are now included within Latin America.

In 2019, **operating income**, taking account of depreciation, amortization and impairment losses in the amount of €1,328 million (€1,103 million in 2018), decreased by €229 million compared with 2018 due to an increase in depreciation and amortization in the United States (€116 million) related mainly to the change in the scope of consolidation noted earlier and

the start of operations at the Rattlesnake, Hilltopper and Diamond Vista plants, the impairment losses on the assets of a number of wind projects that are no longer viable, and the fair value adjustment of hydroelectric projects classified as HFS (€36 million), as well as the recognition in the previous year of the reversal of impairment on the Hellas CGU (€117 million).

Capital expenditure ⁽¹⁾

Millions of euro				
	2019	2018	Change	
Italy	240	252 ⁽³⁾	(12)	-4.8%
Iberia	765	246	519	-
Latin America	1,055 ⁽²⁾	654	401	61.3%
North America	1,744	1,322 ⁽⁴⁾	422	31.9%
Europe and Euro-Mediterranean Affairs	189	139	50	36.0%
Africa, Asia and Oceania	274	142	132	93.0%
Other	26	29	(3)	-10.3%
Total	4,293	2,784	1,509	54.2%

- (1) These figures have been adjusted for the purposes of comparison with those of December 2019 to take account of the fact that Panama, Costa Rica, Guatemala, El Salvador and Nicaragua, which were previously included in the North and Central America geographical area, are now included within Latin America.
- (2) The figure does not include €4 million regarding units classified as "held for sale".
- (3) The figure does not include €3 million regarding units classified as "held for sale".
- (4) The figure does not include €375 million regarding units classified as "held for sale".

Capital expenditure increased by €1,509 million compared with the previous year. More specifically, the change is attributable to:

- > an increase of €519 million in capital expenditure in Iberia attributable mainly to wind farms (€364 million) and photovoltaic plants (€153 million);
- > an increase of €422 million in capital expenditure in North America, mainly attributable to an increase of €237 million in the United States and of €74 million in Mexico for solar plants and to increases in capital expenditure for wind farms (€112 million) following a sharp increase in Mexico (€224 million), partially offset by a decrease in capital expenditure in the United States (€198 million);
- > an increase of €401 million in capital expenditure in Latin America attributable mainly to wind farms (€274 million) and photovoltaic plants (€170 million), which was partially offset by a decrease in capital expenditure on hydroelectric plants (€90 million). The increase in capital expenditure was concentrated in Brazil;
- > an increase of €132 million in capital expenditure in Africa, Asia and Oceania related mainly to wind farms (€82 million) following an increase in South Africa (€101 million), which was partially offset by decreases in capital expenditure in India (€19 million) and for solar plants (€50 million), mainly in Australia (€38 million);
- > an increase of €50 million in capital expenditure by Europe and Euro-Mediterranean Affairs, mainly on wind farms in Russia and Greece.



Infrastructure and Networks

504 TWh

Electricity transported
on Enel's network
484 TWh in 2018

€8,278 mln

Gross operating margin
€7,539 million in 2018

€3,905 mln

Capital expenditure
39% of total Group
capital expenditure

Operations

Electricity distribution and transport networks

Millions of kWh

	2019	2018	Change	
Electricity transported on Enel's network ⁽¹⁾	504,027	484,377	19,650	4.1%
- of which Italy	224,587	226,460	(1,873)	-0.8%
- of which Iberia	126,454	124,865	1,589	1.3%
- of which Latin America	137,295	117,412	19,883	16.9%
- of which Europe and Euro-Mediterranean Affairs	15,691	15,640	51	0.3%
End users (no.)	73,258,840	72,945,664	313,176	0.4%
End users with active smart meters (no.)	44,668,538	43,770,085	898,453	2.1%

(1) The figure for 2018 reflects a more accurate measurement of amounts transported.

The increase in energy transported on the network is mainly attributable to:

- > Latin America (+16.9%) following the acquisition of Enel Distribuição São Paulo, a Brazilian electricity distribution company, on June 7, 2018;
- > Romania (+0.3%), where the increase was mainly due to new connections of business customers (+21.4 GWh), which was partially offset by a decrease for residential customers (-21.1 GWh);
- > Italy (-0.8%), where electricity distributed to end users totaled 224.58 TWh, a slight decrease from the previous year's figure of 226.46 TWh. This reduction reflects declining demand among medium-voltage (-1.2 TWh) and high-voltage customers (-1 TWh). Demand was stable among low-voltage customers;
- > Iberia (+1.3%), where the increase was due essentially to an increase in electricity transported by Edistribución Redes Digitales SL.

Average frequency of interruptions per customer

SAIFI (average no.)	2019	2018	Change	
<i>Italy</i>	1.9	1.8	0.1	5.6%
<i>Iberia</i>	1.4	1.6	(0.2)	-12.5%
<i>Argentina</i>	6.0	6.7	(0.7)	-10.4%
<i>Brazil</i>	5.8	6.2	(0.4)	-6.5%
<i>Chile</i>	1.6	1.5	0.1	6.7%
<i>Colombia</i>	6.8	9.0	(2.2)	-24.4%
<i>Peru</i>	2.8	2.8	-	-
<i>Romania</i>	4.1	3.8	0.3	7.9%

Average duration of interruptions per customer

SAIDI (average min.)	2019	2018	Change	
<i>Italy</i>	48.5	47.2	1.3	2.8%
<i>Iberia</i>	75.8	79.5	(3.7)	-4.7%
<i>Argentina</i>	1,214.1	1,485.4	(271.3)	-18.3%
<i>Brazil</i>	728.8	716.8	12.0	1.7%
<i>Chile</i>	184.1	178.0	6.1	3.4%
<i>Colombia</i>	666.6	710.0	(43.4)	-6.1%
<i>Peru</i>	418.9	436.0	(17.1)	-3.9%
<i>Romania</i>	169.6	173.8	(4.2)	-2.4%

As indicated in the tables, the most significant service interruptions occurred in Argentina, due in particular to faults in hi-

gh-voltage transmission systems not operated by the Group.

	2019	2018	Change	
Network losses (avg. %)				
<i>Italy</i>	4.7	4.7	-	-
<i>Iberia</i>	7.5	7.5	-	-
<i>Argentina</i>	15.5	14.9	0.6	4.0%
<i>Brazil</i>	12.8	12.4	0.4	3.2%
<i>Chile</i>	5.0	5.0	-	-
<i>Colombia</i>	7.7	7.7	-	-
<i>Peru</i>	8.2	7.9	0.3	3.8%
<i>Romania</i>	9.7	9.8	(0.1)	-1.0%

Performance

Millions of euro

	2019	2018	Change	
Revenue	21,789	19,968	1,821	9.1%
Gross operating margin	8,278	7,539	739	9.8%
Operating income	5,277	4,787	490	10.2%
Capital expenditure	3,905	3,830	75	2.0%

The following tables shows a breakdown of performance by country in 2019.

Revenue

Millions of euro

	2019	2018	Change	
Italy	7,647	7,672	(25)	-0.3%
Iberia	2,724	2,671	53	2.0%
Latin America	11,033	9,275	1,758	19.0%
- of which Argentina	1,166	1,033	133	12.9%
- of which Brazil	6,946	5,629	1,317	23.4%
- of which Chile	1,467	1,348	119	8.8%
- of which Colombia	641	533	108	20.3%
- of which Peru	813	732	81	11.1%
Europe and Euro-Mediterranean Affairs	386	385	1	0.3%
Other	60	43	17	39.5%
Eliminations and adjustments	(61)	(78)	17	21.8%
Total	21,789	19,968	1,821	9.1%

Gross operating margin

Millions of euro

	2019	2018	Change	
Italy	3,906	3,679	227	6.2%
Iberia	2,025	1,965	60	3.1%
Latin America	2,259	1,763	496	28.1%
- of which Argentina	271	173	98	56.6%
- of which Brazil	1,144	815	329	40.4%
- of which Chile	222	228	(6)	-2.6%
- of which Colombia	399	364	35	9.6%
- of which Peru	223	183	40	21.9%
Europe and Euro-Mediterranean Affairs	107	152	(45)	-29.6%
Other	(19)	(20)	1	5.0%
Total	8,278	7,539	739	9.8%

The **gross operating margin** increased as a result of:

- > an increase of €496 million in the margin in Latin America despite the effects of adverse exchange rate developments of €133 million, an increase that is mainly attributable to:
 - in Brazil, the consolidation of Enel Distribuição São Paulo (€313 million);
 - in Argentina, the Edesur agreement with the government resolving mutual pending issues arising during the period from 2006 to 2016 in the amount of €209 million. This increase was partially offset by a reduction in sales revenue following a decrease in quantities transported;
- > an increase in the gross operating margin in Italy following a reduction in costs for the purchase of energy efficiency certificates due to both a decrease in purchase prices and in volumes purchased (€191 million) and a reduction in per-

sonnel costs due essentially to actuarial gains in application of Article 4 of Law 92/2012 (€31 million). It should also be noted that, in 2019, e-distribuzione recognized an additional indemnity of €50 million related to the sale of Enel Rete Gas to F2i, following the indemnity of €128 million recognized in 2018;

- > an increase in the margin in Iberia due mainly to an increase in electricity-transport revenue (€56 million) and a gain on the sale of the right to use the fiber-optic network (€24 million). These effects were partially offset by a decrease in revenue from services provided to third-party end users;
- > a decrease in the gross operating margin of Europe and Euro-Mediterranean Affairs due to an increase in costs in Romania, mainly for personnel (€12 million), services (€12 million) and electricity purchases (€16 million).

Operating income

Millions of euro				
	2019	2018	Change	
Italy	2,647	2,508	139	5.5%
Iberia	1,288	1,220	68	5.6%
Latin America	1,349	1,025	324	31.6%
- of which Argentina	240	98	142	-
- of which Brazil	487	362	125	34.5%
- of which Chile	173	178	(5)	-2.8%
- of which Colombia	292	261	31	11.9%
- of which Peru	157	126	31	24.6%
Europe and Euro-Mediterranean Affairs	13	54	(41)	-75.9%
Other	(20)	(20)	-	-
Total	5,277	4,787	490	10.2%

The increase in **operating income** in 2019 was due to the increase in gross operating margin, which was only partially offset by an increase of €249 million in depreciation, amortization and impairment losses. More specifically, the increase in depreciation, amortization and impairment mainly concerned:

- > an increase of €172 million in depreciation, amortization and impairment in Latin America, which was essentially due to the change in the scope of consolidation with the addition of Enel Distribuição São Paulo and the recognition

in Brazil of the writedown of the Funac fund in the amount of €96 million, which became necessary after the repeal by the state of Goiás of the obligation to meet the liabilities, even if not recognized, resulting from the administrative and judicial dispute of Enel Distribuição Goiás;

- > an increase of €88 million in depreciation, amortization and impairment in Italy due to an increase in capital expenditure and to the application of IFRS 16 (€38 million).

Capital expenditure

Millions of euro				
	2019	2018	Change	
Italy	1,753	1,685	68	4.0%
Iberia	647	668	(21)	-3.1%
Latin America	1,335	1,315	20	1.5%
Europe and Euro-Mediterranean Affairs	169	159	10	6.3%
Other	1	3	(2)	-66.7%
Total	3,905	3,830	75	2.0%

The increase in **capital expenditure** is mainly attributable to:

- > Italy and capital expenditure for low-voltage plants;
- > Iberia and the reduction in capital expenditure for the distribution network and for software applications, an effect which was partially offset by an increase in capital expenditure for substations, transformers, and the replacement of metering equipment;
- > Latin America, and Argentina specifically, in order to improve the quality of service provided to users through works aimed at strengthening the low-, medium- and high-voltage networks.



End-user Markets

302 TWh

Electricity sold
295 TWh in 2018

€3,287 mln

Gross operating margin
€3,079 million in 2018

69.9 mln

Retail customers of which
22.8 million free market

Operations

Electricity sales

Millions of kWh	2019	2018	Change	
Free market	152,588	152,619	(31)	-
Regulated market	149,088	142,813	6,275	4.4%
Total	301,676	295,432	6,244	2.1%
- of which Italy	97,539	104,318	(6,779)	-6.5%
- of which Iberia	89,441	89,639	(198)	-0.2%
- of which Latin America	104,962	91,075	13,887	15.2%
- of which Europe and Euro-Mediterranean Affairs	9,734	10,400	(666)	-6.4%

This positive performance of electricity sales in 2019 essentially reflects the increase in quantities sold in Latin America, mainly in Brazil following the acquisition of Enel Distribuição São Paulo. This change was only partially offset by the reduction of electricity sold in Italy due to a decrease in sales on the regulated market following the transfer of 1.8 million

customers to the free market. This factor is seen as the cause for the reduction in quantities sold in Romania as well. In Spain, the change was essentially due to reduced consumption. The Group's retail customers totaled 69,914,992, of which 22,780,590 on the free market. At December 31, 2018, those figures were 71,117,743 and 21,478,721 respectively.

Natural gas sales

Millions of m ³	2019	2018	Change	
Business to consumer	3,698	3,704	(6)	-0.2%
Business to business	6,802	7,474	(672)	-9.0%
Total	10,500	11,178	(678)	-6.1%
- of which Italy	4,736	4,761	(25)	-0.5%
- of which Iberia	5,750	6,409	(659)	-10.3%
- of which Europe and Euro-Mediterranean Affairs	14	8	6	75.0%

The reduction in natural gas sales was mainly due to the aforementioned reductions in consumption in Spain.

Performance

Millions of euro

	2019	2018	Change	
Revenue	32,544	33,771	(1,227)	-3.6%
Gross operating margin	3,287	3,079	208	6.8%
Operating income	2,163	1,958	205	10.5%
Capital expenditure	449	374	75	20.1%

The following tables shows a breakdown of performance by country in 2019.

Revenue

Millions of euro

	2019	2018	Change	
Italy	16,042	16,367	(325)	-2.0%
Iberia	13,867	14,920	(1,053)	-7.1%
Latin America	1,504	1,443	61	4.2%
- of which Argentina	30	6	24	-
- of which Brazil	398	299	99	33.1%
- of which Chile	268	255	13	5.1%
- of which Colombia	769	848	(79)	-9.3%
- of which Peru	39	35	4	11.4%
Europe and Euro-Mediterranean Affairs	1,131	1,040	91	8.8%
Eliminations and adjustments	-	1	(1)	-
Total	32,544	33,771	(1,227)	-3.6%

Gross operating margin

Millions of euro

	2019	2018	Change	
Italy	2,314	2,233	81	3.6%
Iberia	715	676	39	5.8%
Latin America	243	158	85	53.8%
- of which Argentina	2	(16)	18	-
- of which Brazil	149	100	49	49.0%
- of which Chile	17	19	(2)	-10.5%
- of which Colombia	60	42	18	42.9%
- of which Peru	15	13	2	15.4%
Europe and Euro-Mediterranean Affairs	15	12	3	25.0%
Total	3,287	3,079	208	6.8%

The increase in the **gross operating margin** is mainly attributable to:

- > an increase in margins in Latin America due to:
 - the consolidation of Enel Distribuição São Paulo beginning in June of last year (€51 million);
 - an increase in revenue in Argentina following the Ede-sur settlement agreement with the government resolving mutual pending issues arising during the period 2006-2016 (€24 million);
- > an increase of €108 million in the margin on the free market in Italy, which was only partially offset by a reduction of €27 million on the regulated market;
- > a decrease in the cost ratio in Iberia.

Operating income

Millions of euro	2019	2018	Change	
Italy	1,609	1,379	230	16.7%
Iberia	491	494	(3)	-0.6%
Latin America	77	87	(10)	-11.5%
- of which Argentina	(35)	(16)	(19)	-
- of which Brazil	44	52	(8)	-15.4%
- of which Chile	6	16	(10)	-62.5%
- of which Colombia	52	29	23	79.3%
- of which Peru	10	6	4	66.7%
Europe and Euro-Mediterranean Affairs	(14)	(2)	(12)	-
Eliminations and adjustments	-	-	-	-
Total	2,163	1,958	205	10.5%

In 2019, **operating income**, including €1,124 million in depreciation, amortization and impairment, increased due, above all, to performance improvements in Italy, mainly for Enel Energia following the improvement in margins noted above and the decrease of €149 million in depreciation, amortization and impairment, which was essentially related to the decrease in allowances for doubtful accounts.

This positive performance was impacted by the loss recognized in other countries. In Romania, the loss of €14 million reflected an increase in the impairment of trade receivables compared with 2018.

Capital expenditure

Millions of euro	2019	2018	Change	
Italy	324	248	76	30.6%
Iberia	110	107	3	2.8%
Latin America	-	1	(1)	-
Europe and Euro-Mediterranean Affairs	15	18	(3)	-16.7%
Total	449	374	75	20.1%

The change in **capital expenditure** is mainly attributable to the increase in Italy, particularly with regard to Enel Energia.

This increase was due to the capitalization of costs related to the acquisition of new customer contracts.



Enel X

6.3 GW

Demand Response
6.2 GW in 2018

79,565

Charging points
48,967 in 2018

2,424

Lighting points
2,467 in 2018

€158 mln

Gross operating margin
€124 million in 2018

+47.5%

Capital expenditure compared to
2018 for a total of **€270 million**

Operations

	2019	2018	Change	
Demand Response (MW)	6,297	6,215	82	1.3%
Lighting points (no.)	2,424	2,467	(43)	-1.7%
Storage (MW) ⁽¹⁾	12	3	9	-
Charging points (no.)	79,565	48,967	30,598	62.5%

(1) Excluding storage from other sectors.

In 2019, the Group further developed the charging infrastructure for electric vehicles, particularly in Italy.

Performance

Millions of euro

	2019	2018	Change	
Revenue	1,130	1,006	124	12.3%
Gross operating margin	158	124	34	27.4%
Operating income	(98)	19	(117)	-
Capital expenditure	270	183	87	47.5%

The following tables shows a breakdown of performance by country in 2019.

Revenue

Millions of euro				
	2019	2018	Change	
Italy	282	247	35	14.2%
Iberia	261	247	14	5.7%
Latin America	186	161	25	15.5%
- of which Argentina	4	-	4	-
- of which Brazil	17	15	2	13.3%
- of which Chile	81	70	11	15.7%
- of which Colombia	77	70	7	10.0%
- of which Peru	7	6	1	16.7%
North America	328	338	(10)	-3.0%
Europe and Euro-Mediterranean Affairs	35	7	28	-
Africa, Asia and Oceania	52	-	52	-
Other	66	50	16	32.0%
Eliminations and adjustments	(80)	(44)	(36)	-81.8%
Total	1,130	1,006	124	12.3%

Gross operating margin

Millions of euro				
	2019	2018	Change	
Italy	13	31	(18)	-58.1%
Iberia	38	51	(13)	-25.5%
Latin America	64	56	8	14.3%
- of which Brazil	(1)	-	(1)	-
- of which Chile	26	19	7	36.8%
- of which Colombia	38	37	1	2.7%
- of which Peru	1	-	1	-
North America	80	3	77	-
Europe and Euro-Mediterranean Affairs	-	3	(3)	-
Africa, Asia and Oceania	(1)	(4)	3	75.0%
Other	(36)	(16)	(20)	-
Total	158	124	34	27.4%

The increase in **gross operating margin** came mainly in North America as a result of an adjustment to the amount paid for the purchase of eMotorWerks (€98 million) in application of certain clauses of the related contract. These effects were only partial-

ly offset by an increase in operating expenses connected with structural growth in Italy, Spain and Latin America.

Operating income

Millions of euro				
	2019	2018	Change	
Italy	(45)	(9)	(36)	-
Iberia	(13)	37	(50)	-
Latin America	58	54	4	7.4%
- of which Brazil	(4)	(1)	(3)	-
- of which Chile	24	19	5	26.3%
- of which Colombia	37	36	1	2.8%
- of which Peru	1	-	1	-
North America	(50)	(31)	(19)	-61.3%
Europe and Euro-Mediterranean Affairs	(3)	2	(5)	-
Africa, Asia and Oceania	(5)	(8)	3	37.5%
Other	(40)	(26)	(14)	-53.8%
Total	(98)	19	(117)	-

In 2019, **operating income** decreased despite the improvement in the gross operating margin, essentially as a result of an increase of €151 million in depreciation, amortization and

impairment losses. This mainly concerned the impairment of intangible assets (€83 million) in respect of obsolete technologies that are no longer in use.

Capital expenditure

Millions of euro				
	2019	2018	Change	
Italy	52	54	(2)	-3.7%
Iberia	64	39	25	64.1%
Latin America	40	29	11	37.9%
North America	61	38	23	60.5%
Europe and Euro-Mediterranean Affairs	4	3	1	33.3%
Africa, Asia and Oceania	1	-	1	-
Other	48	20	28	-
Total	270	183	87	47.5%

Capital expenditure increased in Spain, the United States and Italy due to the purchase of new software licenses to

support new business initiatives (demand response, charging systems, e-mobility, public lighting).



Services and Other

Performance

Millions of euro

	2019	2018	Change	
Revenue	2,229	2,140	89	4.2%
Gross operating margin	(18)	(116)	98	84.5%
Operating income	(246)	(251)	5	2.0%
Capital expenditure	179	142	37	26.1%

The tables below show performance by geographic area in 2019.

Revenue

Millions of euro

	2019	2018	Change	
Italy	1,359	1,389	(30)	-2.2%
Iberia	597	514	83	16.1%
Latin America	27	35	(8)	-22.9%
Europe and Euro-Mediterranean Affairs	28	22	6	27.3%
Other	291	231	60	26.0%
Eliminations and adjustments	(73)	(51)	(22)	-43.1%
Total	2,229	2,140	89	4.2%

Gross operating margin

Millions of euro

	2019	2018	Change	
Italy	169	119	50	42.0%
Iberia	66	80	(14)	-17.5%
Latin America	(123)	(104)	(19)	-18.3%
Europe and Euro-Mediterranean Affairs	5	1	4	-
Other	(135)	(212)	77	36.3%
Total	(18)	(116)	98	-84.5%

The increase in **gross operating margin** for 2019 is due to:

- > an increase of €50 million in the margin in Italy, the result mainly of a reduction in costs for leases and rents due to application of IFRS 16 and their consequent inclusion in the value of right-of-use assets;
- > an increase in the margin on the "Other" segment related

to the increase in services provided by the holding company to the other Business Lines of the Group and to a decrease in costs for reversal of the provision related to the closing of an Enel SpA arbitration in Romania (€13 million).

Operating income

Millions of euro	2019	2018	Change	
Italy	17	39	(22)	-56.4%
Iberia	19	39	(20)	-51.3%
Latin America	(122)	(105)	(17)	-16.2%
Europe and Euro-Mediterranean Affairs	3	-	3	-
Other	(163)	(224)	61	27.2%
Total	(246)	(251)	5	-2.0%

The **operating loss** in 2019 improved by €5 million, after an increase in depreciation, amortization and impairment losses

of €93 million, which mainly reflected the depreciation of right-of-use assets following application of the new IFRS 16.

Capital expenditure

Millions of euro	2019	2018	Change	
Italy	78	68	10	14.7%
Iberia	46	28	18	64.3%
Latin America	9	9	-	-
Europe and Euro-Mediterranean Affairs	1	1	-	-
Other	45	36	9	25.0%
Total	179	142	37	26.1%

The increase in **capital expenditure** in 2019 can be attributed to increases in Italy and Spain.

Significant events in 2019

Issue of new €1 billion green bond in Europe

On January 14, 2019, Enel Finance International NV placed its third green bond on the European market. The issue amounts to a total of €1,000 million and provides for repayment in a single instalment at maturity on July 21, 2025.

Funac

With Law 20.416 of February 5, 2019, the state of Goiás reduced from January 27, 2015 to April 24, 2012 the period of operation of the Funac fund and the tax benefit system that allowed Celg Distribuição SA - Celg-D (now Enel Distribuição Goiás) to offset ICMS (tax on the circulation of goods and services, similar to VAT) against the tax credit for Celg-D investments to develop and maintain its grid. On February 25, 2019, Celg-D appealed the provisions of Law no. 20.416 of February 5, 2019 on a precautionary basis ("writ of mandamus") before the Court of the state of Goiás, which denied the appeal on February 26, 2019. Celg-D appealed this ruling and the Court of the state of Goiás allowed the appeal on June 11, 2019. On October 1, 2019, the Court of the state of Goiás issued an order revoking the precautionary measure previously granted in favor of Celg-D. Celg-D filed an appeal against this decision, claiming that the right to guarantee tax credits has both

a legal and contractual basis and that, therefore, the actions that the state of Goiás has taken in order to fully suspend the application of these laws are patently unfounded. On April 26, 2019, Law no. 20.468 was promulgated. With the law, the state of Goiás revoked the tax relief referred to above in its entirety. On May 5, 2019, Celg-D filed a petition and a request for a precautionary suspension against the state of Goiás to contest this law. On September 16, 2019, the Court of the state of Goiás denied the petition for precautionary relief, upholding the repeal of the tax benefit of the ICMS. On September 26, 2019, Celg-D filed an appeal against the decision denying the precautionary suspension, claiming that the repeal of the tax credit law is unconstitutional to the extent that these credits were established in accordance with applicable law and constitute acquired rights.

Amendment of regulatory framework for hydroelectric concessions

The changes introduced with Decree Law 135 of December 14, 2018 (the "Simplification Decree"), ratified into law in February 2019, included the amendment of the criteria for the reassignment and extension of concessions and possible in-

demnities for outgoing concessionaires. These rules will be completed with implementing provisions to be enacted by the regions and the competent authorities.

Disposal of 100% of Mercure Srl

On March 1, 2019, the sale of 100% of Mercure Srl was finalized with the receipt of a provisional €162 million, subsequently adjusted to €168 million, corresponding to the valuation of the business unit at the reference date of January 1, 2018.

Acquisition of 650 MW of renewables capacity from its North American joint venture EGPNA REP

On March 14, 2019, Enel Green Power North America Inc. finalized the acquisition of 100% of seven renewable generation plants totaling 650 MW from Enel Green Power North

America Renewable Energy Partners LLC, an equally owned joint venture. The total paid for the transaction amounted to \$256 million, for an enterprise value equal to \$900 million.

Acquisition of Tradewind, a US renewables development company

On March 26, 2019, Enel Green Power acquired Tradewind Energy, a renewables project development company, which includes 13 GW of wind, solar and storage projects located

in the United States. The agreement also envisaged the sale of Savion, a subsidiary of Tradewind, to the Green Investment Group.

Increase in stake in Enel Américas

In April 2019, Enel SpA increased its stake in its Chilean subsidiary Enel Américas to 56.8% from 51.8% following the settlement of two share swap transactions entered into in October 2018 with a financial institution to acquire up to 5% of the share capital of Enel Américas.

On June 28, 2019, Enel SpA entered into two share swap contracts with a financial institution to increase its interest in its listed Chilean subsidiary Enel Américas SA by up to 5% of

share capital from its current 56.8%.

On September 3, 2019, Enel SpA successfully completed a capital increase at its Chilean subsidiary Enel Américas SA in the total amount of \$3 billion. Enel increased its stake in Enel Américas to 57.26% from its previous holding of 56.8%.

At December 31, 2019, Enel held a total interest of 59.97% in Enel Américas.

Enel refinances hybrid bonds

On May 15, 2019, Enel successfully launched a euro-denominated non-convertible bond on the European market in

the form of a subordinated hybrid security with a maturity of about six years, amounting to €300 million.

Resolution of outstanding regulatory issues in Argentina has positive impact for the Enel Group

On May 17, 2019, Edesur signed two agreements with the Argentine government that enabled the settlement of a number of pending regulatory issues, allowing the Enel Group to

operate within a stable and fully defined framework, with a significant positive impact on EBITDA.

Sale of 540 MW of renewables capacity in Brazil

On May 31, 2019, Enel Green Power Brasil Participações Ltda closed the sale of 100% of three operational renewables plants totaling 540 MW to the Chinese company CGN Energy In-

ternational Holdings Co. Limited for R\$2.9 billion, equivalent to about €660 million.

Gradual halt of coal-fired generation in Chile

On June 4, 2019, Enel Generación Chile and GasAtacama Chile, members of the Enel Chile Group, signed an agreement with the Ministry of Energy governing the progressive interruption of generation at the Tarapacá, Bocamina I and Bocamina II coal-fired plants.

Placement of first “General Purpose SDG Linked Bond” in the world

On September 6, 2019, Enel Finance International NV placed a single-tranche “sustainable” bond for US institutional investors on the US and international markets. The bond totaled \$1.5 billion, equal to about €1.4 billion.

Brindisi plant - Ash dispute

With regard to the criminal investigation initiated by the Public Prosecutor’s Office of the Court of Lecce in 2017 concerning the use of fly ash, in the cement industry, on August 1, 2018, the Lecce Public Prosecutor lifted its seizure of the plant, with the termination of the judicial custody/administration of the facility and the restitution of about €523 million to Enel Produzione. However, the preliminary investigation is continuing both against the accused individuals and the company pursuant to Legislative Decree 231/2001. On October 10, 2018, the Definitive Technical Report was filed. On December 6, 2018, the investigating magistrate of the Court of Lecce, at the request of the Public Prosecutor, scheduled a hearing for January 22, 2019, to receive testimony from the experts on the report. The investigating magistrate then postponed the hearing until April 15, 2019. Following this hearing, the experts reiterated the accuracy of the assessment and the non-hazardous nature of the ash produced by the thermoelectric plant and the possibility of using that ash in the production of cement. With a notice communicated on June 7, 2019, the Lecce Public Prosecutor announced the completion of the preliminary investigation (pursuant to Article 415-*bis* of the Code of Criminal Procedure) in relation to the criminal proceedings in question. On July 1, 2019, the brief pursuant to Article 415-*bis* of the Code of Civil Procedure was filed jointly by all the defendants, requesting that the case against the defendants and the company be dismissed, given the clear conclusions of the expert testimony, which fully confirmed the appropriateness of the ash management process adopted at the Brindisi plant. On January 9, 2020, the original notices of the preliminary hearing set for January 29, 2020 were received. Due to a number of irregularities in the notices, the hearing was postponed until April 8, 2020.

Halt of generation at coal-fired plants in Iberia

On September 27, 2019, Endesa SA decided to promote the interruption of generation by the coal-fired plants owned by Endesa in Iberia and to assess future options for the related sites, in compliance with the procedures set out in applicable regulations.

Sale of Reftinskaya GRES coal-fired plant in Russia

On October 1, 2019, Enel SpA announced that Enel Russia had transferred ownership of the Reftinskaya GRES coal-fired plant to JSC Kuzbassenergo, owned by Siberian Generating Company.

Placement of first “General Purpose SDG Linked Bond” on the European market

On October 10, 2019, Enel Finance International NV launched a multi-tranche “sustainable” bond for institutional investors on the European market totaling €2.5 billion. The bond is lin-

ked to the achievement of the United Nations Sustainable Development Goals (SDGs) and is the Enel Group’s first “General Purpose SDG Linked Bond” issued on the European market.

Agreement for acquisition of 55% of PayTipperr

On November 14, 2019, Enel X reached an accord to acquire 55% of PayTipperr, a payment institution with agreements with an extensive network of sales outlets.

Increase in stake in Enel Chile by up to 3%

On December 5, 2019, Enel SpA entered into two share swap agreements with a financial institution to increase its interest

in its listed Chilean subsidiary Enel Chile SA by up to 3% from the current holding of 61.9%.

Early redemption of hybrid bond

On December 5, 2019, Enel SpA exercised its early call option for the listed hybrid bond issued on January 15, 2014 on the Irish Stock Exchange with a nominal value of €1,000 million,

in accordance with the terms and conditions envisaged in the prospectus of January 10, 2014.

Endesa industrial relations

After a series of meetings of the Comisión Negociadora del *V Convenio Colectivo de Endesa* (Comisión Negociadora) which began in October 2017 and continued throughout 2018, in view of the impossibility of reaching an agreement, Endesa notified the workers and their union representatives that, with effect from January 1, 2019, the 4th Endesa Collective Bargaining Agreement must be considered terminated in the same way as the “framework guarantee contract” and the “agreement on the voluntary suspension or resolution of employment contracts in the period 2013-2018,” applying from that date the provisions of general labor law, as well as the legal criteria established in the matter.

In December 2019, the most representative union at Endesa decided to abandon the suit pending before the Supreme Court to voluntarily participate in an arbitration proceeding

before the Servicio Interconfederal de Mediación y Arbitraje (SIMA) aimed at resolving the main issues connected with the 5th Endesa Collective Bargaining Agreement.

Accordingly, the proceeding before the Supreme Court is continuing with the three minority unions that had initially initiated the suit together with the larger union.

In parallel, numerous individual suits have been filed by retired staff and ex-employees who had participated in the retirement incentive agreements (AVS) to judicially ascertain that the termination of the 4th Endesa Collective Bargaining Agreement would not impact them. Currently, the majority of these proceedings have been suspended or are being suspended, pending a ruling on the collective issue before the Supreme Court, on whose outcome these proceedings depend.

Regulatory and rate issues

The European regulatory framework

“Clean Energy for all Europeans” legislative package

The “Clean Energy for all Europeans” legislative package, proposed by the European Commission in 2016, laid the foundation necessary for achieving greater integration and regionalization of markets for electricity, balancing, flexibility services and capacity. Following the inter-institutional agreement reached in 2018, the following regulations and directives completing the package were published in the Official Journal of the European Union on June 14, 2019: the Electricity Market Regulation (2019/943), the ACER Regulation (2019/942), the Risk Preparedness Regulation (2019/941) and the Electricity Market Directive (2019/944). The measures entered force on July 4, 2019, with the regulations taking immediate effect, while the directive must be transposed into the law of the various EU countries by December 31, 2020.

The new legislation fosters the integration of the different technologies and the participation of diverse market operators. It also opens up the possible development of mechanisms to provide long-term signals to investment in decarbonization (e.g. auctions, PPAs) and the adequacy of the electricity system (the capacity market).

The “Clean Mobility” legislative package

The “Clean Mobility” legislative package, proposed by the European Commission in three separate packages between 2017 and 2018, contains a series of legislative proposals and other initiatives intended to make traffic safer, reduce CO₂ emissions and air pollution, support the development of zero- and low-emission vehicles and the creation of a supply chain for the production of European batteries. In 2019, following an inter-institutional agreement reached in 2018, the final legislation completing the package was published in the Official Journal of the European Union. Regulation (EU) 2019/631 setting CO₂ emission performance standards for new passenger cars and for new light commercial vehicles for 2025 and 2030

was published in the Official Journal of the European Union on April 25, 2019 and entered force on May 15, 2019. Regulation (EU) 2019/1242 setting CO₂ emission performance standards for new heavy-duty vehicles for 2025 and 2030 was published in the Official Journal of the European Union on July 25, 2019 and entered force on August 14, 2019. Finally, Directive (EU) 2019/1161 on the promotion of clean and energy-efficient road transport vehicles was published in the Official Journal of the European Union on July 12, 2019 and entered force on August 1, 2019. While the regulations will be directly applicable following the publication of the text in the Official Journal of the European Union, the directive will have to be transposed with specific legislation in the Member States within two years of entry into force.

Sustainable finance

In December 2019 the European Parliament and the Council of the European Union reached an agreement on a proposed regulation on a classification system for sustainable economic activities (taxonomy), with the aim of enhancing private and public investments to finance the transition to a climate neutral and green economy. Formal approval of the regulation is expected to come in the 1st Quarter of 2020.

Also in December 2019, a regulation concerning low-carbon benchmarks and positive carbon impact benchmarks was formally approved (amending the previous Regulation (EU) 2016/1011).

The two regulations are part of a sustainable finance package, which also includes a proposal for a regulation on disclosures relating to sustainable investment and sustainability risks, amending Directive (EU) 2016/2341 (IORPs), and the establishment of a European green bond standard to increase transparency and comparability in this market, in support of sustainable finance.

“European Green Deal” Communication

On December 11, 2019, the European Commission presented the “European Green Deal” (EGD). The communication outlines a series of initiatives aimed at enabling European citizens and businesses to benefit from a green and sustainable transition. It is an integral part of the European Commission’s strategy to implement the United Nations’ 2030 agenda for sustainable development. The European Green Deal includes initiatives on climate, environment, industrial strategy, green finance, financing, sustainability and society and legislative proposals that will be presented in 2020 and 2021.

- > The Commission will propose the first European ‘Climate Law’ by March 2020, aimed at reflecting greater climate ambition and enshrining the 2050 European climate neutrality objective in legislation.
- > An assessment of measures to increase the EU’s greenhouse gas emission reductions target for 2030 to at least 50% and towards 55% (replacing the current reduction target of 40%) is also envisaged. To this end, the European Commission will launch a review of all relevant climate-related policy instruments in order to align them with the new climate targets. This will comprise the Emissions Trading System (ETS) and the possibility of extending it to new sectors, the Energy Taxation Directive and the introduction of a “carbon border adjustment mechanism” for specific sectors aimed at reducing the risk of “carbon leakage” and preserving the competitiveness of EU industry.
- > The update of the national energy and climate plans envisaged in 2023 will be assessed with a view to increasing climate ambitions and supporting renewable energy. In addition, a process will be launched to review the legislative dossiers relating to energy and the development of energy infrastructures.
- > During 2020, initiatives will be proposed to support offshore wind and the smart integration of various sectors.
- > A new industrial strategy aimed at achieving the climate neutrality objective and an action plan for the circular economy are expected in March 2020. Furthermore, support for IPCEIs, large alliances and new forms of cooperation with industry and support for investments in strategic value chains will be strengthened.
- > In 2020, a strategy for sustainable and intelligent mobility will be presented aimed at making transport more efficient and cleaner. In addition, the Commission will propose the

phasing out of fossil fuel subsidies, the extension of the ETS to the maritime sector, the revision of TEN-T and the Alternative Fuels Infrastructure Directive and the revision of the regulations concerning pollution and greenhouse gas emissions for internal combustion vehicles.

- > A new initiative will be presented aimed at promoting building renovation with the aim of combating both climate change and energy poverty, and the extension of the ETS to include emissions from buildings will be considered.
- > An action plan to reduce air, water and soil pollution will be adopted in 2021, including a revision of air quality standards and measures to address pollution from large industrial plants.
- > A proposal will be advanced for a new sustainable investment plan that includes a “just transition mechanism” and “just transition fund” aimed at helping vulnerable regions and sectors that are heavily dependent on fossil fuels and mobilizing the funds necessary to achieve the objectives of the European Green Deal.
- > The European Investment Bank (EIB) will be transformed into a “climate bank” by allocating 50% of all lending to projects aimed at achieving climate objectives.
- > Resources in EU funding programs will be reallocated so that at least 25% of their budgets go to climate-related projects and activities (30% of the InvestEU Fund).
- > By 2021, EU guidelines on state aid, including environmental and energy aid, will be revised, while support will be given to national tax reforms designed to increase public investment by EU countries to achieve the objectives set out in the European Green Deal.

State aid rules

After the lengthy reform of the rules governing state aid initiated in 2012, known as “State Aid Modernization”, the European Commission has decided to prolong the validity of the regulations, communications and guidelines expiring in 2020 until 2021.

At the same time, the Commission began a review process for state aid rules, which will be completed by the end of 2021.

Last July, the first phase of a public consultation on aid for environmental protection and energy was completed (Communication 2014/C 200/01 and Section 7 of Regulation (EU) no. 651/2014). The guidelines involved in the evaluation were considered effective, however most responses underscored the need for a revision of state aid rules to ensure consistency with current technological and economic developments.

These initiatives, which lie within the exclusive remit of the European Commission, fall within the more general framework of the European Green Deal and the EU's ambitious decarbonization objectives. The Commission has repeatedly

defined state aid as an essential component of the effective development of policies to achieve climate neutrality by 2050. State aid is an instrument to mobilize additional national resources to support those deployed at the European level.

Regulatory framework by business area

Thermal Generation and Trading

Italy

The essential plants of Assemini and Portoferraio have been declared eligible for cost reimbursement for 2019 and 2020.

The Brindisi Sud and Sulcis plants were declared eligible for the 2019-2020 period.

The Porto Empedocle plant is eligible for long-term cost reimbursement until 2025.

For 2019 and 2020, the remaining part of essential capacity was contracted under alternative contracts which under current regulations require the supply of capacity to the ancillary services market for a fixed premium.

In 2019, the Regulatory Authority for Energy, Networks and the Environment (ARERA) adopted a series of measures regarding the reimbursement of costs to essential plants. More specifically, they regarded:

- > the final adjustment for 2016 for the Assemini and Portoferraio plants;
- > payments on account for 2018 for the Brindisi Sud, Assemini, Porto Empedocle and Portoferraio plants;
- > payments on account for 2019 for the Brindisi Sud, Assemini, Porto Empedocle and Sulcis plants.

On June 28, 2019, the Minister for Economic Development issued a decree approving the definitive rules governing the capacity remuneration mechanism (the capacity market). On November 6 and November 28, 2019 two auctions were held with delivery in 2022 and 2023 respectively: Enel was awarded capacity for both years. Some operators and a sectoral trade association contested the decree and the results of the two auctions. A decision is pending before the Lombardy Regional Administrative Court in Milan.

ARERA has confirmed the transitional capacity remuneration mechanism (the so-called "capacity payment") for the years 2020 and 2021, so as to ensure continuity with the new capacity market, which will produce a financial impact starting from 2022.

Latin America

Chile

Rate revision - Introduction of the Transitional Electricity Price Stabilization Mechanism

On November 2, 2019, Law 21.185 of the Ministry of Energy was published. It introduced a Transitional Electricity Price Stabilization Mechanism for customers on the regulated market. Consequently, the prices to be charged to regulated customers in the 2nd Half of 2019 were set at the level of those applied in the 1st Half of 2019 (Decree 20T/2018) and were defined as "Stabilized Prices for Regulated Customers" (PEC).

Between January 1, 2021 and the termination of this mechanism, the prices charged will be those set every six months on the basis of Article 158 of the Electricity Act and cannot exceed the PEC adjusted for consumer price inflation.

Any differences between the amount billed in application of the stabilization mechanism and the theoretical bill determined on the basis of considering the price that would have been applied under the terms of contracts with the various electricity distribution companies will be recognized by generators as receivables for invoices to be issued, up to an overall maximum of \$1,350 million until 2023. These differences will be recognized in US dollars and will not accrue interest until the end of 2025. Any imbalances in favor of the generation companies will have to be recovered no later than December 31, 2027.

Enel Green Power

Italy

The Ministerial Decree of July 4, 2019 provided for competitive procedures based on Dutch auctions and registers, depending on the installed capacity and by technology groups, including photovoltaic systems. In particular, up to September 2021, seven procedures will be held with:

- > Dutch auctions for plants with a capacity of more than 1 MW;
- > registers for plants with a capacity of less than 1 MW.

Unlike previous decrees, the Ministerial Decree of July 4, 2019 provides for a new method for supporting renewable sources through two-way contracts for differences under which the successful tenderer returns any positive differences between the zonal price and the auction price.

These incentive mechanisms will terminate when an indicative cumulative annual cost of the incentives reaches €5.8 billion. At November 30, 2019 the indicative annual cumulative cost was around €5.0 billion.

Europe and Euro-Mediterranean Affairs

Greece

Last December, Law 4643/2019 was approved, transposing European legislation on priority dispatch and liberalizing access to forms of long-term bilateral contracting for the sale of electricity from renewable sources.

Also in December, the Ministry of Energy applied to the European Commission for extension of the current remuneration mechanisms for interruptibility services (Security of Supply Transitional Duty - SSTD and Transitory Flexibility Remuneration Mechanism - TFRM). Both mechanisms expired at the end of 2019. The SSTD, which has operated since 2016, is financed by all electricity producers, in particular renewable generators, based on revenue. The TFRM is funded by electricity consumers.

Greece has approved an ambitious national energy and climate plan, which sets new targets for the development of renewable sources equal to 35% of final gross energy consumption and includes a plan for the gradual closure of lignite-fired plants by 2023.

During 2019, competitive auctions awarded long-term supply contracts for approximately 1 TW of wind and photovoltaic capacity.

Bulgaria

With the amendments of the energy law introduced last May, the incentive mechanism for renewable generation plants with a capacity of between 1 and 4 MW has changed. Starting from January 1, 2019, electricity generated by renewable plants will be sold through the Bulgarian energy exchange (IBEX) and will take account of spot electricity prices.

Africa, Asia e Oceania

South Africa

The main event was the publication in October 2019 of the new long-term electrical development plan (the Integrated

Resource Plan or IRP). IRP 2019 envisages the withdrawal of 11 GW of coal capacity by 2030 (in parallel with 1,500 MW of new coal-fired plants). Furthermore, again by 2030, 6 GW of new solar photovoltaic and 14.4 GW of new wind are planned. The Carbon Offset Regulations have been published. They will allow renewable energy plants that meet certain requirements to generate emission reduction credits and to sell them to companies subject to the carbon tax.

Australia

The most important political event of the year was the federal election in May 2019, which saw the re-election of the conservative Liberal Party, which is in favor of a coal-based energy policy. The election result led to a slowdown in the renewable energy market, with a significant decline in capacity under development (-60% compared with the investments recorded in the previous year according to BNEF). The stalemate is exacerbated by the complexity and length of connection and permitting processes.

These developments are complicated by the uncertain outcome of two procedures (Coordination of Generation and Transmission Investment - Post 2025 Market Design for the NEM) currently under way, which could lead to the overall re-definition of the National Electricity Market (NEM). However, the draft decisions prepared to date by the competent authorities confirm some of the schemes deemed ineffective by most investors (e.g. management of losses on transmission networks).

India

Last year saw the re-election of Prime Minister Modi, which will continue his policy of supporting renewables over the next five years. 12 GW were installed in 2019 alone, bringing renewables capacity in the country to 86 GW.

Various regulatory measures have been introduced to encourage renewables, including a 25-year exemption from transmission costs for wind and solar projects and a the reduction in the corporate tax from 34% to 25%.

Infrastructure and Networks

Italy

The rate for the fifth regulatory period (2016-2023) is governed by ARERA Resolution no. 654/2015/R/eel. This period lasts eight years and is divided into two sub-periods of four years each (NPR1 for 2016-2019 and NPR2 for 2020-2023).

With regard to the NPR2 period, on December 27, 2019 ARE-

RA published Resolution no. 568/2019/R/eel, with which it updated rates for distribution and metering services in force in the 2020-2023 period, publishing the new integrated texts (TIT 2020-2023 and TIME 2020-2023), substantially confirming the pre-existing regulatory framework regarding the return on capital and depreciation and making only a few changes to the methods for recognizing operating costs.

With Resolution no. 639/2018/R/com, ARERA set the value of the WACC for distribution and metering activities, valid for the 2019-2021 period, at 5.9%, up 0.3 points compared with the 5.6% in force for 2016-2018.

As for distribution and metering rates, ARERA approved both the definitive reference rates for 2018, calculated by taking into account the actual balance sheet data for 2017 (Resolution no. 76/2019/R/eel), and the provisional reference rates for 2019 on the basis of the preliminary balance sheet data for 2018 (Resolution no. 117/2019/R/eel). The definitive reference rates for 2019 are expected to be published in the early months of 2020.

With regard to service quality, ARERA, with Resolution no. 646/2015/R/eel as amended, established output-based regulation for electricity distribution and metering services, including the principles for regulation for 2016-2023 (TIQE 2016-2023). With Resolution no. 566/2019/R/eel, ARERA completed the update of the TIQE for the 2020-2023 semi-period, proposing tools to bridge gaps in quality of service still existing between the various areas of the country, taking account of the time needed to implement interventions on the grid as well as the effects of climate change.

With Resolution no. 534/2019/R/eel, ARERA published the list of interventions in the 2019-2021 Resilience Plan of e-distribuzione eligible for the bonus-penalty mechanism envisaged under the provisions of Resolution no. 668/2019/R/eel, which introduced an incentive mechanism for investments to increase the resilience of distribution grids in terms of resistance to loads deriving from extreme weather events.

Energy efficiency - White certificates

With decision no. 2538/2019 published on November 28, 2019, the Lombardy Regional Administrative Court, ruling that the Ministry for Economic Development did not have jurisdiction, voided the part of Interministerial Decree of May 10, 2018 setting the cap on the rate subsidy pertaining to distribution companies at €250/EEC and, consequently, Resolutions no. 487/2018/R/efr and no. 209/2019/R/efr, with which ARERA had updated the rules for determining the rate subsidy. As a result, ARERA initiated a procedure for amending the

rate subsidy to be paid to distributors with Resolution no. 529/2019/R/efr.

Grid Code

ARERA issued Resolution 50/2018/R/eel, which introduces a reimbursement mechanism for non-recoverable receivables of distribution companies in respect of the general system charges paid to the Energy and Environmental Services Fund (CSEA) and Energy Services Operator (GSE) but not collected by defaulting sellers whose transport contract has been terminated. The provision permits the recognition of receivables accrued as from January 2016. This resolution was also challenged by a number of operators and a consumer association, but all appeals were denied and the rulings are definitive.

Resolution no. 495/2019/r/eel also provided for the payment by March 2020 of default interest on the system charges requested from distribution companies with order of 2018, while, once fully operational, that will be replaced by legal interest automatically calculated by CSEA.

With Resolution no. 655/2018/R/eel, ARERA intervened to supplement the CADE in order to allow the termination of a transport contract even in the event of failure to adjust guarantees following changes in turnover/number of customers. This resolution was also challenged by an operator and the judgment is currently pending before the Milan Regional Administrative Court. In response to traders failing to reinstate enforced guarantees, or failure to pay transport service fees, e-distribuzione sought to terminate certain transport contracts, with the consequent filing of new suits (additional to those previously filed as a precautionary measure to hinder the procedures for enforcing the sureties initiated by e-distribuzione following the non-payment of the fees invoiced to the traders, all of which were decided in favor of e-distribuzione), with which the traders are contesting the termination of the contract and claiming damages. e-distribuzione is participating in the proceedings in order to contest the plaintiffs' opposing and to request payment, in a counterclaim, where necessary, of its receivable in respect of the traders.

Europe and Euro-Mediterranean Affairs

Romania

In 2019, the first year of the fourth regulatory cycle, the national regulatory authority ANRE revised the assumptions underlying the calculation of regulated revenue up to the year 2023, adopting a structure closer to the Enel business model. The effects were favorable for distribution activities for the 2019 financial year as well. Furthermore, thanks to a government decision,

the regulated rate of return was increased from 5.66% to 6.9% with the aim of increasing investment in grids.

Latin America

Brazil

Rate revision for Enel Distribuição Rio (2019)

The rate revision of Enel Distribuição Rio provisionally approved on March 13, 2018, in accordance with Resolution no. 2.377, was subsequently approved by the regulatory authority ANEEL on March 12, 2019, resulting in an average increase for customers of around 9.70%.

This increase applied from March 15, 2019 to March 31, 2019.

Extraordinary rate revision for Enel Distribuição Rio (2019)

On March 20, 2019, ANEEL authorized the Câmara de Comercialização de Energia Elétrica (CCEE) to finalize the agreement with eight banking groups to bring forward payment of the CDE-ACR (the so-called "rate deficit") for September 2019.

This decision was reflected in the rates applied by Enel Distribuição Rio, which increased by 7.59%.

These rates apply to the period from April 1, 2019 to March 14, 2020.

Rate revision for Enel Distribuição Ceará (2019)

On April 18, 2019, ANEEL approved the fifth periodic revision of the rates of Enel Distribuição Ceará, which applied as from April 22, 2019. The average increase was 8.22%.

Rate revision for Enel Distribuição São Paulo (2019)

On July 2, 2019, ANEEL approved the fifth periodic revision of the rates of Enel Distribuição São Paulo, which applied as from April 22, 2019. The new rates produced an average increase of 7.03%.

The next rate review is expected in four years.

Rate revision by Enel Distribuição Goiás (2019)

On October 22, 2019, ANEEL approved a new rate revision for Enel Distribuição Goiás, which took effect from the same date. The new rates produced an average decrease of 3.90%.

Argentina

Rate revision for Edesur (2019)

On February 1, 2019, Resolutions ENRE 24/2019 and 26/2019 were published in the Official Journal. The first approved the values of the rate table to be applied with effect from Fe-

bruary 1, 2019, based on consumer price inflation, established with Resolution SGE 366/2019. It also includes an increase in the FNEE, which went from \$15.5/MWh to \$80/MWh. The second resolution (26/2019) approved the new distribution rates, which took effect from the same date (February 1, 2019), establishing that the increases of February 2019 in the VAD (Aggregate Distribution Value) will be applicable from March 1, 2019. The changes reflect the variation of 23.57% in the MMC from August 23, 2018 to February 19, 2019, the X factor of -5.42% and the Q factor (investments) of 1.74%.

End-user Markets

Italy

Electricity

With Resolution no. 706/2018/R/eel, ARERA updated for 2019 the rate component covering the marketing costs of the operators of the enhanced protection service (RCV) and the levels of the PCV fee, which represents the reference price for sellers on the free market. Resolution no. 576/2019/R/eel updated the levels of the RCV and PCV for 2020.

With Resolution no. 119/2019/R/eel, ARERA introduced measures to enhance the efficiency of managing fraudulent withdrawals of power by end users in the enhanced protection market and amended the existing compensation mechanism for the amounts not collected in respect of such withdrawals. Servizio Elettrico Nazionale has appealed the resolution and the related judgment is pending before the Lombardy Regional Administrative Court in Milan.

Gas

With resolution no. 32/2019/R/gas ARERA established the rules for settling financial items between sellers and end users for the 2010-2012 period with regard to the gas commodity for the safeguard service, in compliance with the Council of State ruling 4825/2016. With Resolution no. 707/2018/R/gas, ARERA updated the QVD component of the financial conditions of the natural gas safeguard service for 2019. Resolution no. 577/2019/R/gas updated the QVD for 2020.

Decree Law 162 of December 30, 2019 (the "Milleproroghe" omnibus extension act), currently being ratified into law, extended the date previously set for eliminating price protection mechanisms in the electricity and gas sectors from July 1, 2020 to January 1, 2022.

Iberia

Spain

Energy efficiency

Law 18/2014 of October 15 containing urgent measures for growth, competition and efficiency created a National Energy Efficiency Fund to help achieve energy efficiency objectives. The TEC/332/2019 decree of March 20 established that Endesa would be required to make a contribution for 2019 of €29 million to the National Energy Efficiency Fund.

The TEC/1080/2019 decree of October 23 established Endesa's share of financing of the Bonus Social for 2019 at 36.26%, compared with the previous 37.15%.

Europe and Euro-Mediterranean Affairs

Romania

Electricity market

Following a government emergency order issued in late 2018, which represented a step backwards in the process of deregulating the electricity and gas markets in Romania, customers who had elected to enter the free market were authorized to return to the regulated regime, generating losses for service providers in the free market. These losses were caused by the decision of the national regulatory authority ANRE to not reimburse the total costs incurred to provision electricity supplied to end users in the regulated regime. This continued in 2019. At the end of 2019 and throughout 2020, the national regulatory authority adopted a series of regulated bilateral wholesale contracts with low-cost generators for the protected retail segment that will enable recovery of the losses of the past two years.

Ireland

Capacity market

Following the proposal of the capacity market operator, which was presented in June 2018 and approved by the Irish energy regulators, as from October 1, 2019, demand response resources were de-rated by 33%, with an adverse impact on their commercial value.

Russia

Gas market

The order of Russia's Federal Antimonopoly Service concerning the indexation of gas rates for the 2nd Half of 2019 and the 1st Half of 2020 was published on June 6, 2019. Gas prices for industrial uses in the regions in which Enel power plants operate increased by 1.4% compared with the 1st Half of 2019.



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5. OUTLOOK
REPORT
ON OPERATIONS

Outlook

The 2020-2022 Strategic Plan, presented in November 2019, is founded on a sustainable and fully integrated business model that the Group has adopted since 2015. It is designed to enable Enel to seize the opportunities presented by the energy transition and linked to the global trends that are sweeping through the energy industry: decarbonization and electrification. The digitalization of grids and the adoption of platforms for all customer-related activities will be enablers of the Group's strategy, which aims to accelerate the growth of renewables to offset a reduction in thermal generation. More specifically, the 2020-2022 Investment Plan envisages that:

- > investments in **decarbonization** will amount to about €14.4 billion (50% of total capex) and will be aimed at developing new renewable capacity and gradually replacing conventional generation assets. Decarbonization's contribution to EBITDA growth will be equal to €1.4 billion over the plan period. Renewable capacity is expected to reach 60% of total capacity in three years, driving the increase in the profitability of plant assets and increasing output with zero CO₂ emissions to 68% of the total in 2022. The sharp acceleration in the growth of renewables will support the Group's pursuit of the goal of achieving total decarbonization of the generation mix by 2050;
- > about €1.2 billion of investment will be dedicated to the **electrification** of energy consumption, leveraging the growth and diversification of the retail customer base and the efficiencies associated with the transfer of activities to platforms. The expected contribution of these investments to the Group's EBITDA growth amounts to €0.4 billion;
- > some €13 billion will be invested in the factors enabling the energy transition, **infrastructure** and **ecosystems and platforms**, to improve the quality and resilience of grids through digitalization and creating services and infrastructure in support of decarbonization and electrification. The ex-

pected contribution to EBITDA growth is about €1.1 billion.

Overall, the Group expects to invest €28.7 billion over the course of the plan, producing forecast EBITDA of €20.1 billion in 2022. More than 90% of investments will directly impact three main SDGs: SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure) and SDG 11 (Sustainable Cities and Communities), thus contributing to SDG 13 for climate action.

Under our dividend policy, over the plan period Enel will continue to pay out a dividend equal to the greater of 70% of consolidated ordinary net income and a guaranteed minimum dividend per share, with a compound annual growth rate of 8.6% for the implicit DPS and 7.7% for the minimum DPS.

Expectations for 2020 envisage:

- > an acceleration of investment in support of industrial growth to drive decarbonization, in renewable energy, especially in Latin America and North America;
- > further progress in the digitalization of distribution grids, mainly in Italy and Latin America, with the aim of improving the service quality and increasing grid flexibility and resilience;
- > an increase in investment devoted to the electrification of energy consumption, with the aim of leveraging the expansion of the customer base, and to continuous efficiency enhancement, supported by the creation of global business platforms.

The progress achieved for each of the enabling factors and the fundamental principles of the Strategic Plan enable us to confirm our financial targets for 2020. Furthermore, based on the key elements set out above, the financial targets underpinning the Group's 2020-2022 Strategic Plan are outlined below.

Financial targets

	2019	2020	2021	2022	CAGR (%) 2019-2022
Ordinary EBITDA (€bn)	17.9	18.6	19.4	20.1	+3.9%
Net ordinary income (€bn)	4.8	5.4	5.8	6.1	+8.3%
Pay-out ratio	70%	70%	70%	70%	-
Implicit DPS (€/share)	0.328	0.37	0.40	0.42	+8.6%
Minimum dividend per share (€)	0.32	0.35	0.37	0.40	+7.7%

Other information

Non-EU subsidiaries

At the date of approval by the Board of Directors of the financial statements of Enel SpA for 2019 – March 19, 2020 – the Enel Group meets the “conditions for the listing of shares of companies with control of over companies established and regulated under the law of non-EU countries” (hereinafter “non-EU subsidiaries”) established by CONSOB with Article 15 of the Markets Regulation (approved with Resolution no. 20249 of December 28, 2017).

Specifically, we report that:

- > in application of the materiality criteria for the purposes of consolidation referred to in Article 15, paragraph 2, of the CONSOB Market Regulation, 32 non-EU subsidiaries of the Enel Group have been identified to which the rules in question apply on the basis of the consolidated accounts of the Enel Group at December 31, 2018;
- > they are: 1) Ampla Energia e Serviços SA (a Brazilian company belonging to Enel Américas); 2) Celg Distribuição SA - Celg-D (a Brazilian company belonging to Enel Américas); 3) Codensa SA ESP (a Colombian company belonging to Enel Américas); 4) Companhia Energética do Ceará - Coelce (a Brazilian company belonging to Enel Américas); 5) Eletropaulo Metropolitana Eletricidade de São Paulo SA (a Brazilian company belonging to Enel Américas); 6) Emgesa SA ESP (a Colombian company belonging to Enel Américas); 7) Empresa Distribuidora Sur SA - Edesur (an Argentine company belonging to Enel Américas); 8) Enel Américas SA (a Chilean company controlled directly by Enel SpA); 9) Enel Brasil SA (a Brazilian company belonging to Enel Américas); 10) Enel Brasil Investimentos Sudeste SA (a company merged into Eletropaulo Metropolitana Eletricidade de São Paulo SA on November 6, 2019); 11) Enel Chile SA (a Chilean company controlled directly by Enel SpA); 12) Enel Distribución Chile SA (a Chilean company belonging to Enel Chile); 13) Enel Distribución Perú SAA (a Peruvian company belonging to Enel Américas); 14) Enel Fortuna SA (a Panamanian company belonging to Enel Green Power); 15) Enel Generación Chile SA (a Chilean company belonging to Enel Chile); 16) Enel Generación Perú SAA (a Peruvian company belonging to Enel Américas); 17) Enel Green Power Brasil Participações Ltda (a Brazilian company belonging to Enel Green Power); 18) Enel Green Power Chile Ltda (a Chilean company belonging to Enel Chile); 19) Enel Green Power del Sur SpA (a Chilean company belonging to Enel Chile); 20) Enel Green Power Diamond Vista Wind Project LLC (a US company belonging to Enel North America); 21) Enel Green Power Rattlesnake Creek Wind Project LLC (a US company belonging to Enel North America); 22) Enel Green Power RSA (Pty) Ltd (a South African company belonging to Enel Green Power); 23) Enel Green Power Perú SAC (a Peruvian company belonging to Enel Green Power); 24) Enel Kansas LLC (a US company belonging to Enel North America); 25) Enel North America Inc. (formerly Enel Green Power North America Inc., a US company controlled directly by Enel SpA); 26) Enel Perú SAC (a Peruvian company belonging to Enel Américas); 27) Enel Russia PJSC (a Russian company controlled directly by Enel SpA); 28) Enel X North America Inc. (a US company belonging to Enel X); 29) Gas Atacama Chile SA (a company merged into Enel Generación Chile SA on October 1, 2019); 30) Geotérmica del Norte SA (a Chilean company belonging to Enel Chile); 31) Rock Creek Wind Project LLC (a US company belonging to Enel North America); 32) Thunder Ranch Wind Project LLC (a US company belonging to Enel North America);
- > the balance sheet and income statement of the above companies included in the reporting package used for the purpose of preparing the 2019 consolidated financial statements of the Enel Group will be made available to the public by Enel SpA (pursuant to Article 15, paragraph 1a) of the Market Regulation) at least 15 days prior to the day scheduled for the Ordinary Shareholders’ Meeting called to approve the 2019 financial statements of Enel SpA together with the summary statements showing the

essential data of the latest annual financial statements of subsidiaries and associated companies (pursuant to the applicable provisions of Article 77, paragraph 2-*bis*, of the CONSOB Issuers Regulation approved with Resolution no. 11971 of May 14, 1999);

- > the articles of association and composition and powers of the control bodies from all the above subsidiaries have been obtained by Enel SpA and are available in updated form to CONSOB where the latter should request such information for supervisory purposes (pursuant to Article 15, paragraph 1b) of the Markets Regulation);
- > Enel SpA has verified that the above subsidiaries:
 - provide the auditor of the Parent Company, Enel SpA, with information necessary to perform annual and interim audits of Enel SpA (pursuant to Article 15, paragraph 1 (letter c-i) of the Markets Regulation);
 - use an administrative and accounting system appropriate for regular reporting to the management and auditor of the Parent Company, Enel SpA, of income statement, balance sheet and financial data necessary for preparation of the consolidated financial statements (pursuant to Article 15, paragraph 1 (letter c-ii) of the Markets Regulation).

Approval of the financial statements

The Shareholders' Meeting called to approve the financial statements, as provided for by Article 9.2 of the Bylaws of Enel SpA, shall be called within 180 days of the close of the financial year.

The use of that time limit rather than the ordinary limit of 120

days from the close of the financial year, permitted under Article 2364, paragraph 2, of the Italian Civil Code, is justified by the fact that the Company is required to prepare consolidated financial statements.

Disclosures on financial instruments

The disclosures on financial instruments required by Article 2428, paragraph 2, no. 6-*bis* of the Italian Civil Code are reported in note 31 "Financial instruments"; note 32 "Risk ma-

agement"; note 33 "Derivatives and hedge accounting" and note 34 "Fair value measurement" to the separate financial statements of Enel SpA.

Transactions with related parties and disclosures

For more information on transactions with related parties, please see note 49 to the consolidated financial statements.

Own shares

As of December 31, 2019, treasury shares are represented by 1,549,152 ordinary shares of Enel SpA with a par value of €1.00 each, purchased through a qualified intermediary for a total value of €10 million.

The Shareholders' Meeting authorized the Board of Directors to purchase treasury shares in order to pursue the purposes of the 2019 LTI Plan.

Atypical or unusual operations

Pursuant to the CONSOB Notice of July 28, 2006, Enel did not carry out any atypical or unusual operations in 2019.

Such operations include transactions whose significance, size, nature of the counterparties, subject matter, method

for calculating the transfer price or timing could give rise to doubts concerning the propriety and/or completeness of disclosure, conflicts of interest, preservation of company assets or protection of minority shareholders.

Subsequent events

Significant events following the close of the year are discussed in note 54 to the consolidated financial statements.

Reconciliation of shareholders' equity and net income of Enel SpA and the corresponding consolidated figures

Pursuant to CONSOB Notice no. DEM/6064293 of July 28, 2006, the following table provides a reconciliation of Group

results for the year and shareholders' equity with the corresponding figures for the Parent Company.

Millions of euro	Income statement	Shareholders' equity	Income statement	Shareholders' equity
	at Dec. 31, 2019		at Dec. 31, 2018	
Financial statements - Enel SpA	4,792	29,586	3,456	27,943
Carrying amount and impairment adjustments of consolidated equity investments	211	(82,098)	(548)	(78,109)
Shareholders' equity and net income (calculated using harmonized accounting policies) of the consolidated companies and groups and those accounted for using the equity method, net of non-controlling interests	4,428	75,304	7,263	73,975
Translation reserve	-	(3,802)	-	(3,317)
Goodwill	(27)	14,241	(3)	14,273
Intercompany dividends	(7,160)	-	(4,836)	-
Elimination of unrealized intercompany profits, net of tax effects and other minor adjustments	(70)	(2,854)	(543)	(3,045)
TOTAL SHAREHOLDERS OF THE PARENT COMPANY	2,174	30,377	4,789	31,720
NON-CONTROLLING INTERESTS	1,302	16,561	1,561	16,132
CONSOLIDATED FINANCIAL STATEMENTS	3,476	46,938	6,350	47,852



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6. CONSOLIDATED FINANCIAL STATEMENTS



Consolidated financial statements

Consolidated Income Statement

Millions of euro	Notes	2019		2018	
			<i>of which with related parties</i>		<i>of which with related parties</i>
Revenue					
Revenue from sales and services ⁽¹⁾	8.a	77,366	4,804	73,037	5,387
Other income	8.b	2,961	16	2,538	38
	<i>[Subtotal]</i>	80,327		75,575	
Costs					
Electricity, gas and fuel purchases ⁽¹⁾	9.a	33,755	7,189	37,264	7,737
Services and other materials ⁽¹⁾	9.b	18,580	2,617	18,406	2,644
Personnel	9.c	4,634		4,581	
Net impairment/(reversals) of trade receivables and other receivables	9.d	1,144		1,096	
Depreciation, amortization and other impairment losses	9.e	9,682		5,355	
Other operating expenses ⁽¹⁾	9.f	7,276	235	1,769	272
Capitalized costs	9.g	(2,355)		(2,264)	
	<i>[Subtotal]</i>	72,716		66,207	
Net income/(expense) from commodity risk management ⁽¹⁾	10	(733)	11	532	10
Operating income		6,878		9,900	
Financial income from derivatives	11	1,484		1,993	
Other financial income	12	1,637	88	1,715	59
Financial expense from derivatives	11	1,142		1,532	
Other financial expense	12	4,518	46	4,392	55
Net income/(expense) from hyperinflation		95		168	
Share of income/(losses) of equity investments accounted for using the equity method	13	(122)		349	
Income before taxes		4,312		8,201	
Income taxes	14	836		1,851	
Net income from continuing operations		3,476		6,350	
Net income from discontinued operations		-		-	
Net income for the year (shareholders of the Parent Company and non controlling-interests)		3,476		6,350	
Attributable to shareholders of the Parent Company		2,174		4,789	
Attributable to non-controlling interests		1,302		1,561	
<i>Basic earnings/(loss) per share attributable to shareholders of the Parent Company (euro)</i>		<i>0.21</i>		<i>0.47</i>	
<i>Diluted earnings/(loss) per share attributable to shareholders of the Parent Company (euro)</i>		<i>0.21</i>		<i>0.47</i>	
<i>Basic earnings/(loss) per share from continuing operations attributable to shareholders of the Parent Company (euro)</i>		<i>0.21</i>		<i>0.47</i>	
<i>Diluted earnings/(loss) per share from continuing operations attributable to shareholders of the Parent Company (euro)</i>		<i>0.21</i>		<i>0.47</i>	

(1) The 2018 figures have been represented to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of March 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 4.3 of the consolidated financial statements).

Statement of Consolidated Comprehensive Income

Millions of euro	Notes	2019	2018
Net income for the period		3,476	6,350
Other comprehensive income recyclable to profit or loss (net of taxes)			
Effective portion of change in fair value of cash flow hedges		39	(552)
Change in fair value of hedging costs		120	83
Share of the other comprehensive income of equity investments accounted for using the equity method		(57)	(57)
Change in fair value of financial assets at FVOCI		5	(3)
Change in translation reserve		(481)	(1,287)
Other comprehensive income not recyclable to profit or loss (net of taxes)			
Remeasurement of net liabilities/(assets) for employee benefits		(502)	(120)
Change in fair value of equity investments in other entities		-	12
Total other comprehensive income/(loss) for the period	34	(876)	(1,924)
Total comprehensive income/(loss) for the period		2,600	4,426
Attributable to:			
- shareholders of the Parent Company		1,745	3,667
- non-controlling interests		855	759

Consolidated Balance Sheet

Millions of euro		Notes			
ASSETS		at Dec. 31, 2019		at Dec. 31, 2018	
		<i>of which with related parties</i>		<i>of which with related parties</i>	
Non-current assets					
Property, plant and equipment	16	79,809		76,631	
Investment property	19	112		135	
Intangible assets	20	19,089		19,014	
Goodwill	21	14,241		14,273	
Deferred tax assets	22	9,112		8,305	
Equity investments accounted for using the equity method	23	1,682		2,099	
Derivatives	24	1,383	15	1,005	
Non-current contract assets	25	487		346	
Other non-current financial assets	26	6,006		5,769	
Other non-current assets	27	2,701		1,272	
	<i>[Total]</i>	134,622		128,849	
Current assets					
Inventories	28	2,531		2,818	
Trade receivables	29	13,083	896	13,587	1,085
Current contract assets	25	166		135	
Tax receivables		409		660	
Derivatives	24	4,065	8	3,914	52
Other current financial assets	30	4,305	27	5,160	21
Other current assets	31	3,115	183	2,983	165
Cash and cash equivalents	32	9,029		6,630	
	<i>[Total]</i>	36,703		35,887	
Assets classified as held for sale	33	101		688	
TOTAL ASSETS		171,426		165,424	

Millions of euro		Notes			
LIABILITIES AND SHAREHOLDERS' EQUITY		at Dec. 31, 2019		at Dec. 31, 2018	
		<i>of which with related parties</i>		<i>of which with related parties</i>	
Equity attributable to shareholders of the Parent Company					
Share capital		10,167		10,167	
Treasury share reserve		(1)		-	
Other reserves		1,130		1,700	
Retained earnings/ (loss carried forward)		19,081		19,853	
	[Total]	30,377		31,720	
Non-controlling interests					
Total shareholders' equity	34	46,938		47,852	
Non-current liabilities					
Long-term borrowings	35	54,174	715	48,983	804
Employee benefits	36	3,771		3,187	
Provisions for risks and charges (non-current portion)	37	5,324		5,181	
Deferred tax liabilities	22	8,314		8,650	
Derivatives	24	2,407		2,609	
Non-current contract liabilities	25	6,301	151	6,306	
Other non-current liabilities	38	3,706		1,901	86
	[Total]	83,997		76,817	
Current liabilities					
Short-term borrowings	35	3,917		3,616	
Current portion of long-term borrowings	35	3,409	89	3,367	89
Provisions for risks and charges (current portion)	37	1,196		1,312	
Trade payables	39	12,960	2,291	13,387	2,924
Income tax payable		209		333	
Derivatives	24	3,554	8	4,343	35
Current contract liabilities	25	1,328	39	1,095	25
Other current financial liabilities	40	754		788	
Other current liabilities	42	13,161	30	12,107	69
	[Total]	40,488		40,348	
Liabilities included in disposal groups classified as held for sale	33	3		407	
Total liabilities		124,488		117,572	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		171,426		165,424	

Statement of Changes in Consolidated Shareholders' Equity (note 34)

Share capital and reserves attributable to shareholders of the Parent Company

	Share capital	Share premium reserve	Treasury share reserve	Legal reserve	Other reserves	Reserve from translation of financial statements in currencies other than euro	Reserve from measurement of cash flow hedge financial instruments
At December 31, 2017	10,167	7,489	-	2,034	2,262	(2,614)	(1,588)
Application of new accounting standards (IFRS 9 and IFRS 15)	-	-	-	-	-	-	348
Monetary revaluation (IAS 29)	-	-	-	-	-	-	-
At January 1, 2018 restated	10,167	7,489	-	2,034	2,262	(2,614)	(1,240)
Distribution of dividends and interim dividends	-	-	-	-	-	-	-
Monetary revaluation (IAS 29)	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	-	-
Change in the scope of consolidation	-	-	-	-	-	(94)	(14)
Comprehensive income for the period	-	-	-	-	-	(609)	(491)
of which:							
- other comprehensive income/(loss)	-	-	-	-	-	(609)	(491)
- net income/(loss) for the period	-	-	-	-	-	-	-
At December 31, 2018	10,167	7,489	-	2,034	2,262	(3,317)	(1,745)
Distribution of dividends	-	-	-	-	-	-	-
Purchase of treasury shares	-	(9)	(1)	-	-	-	-
Reclassifications	-	7	-	-	-	-	-
Monetary revaluation (IAS 29)	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	-	-
Change in the scope of consolidation	-	-	-	-	-	(220)	41
Comprehensive income for the period	-	-	-	-	-	(265)	94
of which:							
- other comprehensive income/(loss)	-	-	-	-	-	(265)	94
- net income/(loss) for the period	-	-	-	-	-	-	-
At December 31, 2019	10,167	7,487	(1)	2,034	2,262	(3,802)	(1,610)

Reserve from measurement of costs of hedging financial instruments	Reserve from measurement of financial instruments at FVOCI	Reserve from equity investments accounted for using the equity method	Reserve from remeasurement of net liabilities/ (assets) of defined benefit plans	Reserve from disposal of equity interests without loss of control	Reserve from acquisitions of non-controlling interests	Retained earnings and loss carried forward	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
-	(23)	(5)	(646)	(2,398)	(1,163)	21,280	34,795	17,366	52,161
(348)	3	-	-	-	-	(3,707)	(3,704)	(576)	(4,280)
-	-	-	-	-	-	212	212	362	574
(348)	(20)	(5)	(646)	(2,398)	(1,163)	17,785	31,303	17,152	48,455
-	-	-	-	-	-	(2,765)	(2,765)	(1,137)	(3,902)
-	-	-	-	-	-	73	73	143	216
-	-	-	-	17	(460)	-	(443)	(850)	(1,293)
-	27	-	(5)	-	-	(29)	(115)	65	(50)
90	9	(58)	(63)	-	-	4,789	3,667	759	4,426
90	9	(58)	(63)	-	-	-	(1,122)	(802)	(1,924)
-	-	-	-	-	-	4,789	4,789	1,561	6,350
(258)	16	(63)	(714)	(2,381)	(1,623)	19,853	31,720	16,132	47,852
-	-	-	-	-	-	(3,050)	(3,050)	(1,190)	(4,240)
-	-	-	-	-	-	-	(10)	-	(10)
-	-	-	-	-	(7)	-	-	-	-
-	-	-	-	-	-	104	104	170	274
-	-	-	-	-	61	-	61	593	654
-	-	-	(11)	-	(3)	-	(193)	1	(192)
111	5	(56)	(318)	-	-	2,174	1,745	855	2,600
111	5	(56)	(318)	-	-	-	(429)	(447)	(876)
-	-	-	-	-	-	2,174	2,174	1,302	3,476
(147)	21	(119)	(1,043)	(2,381)	(1,572)	19,081	30,377	16,561	46,938

Consolidated Statement of Cash Flows

Millions of euro	Notes	2019		2018	
			<i>of which with related parties</i>		<i>of which with related parties</i>
Income before taxes for the period		4,312		8,201	
Adjustments for:					
Net impairment/(reversals) of trade receivables and other receivables	9.d	1,144		1,096	
Depreciation, amortization and other impairment losses	9.e	9,682		5,355	
Financial (income)/expense	11-12	2,443		2,048	
Net income of equity investments accounted for using the equity method	13	123		(349)	
Changes in net working capital:		(273)		153	
- inventories	28	318		(117)	
- trade receivables	29	(877)	189	426	(253)
- trade payables	39	(51)	(633)	734	559
- other contract assets ⁽¹⁾	25	(31)		-	
- other contract liabilities ⁽¹⁾	25	154		750	
- other assets/(liabilities)		214	18	(1,640)	71
Accruals to provisions		515		449	
Utilization of provisions		(1,838)		(1,226)	
Interest income and other financial income collected	11-12	1,582	88	1,768	59
Interest expense and other financial expense paid	11-12	(4,235)	(46)	(4,342)	(55)
Net (income)/expense from measurement of commodities		(86)		(71)	
Income taxes paid	14	(1,850)		(1,721)	
Capital (gains)/losses		(268)		(286)	
Cash flows from operating activities (A)		11,251		11,075	
Investments in property, plant and equipment	16	(8,236)		(6,908)	
Investments in intangible assets	20	(1,023)		(1,351)	
Investments in non-current contract assets		(692)		(271)	
Investments in entities (or business units) less cash and cash equivalents acquired	6	(320)		(1,472)	
Disposal of entities (or business units) less cash and cash equivalents sold	6	688		424	
(Increase)/Decrease in other investing activities		468		(83)	
Cash flows from investing/disinvesting activities (B)		(9,115)		(9,661)	
Financial debt (new long-term borrowing)	43.3	8,899		13,424	
Repayments of financial debt ⁽¹⁾	43.3	(5,511)	(89)	(12,040)	(89)
Other changes in net financial debt ⁽¹⁾		355		1,826	
Receipts from disposal of equity investments without loss of control ⁽¹⁾		-		2	
Payments for acquisitions of equity investments without change of control and other transactions with non-controlling interests ⁽¹⁾		530		(1,404)	
Purchase of own shares		(10)		-	
Dividends and interim dividends paid		(3,957)		(3,444)	
Cash flows from financing activities (C)		306		(1,636)	
Impact of exchange rate fluctuations on cash and cash equivalents (D)		(76)		(185)	
Increase/(Decrease) in cash and cash equivalents (A+B+C+D)		2,366		(407)	
Cash and cash equivalents at the beginning of the period ⁽²⁾		6,714		7,121	
Cash and cash equivalents at the end of the period ⁽³⁾		9,080		6,714	

(1) In order to improve the presentation of these items, they have been broken down to a greater extent than in the past, making it necessary to reclassify the figures for 2018 in order to ensure the uniformity and comparability of the data with the previous year.

(2) Of which cash and cash equivalents equal to €6,630 million at January 1, 2019 (€7,021 million at January 1, 2018), short-term securities equal to €63 million at January 1, 2019 (€69 million at January 1, 2018) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €21 million at January 1, 2019 (€31 million at January 1, 2018).

(3) Of which cash and cash equivalents equal to €9,029 million at December 31, 2019 (€6,630 million at December 31, 2018), short-term securities equal to €51 million at December 31, 2019 (€63 million at December 31, 2018) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €21 million at December 31, 2018.

Notes to the financial statements

1. Form and content of the financial statements

Enel SpA has its registered office in Viale Regina Margherita 137, Rome, Italy, and since 1999 has been listed on the Milan stock exchange. Enel is an energy multinational and is one of the world's leading integrated operators in the electricity and gas industries, with a special focus on Europe and South America.

The consolidated financial statements for the period ended December 31, 2019 comprise the financial statements of Enel SpA, its subsidiaries and Group holdings in associates and joint ventures, as well as the Group's share of the assets, liabilities, costs and revenue of joint operations ("the Group"). A list of the subsidiaries, associates, joint operations and joint ventures included in the scope of consolidation is attached.

These financial statements have been audited by EY SpA.

Basis of presentation

The consolidated financial statements for the year ended December 31, 2019 have been prepared in accordance with the international accounting standards (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board (IASB), the interpretations of the IFRS Interpretations Committee (IFRSIC) and the Standing Interpretations Committee (SIC), recognized in the European Union pursuant to Regulation 2002/1606/EC and in effect as of the close of the year. All of these standards and interpretations are hereinafter referred to as the "IFRS-EU".

The financial statements have also been prepared in conformity with measures issued in implementation of Article 9, paragraph 3, of Legislative Decree 38 of February 28, 2005.

The consolidated financial statements consist of the consolidated income statement, the statement of consolidated comprehensive income, the consolidated balance sheet, the statement of changes in consolidated shareholders' equity and the consolidated statement of cash flows and the related notes.

The assets and liabilities reported in the consolidated balance

sheet are classified on a "current/non-current" basis with separate reporting of assets held for sale and liabilities included in disposal groups held for sale. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Group or in the 12 months following the balance-sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Group or within the 12 months following the close of the financial year. The consolidated income statement is classified on the basis of the nature of costs, with separate reporting of net income/(loss) from continuing operations and net income/(loss) from discontinued operations attributable to shareholders of the Parent Company and to non-controlling interests.

The indirect method is used for the consolidated statement of cash flows, with separate reporting of any cash flows by operating, investing and financing activities associated with discontinued operations.

In particular, although the Group does not diverge from the provisions of IAS 7 in the classification of items:

- > cash flows from operating activities report cash flows from core operations, interest on loans granted and obtained and dividends received from joint ventures or associates;
- > investing/disinvesting activities comprise investments in property, plant and equipment and intangible assets and disposals of such assets and contract assets related to service concession arrangements. They include, also, the effects of business combinations in which the Group acquires or loses control of companies, as well as other minor investments;
- > cash flows from financing activities include cash flows generated by liability management transactions, dividends paid to non-controlling interests by the Parent Company or other consolidated companies and the effects of transactions in non-controlling interests that do not change the status of control of the companies involved;
- > a separate item is used to report the impact of exchange rates on cash and cash equivalents and their impact on profit or loss is eliminated in full in order to neutralize the

effect on cash flows from operating activities.

For more information on cash flows as reported in the statement of cash flows, please see the note on “cash flows” in the Report on Operations.

The income statement, the balance sheet and the statement of cash flows report transactions with related parties, the definition of which is given in the next section below.

The consolidated financial statements have been prepared on a going concern basis using the cost method, with the exception of items measured at fair value in accordance with IFRS, as explained in the measurement bases applied to each individual item, and of non-current assets and disposal groups

classified as held for sale, which are measured at the lower of their carrying amount and fair value less costs to sell.

The consolidated financial statements are presented in euro, the functional currency of the Parent Company Enel SpA. All figures are shown in millions of euro unless stated otherwise. The consolidated income statement, the consolidated balance sheet and the consolidated statement of cash flows report transactions with related parties, the definition of which is given in the paragraph “Accounting policies and measurement criteria”.

The consolidated financial statements provide comparative information in respect of the previous period.

2. Accounting policies and measurement criteria

2.1 Use of estimates and management judgment

Preparing the consolidated financial statements under IFRS-EU requires management to take decisions and make estimates and assumptions that may impact the value of revenue, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance-sheet date. The estimates and management’s judgments are based on previous experience and other factors considered reasonable in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. The actual results may therefore differ from these estimates. The estimates and assumptions are periodically revised and the effects of any changes are reflected through profit or loss if they only involve that period. If the revision involves both the current and future periods, the change is recognized in the period in which the revision is made and in the related future periods.

In order to enhance understanding of the financial statements, the following sections examine the main items affected by the use of estimates and the cases that reflect management judgments to a significant degree, underscoring the main assumptions used by management in measuring these items in compliance with the IFRS-EU. The critical element of such valuations is the use of assumptions and professional judgments concerning issues that are by their very nature uncertain.

Changes in the conditions underlying the assumptions and judgments could have a substantial impact on future results.

Use of estimates

Revenue from contracts with customers

Revenue from supply of electricity and gas to end-users is recognized at the time the electricity or gas is delivered and includes, in addition to amounts invoiced on the basis of periodic (and pertaining to the year) meter readings or on the volumes notified by distributors and transporters, an estimate of the electricity and gas delivered during the period but not yet invoiced that is equal to the difference between the amount of electricity and gas delivered to the distribution network and that invoiced in the period, taking account of any network losses. Revenue between the date of the last meter reading and the year-end is based on estimates of the daily consumption of individual customers, primarily determined on their historical information, adjusted to reflect the climate factors or other matters that may affect the estimated consumption. For more details on this item of revenue, see note 8.a “Revenue from sales and services”.

Impairment of non-financial assets

When the carrying amount of property, plant and equipment, investment property, intangible assets, right-of-use assets and goodwill exceeds its recoverable amount, which is the higher of the fair value less costs of disposal and the value in use, the assets are impaired.

Such assessments of the recoverable amount of assets are carried out in accordance with the provisions of IAS 36, as described in greater detail in note 21 below.

In order to determine the recoverable amount, the Group gen-

erally adopts the value in use criterion. Value in use is based on the estimated future cash flows generated by the asset in exam, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and of the specific risks of the asset.

Future cash flows used to determine value in use are based on the most recent business plan, approved by the management, containing forecasts for volumes, revenue, operating costs and investments.

These projections cover the next five years. Consequently, cash flows related to subsequent periods are determined based on a long-term growth rate that does not exceed the average long-term growth rate for the particular sector and country.

The recoverable amount is sensitive to the estimates and assumptions used in the calculation of cash flows and the discount rates applied. Nevertheless, possible changes in the estimation factors on which the calculation of such values is performed could generate different recoverable values. The analysis of each group of non-financial assets is unique and requires management to use estimates and assumptions considered prudent and reasonable in the specific circumstances.

Expected credit losses on financial assets

At the end of each reporting date, the Group recognizes a loss allowance for expected credit losses on trade receivables and other financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income, contract assets and all other assets in the scope. Loss allowances for financial assets are based on assumptions about risk of default and on the measurement of expected credit losses. Management uses judgement in making these assumptions and selecting the inputs for the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The expected credit loss (ECL), determined considering probability of default (PD), loss given default (LGD), and exposure at default (EAD), is the difference between all contractual cash flows that are due in accordance with the contract and all cash flows that are expected to be received (i.e., all shortfalls) discounted at the original effective interest rate (EIR).

In particular, for trade receivables, contract assets and lease receivables, including those with a significant financial component, the Group applies the simplified approach, determining expected credit losses over a period corresponding to the entire life of the receivable, generally equal to 12 months.

Based on the specific reference market and the regulatory context of the sector, as well as expectations of recovery after 90 days, for such receivables, the Enel Group mainly applies a default definition of 180 days past due to determine expected credit losses, as this is considered an effective indication of a significant increase in credit risk. Accordingly, financial assets that are more than 90 days past due are generally not considered to be in default, except for some specific regulated markets.

For trade receivables and contract assets the Group mainly applies a collective approach based on grouping the receivables into specific clusters, taking into account the specific regulatory and business context. Only if the trade receivables are deemed to be individually significant by management and there are specific information about any significant increase in credit risk, the Group applies an analytical approach.

In case of individual assessment, PD is mainly obtained from an external provider.

Conversely, for collective assessment, trade receivables are grouped based on shared credit risk characteristics and past due information, considering a specific definition of default.

Based on each business and local regulatory framework as well as differences in client portfolios also in terms of risk, default rates and recovery expectations, specific clusters are defined.

The contract assets are considered to have substantially the same risk characteristics as the trade receivables for the same types of contracts.

In order to measure the ECL for trade receivables on a collective basis, as well as for contract assets, the Group considers the following assumptions related to ECL parameters:

- > PD, assumed as to be the average default rate, is calculated on a cluster basis and taking into consideration minimum 24 month historical data;
- > LGD is function of the default bucket's recovery rates, discounted at the EIR; and
- > EAD is estimated as the carrying exposure at the reporting date net of cash deposits, including invoices issued but not expired and invoices to be issued.

Based on specific management evaluations, the forward-looking adjustment can be applied considering qualitative and quantitative information in order to reflect possible future events and macroeconomic scenarios, which may affect the risk of the portfolio or the financial instrument.

For additional details on the key assumptions and inputs used, please refer to note 43 "Financial instruments".

Depreciable value of certain elements of Italian hydroelectric plants subsequent to enactment of Law 134/2012

Law 134 of August 7, 2012 containing “urgent measures for growth” (published in the Gazzetta Ufficiale of August 11, 2012) introduced a sweeping overhaul of the rules governing hydroelectric concessions. Among its various provisions, the law establishes that five years before the expiration of a major hydroelectric water diversion concession and in cases of lapse, relinquishment or revocation, where there is no prevailing public interest for a different use of the water, incompatible with its use for hydroelectric generation, the competent public entity shall organize a public call for tender for the award for consideration of the concession for a period ranging from 20 to a maximum of 30 years.

In order to ensure operational continuity, the law also governs the methods of transfer ownership of the business unit necessary to operate the concession, including all legal relationships relating to the concession, from the outgoing concession holder to the new concession holder, in exchange for payment of a price to be determined in negotiations between the departing concession holder and the grantor agency, taking due account of the following elements:

- > for intake and governing works, penstocks and outflow channels, which under the consolidated law governing waters and electrical plants are to be relinquished free of charge (Article 25 of Royal Decree 1775 of December 11, 1933), the revalued cost less government capital grants, also revalued, received by the concession holder for the construction of such works, depreciated for ordinary wear and tear;
- > for other property, plant and equipment, the market value, meaning replacement value, reduced by estimated depreciation for ordinary wear and tear.

While acknowledging that the new regulations introduce important changes as to the transfer of ownership of the business unit with regard to the operation of the hydroelectric concession, the practical application of these principles faces difficulties, given the uncertainties that do not permit the formulation of a reliable estimate of the value that can be recovered at the end of existing concessions (residual value).

Accordingly, management has decided it could not produce a reasonable and reliable estimate of residual value.

The fact that the legislation requires the new concession holder to make a payment to the departing concession holder prompted management to review the depreciation schedules for assets classified as to be relinquished free of charge prior to Law 134/2012 (until the year ended on December 31, 2011, given that the assets were to be relinquished free of charge,

the depreciation period was equal to the closest date between the term of the concession and the end of the useful life of the individual asset), calculating depreciation no longer over the term of the concession but, if longer, over the economic and technical life of the individual assets. If additional information becomes available to enable the calculation of residual value, the carrying amounts of the assets involved will be adjusted prospectively.

Determining the fair value of financial instruments

The fair value of financial instruments is determined on the basis of prices directly observable in the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximize the use of observable market inputs. In rare circumstances where this is not possible, the inputs are estimated by management taking due account of the characteristics of the instruments being measured.

In accordance with IFRS 13, the Group includes a measurement of credit risk, both of the counterparty (Credit Valuation Adjustment or CVA) and its own (Debit Valuation Adjustment or DVA), in order to adjust the fair value of financial instruments for the corresponding amount of counterparty risk, using the method discussed in note 47. Changes in the assumptions made in estimating the input date could have an impact on the fair value recognized for those instruments.

Development costs

In order to determine the recoverability of development costs, the recoverable amount is estimated making assumptions regarding any further cash outflow that is expected to be incurred before the asset is ready for use or sale, the discount rates to be applied and the expected period of benefits.

Pensions and other post-employment benefits

Some of the Group’s employees participate in pension plans offering benefits based on their wage history and years of service. Certain employees are also eligible for other post-employment benefit schemes.

The expenses and liabilities of such plans are calculated on the basis of estimates carried out by consulting actuaries, who use a combination of statistical and actuarial elements in their calculations, including statistical data on past years and forecasts of future costs. Other components of the estimation that are considered include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of wage increases, the inflation rate and trends in healthcare cost.

These estimates can differ significantly from actual developments owing to changes in economic and market conditions, increases or decreases in withdrawal rates and the lifespan of participants, as well as changes in the effective cost of health-care.

Such differences can have a substantial impact on the quantification of pension costs and other related expenses.

For more details on the main actuarial assumptions adopted, please see note 36.

Litigation

The Enel Group is involved in various civil, administrative and tax disputes connected with the normal pursuit of its activities that could give rise to significant liabilities. It is not always objectively possible to predict the outcome of these disputes. The assessment of the risks associated with this litigation is based on complex factors whose very nature requires recourse to management judgments, even when taking account of the contribution of external advisors assisting the Group, about whether to classify them as contingent liabilities or liabilities.

Provisions have been recognized to cover all significant liabilities for cases in which legal counsel feels an adverse outcome is likely and a reasonable estimate of the amount of the loss can be made. Note 52 provides information on the most significant contingent liabilities of the Group.

Obligations associated with generation plants, including decommissioning and site restoration

Generation activities may entail obligations for the operator with regard to future interventions that will have to be performed following the end of the operating life of the plant.

Such interventions may involve the decommissioning of plants and site restoration, or other obligations linked to the type of generation technology involved. The nature of such obligations may also have a major impact on the accounting treatment used for them.

In the case of nuclear power plants, where the costs regard both decommissioning and the storage of waste fuel and other radioactive materials, the estimation of the future cost is a critical process, given that the costs will be incurred over a very long span of time, estimated at up to 100 years.

The obligation, based on financial and engineering assumptions, is calculated by discounting the expected future cash flows that the Group considers it will have to pay to meet the obligations it has assumed.

The discount rate used to determine the present value of the liability is the pre-tax risk-free rate and is based on the eco-

nomical parameters of the country in which the plant is located. That liability is quantified by management on the basis of the technology existing at the measurement date and is reviewed each year, taking account of developments in storage, decommissioning and site restoration technology, as well as the ongoing evolution of the legislative framework governing health and environmental protection.

Subsequently, the value of the obligation is adjusted to reflect the passage of time and any changes in estimates.

Leases

When the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate (IBR) at the lease commencement date to calculate the present value of the lease payments. This is the interest rate that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. When no observable inputs are available, the Group estimates the IBR making assumptions to reflect the terms and conditions of the lease and certain entity-specific estimates.

One of the most significant judgements for the Group in adopting IFRS 16 is determining this IBR necessary to calculate the present value of the lease payments required to be paid to the lessor. The Group's approach to determine an IBR is based on the assessment of the following three key components:

- > the risk free rate, that consider the currency flows of the lease payments, the economic environment where the lease contract has been negotiated and also the lease term;
- > the credit spread adjustment, in order to calculate an IBR that is specific for the lessee considering any Parent Company or other guarantee underlying;
- > the lease related adjustments, in order to reflect into the IBR calculation the fact that the discount rate is directly linked to the type of the underlying asset, rather than being a general incremental borrowing rate. In particular, the risk of default is mitigated for the lessors as they have the right to reclaim the underlying asset itself.

Income tax

Recovery of deferred tax assets

At December 31, 2019, the consolidated financial statements report deferred tax assets in respect of tax losses to be reversed in subsequent years and income components whose deductibility is deferred in an amount whose recovery is considered by management to be highly probable.

The recoverability of such assets is subject to the achievement of future profits sufficient to absorb such tax losses and to use the benefits of the other deferred tax assets.

Significant management judgement is required to assess the probability of recovering deferred tax assets, considering all negative and positive evidence, and to determine the amount that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and the tax rates applicable at the date of reversal. However, where the Group should become aware that it is unable to recover all or part of recognized tax assets in future years, the consequent adjustment would be taken to the income statement in the year in which this circumstance arises. For more detail in deferred tax assets recognized or not recognized, please see note 22.

Management judgments

Identification of cash generating units (CGUs)

For impairment testing, if the recoverable amount cannot be determined for an individual asset, the Group identifies the lowest aggregation of assets that generate largely independent cash inflows. The smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets is a CGU.

Identifying such CGUs involves management judgments regarding the specific nature of the assets and the business involved (geographical area, business area, regulatory framework, etc.) and the evidence that the cash inflows of the group of assets are closely interdependent among them and largely independent of those associated with other assets (or groups of assets). The assets of each CGU are also identified on the basis of the manner in which management manages and monitors those assets within the business model adopted.

The number and scope of the CGUs are updated systematically to reflect the impact of new business combinations and reorganizations carried out by the Group, and to take account of external factors that could influence the ability of assets to generate independent cash inflows.

In particular, if certain specific identified assets owned by the Group are impacted by adverse economic or operating conditions that undermine their capacity to contribute to the generation of cash flows, they can be isolated from the rest of the assets of the CGU, undergo separate analysis of their recoverability and be impaired where necessary.

The CGUs identified by management to which the goodwill recognized in these consolidated financial statements has been allocated are indicated in note 21.

Determination of the existence of control

Under the provisions of IFRS 10, control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is defined as the current ability to direct the relevant activities of the investee based on existing substantive rights.

The existence of control does not depend solely on ownership of a majority shareholding, but rather it arises from substantive rights that each investor holds over the investee. Consequently, management must use its judgment in assessing whether specific situations determine substantive rights that give the Group the power to direct the relevant activities of the investee in order to affect its returns.

For the purpose of assessing control, management analyses all facts and circumstances, including any agreements with other investors, rights arising from other contractual arrangements and potential voting rights (call options, warrants, put options granted to non-controlling shareholders, etc.). These other facts and circumstances could be especially significant in such assessment when the Group holds less than a majority of voting rights, or similar rights, in the investee.

Following such analysis of the existence of control, in application of IFRS 10 the Group consolidated certain companies (Emgesa and Codensa) on a line-by-line basis even though it did not hold more than half of the voting rights, determining that the requirements for de facto control existed.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements considered in verifying the existence of control.

Determination of the existence of joint control and of the type of joint arrangement

Under the provisions of IFRS 11, a joint arrangement is an agreement where two or more parties have joint control.

Joint control exists when the decisions over the relevant activities require the unanimous consent of at least two parties of a joint arrangement.

A joint arrangement can be configured as a joint venture or a joint operation. Joint ventures are joint arrangements whereby the parties that have joint control have rights to the net assets of the arrangement. Conversely, joint operations are joint arrangements whereby the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement.

In order to determine the existence of the joint control and the type of joint arrangement, management must apply judg-

ment and assess its rights and obligations arising from the arrangement. For this purpose, the management considers the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

Following that analysis, the Group has considered its interest in Asociación Nuclear Ascó-Vandellós II as a joint operation.

The Group re-assesses whether or not it has joint control if facts and circumstances indicate that changes have occurred in one or more of the elements considered in verifying the existence of joint control and the type of the joint arrangement.

Determination of the existence of significant influence over an associate

Associated companies are those in which the Group exercises significant influence, i.e. the power to participate in the financial and operating policy decisions of the investee but not to exercise control or joint control over those policies. In general, it is presumed that the Group has a significant influence when it has an ownership interest of 20% or more.

In order to determine the existence of significant influence, management must apply judgment and consider all facts and circumstances.

The Group re-assesses whether or not it has significant influence if facts and circumstances indicate that there are changes to one or more of the elements considered in verifying the existence of significant influence.

Application of “IFRIC 12 - Service concession arrangements” to concessions

“IFRIC 12 - Service concession arrangements” applies to “public-to-private” service concession arrangements, which can be defined as contracts wherein the grantor conveys to an operator the right to manage the infrastructure used to provide services that give access to major public facilities for a certain period of time on behalf of the grantor.

More specifically, IFRIC 12 gives guidance on the accounting by operators for “public-to-private” service concession arrangements in the event that:

- > the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- > the grantor controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement.

In assessing the applicability of these requirements for the Group, as operator, management carefully analyzed existing concessions.

On the basis of that analysis, the provisions of IFRIC 12 are applicable to some of the infrastructure of a number of companies that operate in Brazil.

Further details about the infrastructure used in the service concession arrangements in the scope of IFRIC 12 are provided in note 17.

Revenue from contracts with customers

In the process of applying IFRS 15, the Group has made the following judgments (further details about the most significant effect on the Group’s revenue are provided in the note 8.a “Revenue from sales and services”).

Identification of the contract

The Group carefully analyses the contractual terms and conditions on a jurisdictional level in order to determine when a contract exists and the terms of that contract’s enforceability so as to apply IFRS 15 only to such contracts.

Identification and satisfaction of performance obligations

When a contract includes multiple promised goods or services, in order to assess if they should be accounted for separately or as a group, the Group considers both the individual characteristics of goods/services and the nature of the promise within the context of the contract, also evaluating all the facts and circumstances relating to the specific contract under the relevant legal and regulatory framework.

To evaluate when a performance obligation is satisfied, the Group evaluates when the control of the goods or services is transferred to the customer, assessed primarily from the perspective of the customer.

Determination of the transaction price

The Group considers all relevant facts and circumstances in determining whether a contract includes variable consideration (i.e., consideration that may vary or depends upon the occurrence or non-occurrence of a future event). In estimating variable consideration, the Group uses the method that better predicts the consideration to which it will be entitled, applying it consistently throughout the contract and for similar contracts, also considering all available information, and updating such estimates until the uncertainty is resolved. The Group includes the estimated variable consideration in the transaction price only to the extent that it is high probable that a significant reversal in the cumulative revenue recognized will not occur when the uncertainty is resolved.

Principal versus agent assessment

The Group considers that it is an agent in some contracts in which it is not primarily responsible for fulfilling the contract and therefore it does not control goods or services before they are being transferred to customers. For example, the Group acts as an agent in some contracts for electricity/gas network connection services and other related activities depending on local legal and regulatory framework.

Allocation of transaction price

For contracts that have more than one performance obligation (e.g., “bundled” sale contracts), the Group generally allocates the transaction price to each performance obligation in proportion to its stand-alone selling price. The Group determines stand-alone selling prices considering all information and using observable prices when they are available in the market or, if not, using an estimation method that maximizes the use of observable inputs and applying it consistently to similar arrangements.

If the Group evaluates that a contract includes an option for additional goods or services (e.g., customer loyalty programs or renewal options) that represents a material right, it allocates the transaction price to this option since the option gives rise to an additional performance obligation.

Contract costs

The Group assesses recoverability of the incremental costs of obtaining a contract either on a contract-by-contract basis, or for a group of contracts if those costs are associated with the group of contracts.

The Group supports the recoverability of such costs on the basis of its experience with other similar transactions and evaluating various factors, including potential renewals, amendments and follow-on contracts with the same customer.

The Group amortizes such costs over the average customer term. In order to determine this expected period of benefit from the contract, the Group considers its past experience (e.g., “churn rate”), the predictive evidence from similar contracts and available information about the market.

Classification and measurement of financial assets

At initial recognition, in order to classify financial assets as financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss, management assesses both the contractual cash-flow characteristics of the instrument and the business model for managing financial assets in order to generate cash flows.

For the purpose of evaluating the contractual cash-flow char-

acteristics of the instrument, management performs the SPPI test at an instrument level, in order to determine if it gives rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, performing specific assessment on the contractual clauses of the financial instruments, as well as quantitative analysis, if required. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For more details, please see note 43 “Financial instruments”

Hedge accounting

Hedge accounting is applied to derivatives in order to reflect into the financial statements the effect of risk management strategies.

Accordingly, at the inception of the transaction the Group documents the hedge relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy. The Group also assesses, both at hedge inception and on an ongoing basis, whether hedging instruments are highly effective in offsetting changes in the fair values or cash flows of hedged items.

On the basis of management’s judgement, the effectiveness assessment based on the existence of an economic relationship between the hedging instruments and the hedged items, the dominance of credit risk in the value changes and the hedge ratio, as well as the measurement of the ineffectiveness, is evaluated through a qualitative assessment or a quantitative computation, depending on the specific facts and circumstances and on the characteristics of the hedged items and the hedging instruments.

For cash flow hedges of forecast transactions designated as hedged items, management assesses and documents that they are highly probable and present an exposure to changes in cash flows that affect profit or loss.

For additional details on the key assumptions about effectiveness assessment and ineffectiveness measurement, please refer to note 46.1 “Derivatives and hedge accounting”

Leases

The complexity of the assessment of the lease contracts, and also their long-term expiring date, requires considerable professional judgments for application of IFRS 16. In particular, this regards:

- > the application of the definition of a lease to the cases typical of the sectors in which the Group operates;
- > the identification of the non-lease component into the lease arrangements;

- > the evaluation of any renewable and termination options included into the lease arrangements in order to determine the lease term of contracts, also considering the probability of their exercise and any significant leasehold improvements on the underlying asset, taking due consideration of recent interpretations issued by the IFRS Interpretations Committee;
- > the identification of any variable lease payments that depend on an index or a rate to determine whether the changes of the latter impact the future lease payments and also the amount of the right-of-use asset;
- > the estimate of the discount rate to calculate the present value of the lease payments; further details on assumptions about this rate are provided in the paragraph “Use of estimates”

Uncertainty over income tax treatments

The Group determines whether to consider each uncertain income tax treatment separately or together with one or more other uncertain tax treatments as well as whether to reflect the effect of uncertainty by using the most likely amount or the expected value method, based on which approach better predicts the resolution of the uncertainty for each uncertain tax treatments, taking account of local tax regulations.

2.2 Significant accounting policies

Related parties

Related parties are mainly parties that have the same controlling entity as Enel SpA, companies that directly or indirectly through one or more intermediaries control, are controlled or are subject to the joint control of Enel SpA and in which the latter has a holding that enables it to exercise a significant influence. Related parties also include entities operating post-employment benefit plans for employees of Enel SpA or its associates (specifically, the FOPEN and FONDENEL pension funds), as well as the members of the boards of statutory auditors, and their immediate family, and the key management personnel, and their immediate family, of Enel SpA and its subsidiaries. Key management personnel comprises management personnel who have the power and direct or indirect responsibility for the planning, management and control of the activities of the Company. They include directors.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity, regardless of the nature of the formal relationship between them, when it is exposed/has rights to variable

returns deriving from its involvement and has the ability, through the exercise of its power over the investee, to affect its returns.

The figures of the subsidiaries are consolidated on a full line-by-line basis as from the date control is acquired until such control ceases.

Consolidation procedures

The financial statements of subsidiaries used to prepare the consolidated financial statements were prepared at December 31, 2018 in accordance with the accounting policies adopted by the Parent Company.

If a subsidiary uses different accounting policies from those adopted in preparing the consolidated financial statements for similar transactions and facts in similar circumstances, appropriate adjustments are made to ensure conformity with the Group’s accounting policies.

Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in or excluded from the consolidated financial statements, respectively, from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss and the other components of other comprehensive income are attributed to the owners of the Parent and non-controlling interests, even if this results in a loss for non-controlling interests.

All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full.

Changes in ownership interest in subsidiaries that do not result in loss of control are accounted for as equity transactions, with the carrying amounts of the controlling and non-controlling interests adjusted to reflect changes in their interests in the subsidiary. Any difference between the fair value of the consideration paid or received and the corresponding fraction of equity acquired or sold is recognized in consolidated equity.

When the Group ceases to have control over a subsidiary, any interest retained in the entity is remeasured to its fair value, recognizing any gain or loss through profit or loss. In addition, any amounts previously recognized in other comprehensive income in respect of the former subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities.

Investments in joint arrangements and associates

A joint venture is an entity over which the Group exercises joint control and has rights to the net assets of the arrangement. Joint control is the sharing of control of an arrangement, whereby de-

decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over the investee.

The Group's investments in its joint ventures and associates are accounted for using the equity method.

Under the equity method, these investments are initially recognized at cost and any goodwill arising from the difference between the cost of the investment and the Group's share of the net fair value of the investee's identifiable assets and liabilities at the acquisition date is included in the carrying amount of the investment. Goodwill is not individually tested for impairment.

After the acquisition date, their carrying amount is adjusted to recognize changes in the Group's share of profit or loss of the associate or joint venture. The other comprehensive income (OCI) of such investees is presented as specific items of the Group's OCI. Distributions received from joint ventures and associates reduce the carrying amount of the investments.

Profits and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associate or joint venture.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in an associate or joint venture. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying amount.

In the case of the Slovak Power Holding BV joint venture, any impairment losses are assessed by determining the recoverable value using the price formula specified in the agreement to sell the 66% stake in Slovenské elektrárne by Enel Produzione to EP Slovakia, which is based on various parameters, including the evolution of the net financial position of SE, developments in energy prices in the Slovakian market, the operating efficiency of SE as measured on the basis of benchmarks defined in the contract and the enterprise value of Mochovce units 3 and 4. This value is compared against the carrying amount of the investment, which is measured on the basis of the results of that formula at the closing date for the transaction of July 28, 2017.

If the investment ceases to be an associate or a joint venture, the Group recognizes any retained investment at its fair value, through profit or loss. Any amounts previously recognized in oth-

er comprehensive income in respect of the former associate or joint venture are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to exercise a significant influence or joint control, the Group continues to apply the equity method and the share of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction is accounted for as if the Group had directly disposed of the related assets or liabilities.

When a portion of an investment in an associate or joint venture meets the criteria to be classified as held for sale, any retained portion of an investment in the associate or joint venture that has not been classified as held for sale is accounted for using the equity method until disposal of the portion classified as held for sale takes place.

Joint operations are joint arrangements whereby the Group, which holds joint control, has rights to the assets and obligations for the liabilities relating to the arrangement. For each joint operation, the Group recognized assets, liabilities, costs and revenue on the basis of the provisions of the arrangement rather than the participating interest held.

Translation of foreign currency items

Transactions in currencies other than the functional currency are recognized at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency other than the functional currency are later translated using the period-end exchange rate.

Non-monetary assets and liabilities denominated in foreign currency that are recognized at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities in foreign currency measured at fair value are translated using the exchange rate at the date that value was determined. Any exchange rate differences are recognized through profit or loss.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability associated with the advance consideration.

If there are multiple advance payments or receipts, the Group determines the transaction date for each payment or receipt of advance consideration.

Translation of financial statements denominated in a foreign currency

For the purposes of the consolidated financial statements, all profits/losses, assets and liabilities are stated in euro, which is the presentation currency of the Parent Company, Enel SpA. In order to prepare the consolidated financial statements, the financial statements of consolidated companies in functional currencies other than the presentation currency used in the consolidated financial statements are translated into euros by applying the relevant period-end exchange rate to the assets and liabilities, including goodwill and consolidation adjustments, and the average exchange rate for the period, which approximates the exchange rates prevailing at the date of the respective transactions, to the income statement items.

Any resulting exchange rate gains or losses are recognized as a separate component of equity in a special reserve. The gains and losses are recognized proportionately in the income statement on the disposal (partial or total) of the subsidiary.

Business combinations

Business combinations initiated before January 1, 2010 and completed within that financial year are recognized on the basis of IFRS 3 (2004).

Such business combinations were recognized using the purchase method, where the purchase cost is equal to the fair value at the date of the exchange of the assets acquired and the liabilities incurred or assumed, plus costs directly attributable to the acquisition. This cost was allocated by recognizing the assets, liabilities and identifiable contingent liabilities of the acquired company at their fair values. Any positive difference between the cost of the acquisition and the fair value of the net assets acquired pertaining to the shareholders of the Parent Company was recognized as goodwill. If the difference is negative, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the resulting gain is a bargain purchase and is recognized through profit or loss.

The value of non-controlling interests was determined in proportion to the interest held by minority shareholders in the net assets. In the case of business combinations achieved in stages, at the date of acquisition any adjustment to the fair value of the net assets acquired previously was recognized in equity; the amount of goodwill was determined for each transaction separately based on the fair values of the acquiree's net assets at the date of each exchange transaction.

Business combinations carried out as from January 1, 2010 are recognized on the basis of IFRS 3 (2008), which is referred to as IFRS 3 (Revised) hereafter.

More specifically, business combinations are recognized using the acquisition method, where the purchase cost (the consideration transferred) is equal to the fair value at the purchase date of the assets acquired and the liabilities incurred or assumed, as well as any equity instruments issued by the purchaser. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Costs directly attributable to the acquisition are recognized through profit or loss.

The consideration transferred is allocated by recognizing the assets, liabilities and identifiable contingent liabilities of the acquired company at their fair values as at the acquisition date. Any positive difference between the price paid, measured at fair value as at the acquisition date, plus the value of any non-controlling interests, and the net value of the identifiable assets and liabilities of the acquiree measured at fair value is recognized as goodwill. If the difference is negative, the Group verifies whether it has correctly identified all the assets acquired and liabilities assumed and reviews the procedures used to determine the amounts to recognize at the acquisition date. If after this assessment the fair value of the net assets acquired still exceeds the total consideration transferred, this excess represents the profit on a bargain purchase and is recognized through profit or loss.

The value of non-controlling interests is determined either in proportion to the interest held by minority shareholders in the net identifiable assets of the acquiree or at their fair value as at the acquisition date.

In the case of business combinations achieved in stages, at the date of acquisition of control the previously held equity interest in the acquiree is remeasured to fair value and any positive or negative difference is recognized in profit or loss.

Any contingent consideration is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration classified as an asset or a liability, or as a financial instrument within the scope of IFRS 9, is recognized in profit or loss. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS-EU. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the fair values of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognized using such provisional values. Any adjustments resulting from the completion of the measure-

ment process are recognized within 12 months of the date of acquisition, restating comparative figures.

Fair value measurement

For all fair value measurements and disclosures of fair value, that are either required or permitted by international accounting standards, the Group applies IFRS 13.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date (i.e., an exit price).

The fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the principal market, i.e. the market with the greatest volume and level of activity for the asset or liability. In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market to which the Group has access, i.e. the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Market participants are independent, knowledgeable sellers and buyers who are able to enter into a transaction for the asset or the liability and who are motivated but not forced or otherwise compelled to do so.

When measuring fair value, the Group takes into account the characteristics of the asset or liability, in particular:

- > for a non-financial asset, a fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use;
- > for liabilities and own equity instruments, the fair value reflects the effect of non-performance risk, i.e. the risk that an entity will not fulfill an obligation, including among others the credit risk of the Group itself;
- > in the case of groups of financial assets and financial liabilities with offsetting positions in market risk or credit risk, managed on the basis of an entity's net exposure to such risks, it is permitted to measure fair value on a net basis.

In measuring the fair value of assets and liabilities, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenses directly attributable to bringing the asset to the location and condition necessary for its intended use.

The cost is also increased by the present value of the estimate of the costs of decommissioning and restoring the site on which the asset is located where there is a legal or constructive obligation to do so. The corresponding liability is recognized under provisions for risks and charges. The accounting treatment of changes in the estimate of these costs, the passage of time and the discount rate is discussed under "Provisions for risks and charges".

Property, plant and equipment transferred from customers to connect them to the electricity distribution network and/or to provide them with other related services is initially recognized at its fair value at the date on which control is obtained.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, i.e. an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the assets themselves. Borrowing costs associated with the purchase/construction of assets that do not meet such requirement are expensed in the period in which they are incurred.

Certain assets that were revalued at the IFRS-EU transition date or in previous periods are recognized at their fair value, which is considered to be their deemed cost at the revaluation date.

Where individual items of major components of property, plant and equipment have different useful lives, the components are recognized and depreciated separately.

Subsequent costs are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the cost incurred to replace a part of the asset will flow to the Group and the cost of the item can be measured reliably. All other costs are recognized in profit or loss as incurred.

The cost of replacing part or all of an asset is recognized as an increase in the carrying amount of the asset and is depreciated over its useful life; the net carrying amount of the replaced unit is derecognized through profit or loss.

Property, plant and equipment, net of its residual value, is depreciated on a straight-line basis over its estimated useful life, which is reviewed annually and, if appropriate, adjusted prospectively. Depreciation begins when the asset is available for use.

The estimated useful life of the main items of property, plant and equipment is as follows:

Civil buildings	10-70 years
Buildings and civil works incorporated in plants	10-100 years
Hydroelectric power plants:	
- penstocks	7-85 years
- mechanical and electrical machinery	5-60 years
- other fixed hydraulic works	5-100 years
Thermal power plants:	
- boilers and auxiliary components	3-59 years
- gas turbine components	3-59 years
- mechanical and electrical machinery	3-59 years
- other fixed hydraulic works	3-62 years
Nuclear power plants	50 years
Geothermal power plants:	
- cooling towers	20-25 years
- turbines and generators	25-30 years
- turbine parts in contact with fluid	10-25 years
- mechanical and electrical machinery	20-40 years
Wind power plants:	
- towers	20-30 years
- turbines and generators	20-30 years
- mechanical and electrical machinery	15-30 years
Solar power plants:	
- mechanical and electrical machinery	20-30 years
Public and artistic lighting:	
- public lighting installations	10-20 years
- artistic lighting installations	20 years
Transport lines	12-50 years
Transformer stations	20-55 years
Distribution plants:	
- high-voltage lines	10-60 years
- primary transformer stations	5-55 years
- low and medium-voltage lines	5-50 years
Meters:	
- electromechanical meters	3-34 years
- electricity balance measurement equipment	3-30 years
- electronic meters	6-35 years

The useful life of leasehold improvements is determined on the basis of the term of the lease or, if shorter, on the duration of the benefits produced by the improvements themselves.

Land is not depreciated as it has an indefinite useful life.

Assets recognized under property, plant and equipment are derecognized either upon their disposal (i.e., at the date the recipient obtains control) or when no future economic benefit is expected from their use or disposal. Any gain or loss, recognized through profit or loss, is calculated as the difference between the net disposal proceeds, determined in accordance with the transaction price requirements of IFRS 15, and the net carrying amount of the derecognized assets.

Assets to be relinquished free of charge

The Group's plants include assets to be relinquished free of

charge at the end of the concessions. These mainly regard major water diversion works and the public lands used for the operation of the thermal power plants.

Within the Italian regulatory framework in force until 2011, if the concessions are not renewed, at those dates all intake and governing works, penstocks, outflow channels and other assets on public lands were to be relinquished free of charge to the State in good operating condition. Accordingly, depreciation on assets to be relinquished was calculated over the shorter of the term of the concession and the remaining useful life of the assets.

In the wake of the legislative changes introduced with Law 134 of August 7, 2012, the assets previously classified as assets "to be relinquished free of charge" connected with the hydroelectric water diversion concessions are now considered in the same manner as other categories of "property, plant and equipment" and are therefore depreciated over the economic and technical life of the asset (where this exceeds the term of the concession), as discussed in the paragraph above on the "Depreciable value of certain elements of Italian hydroelectric plants subsequent to enactment of Law 134/2012", which you are invited to consult for more details.

In accordance with Spanish laws 29/1985 and 46/1999, hydroelectric power stations in Spanish territory operate under administrative concessions at the end of which the plants will be returned to the government in good operating condition. The terms of the concessions extend up to 2067.

A number of generation companies that operate in Argentina, Brazil and Mexico hold administrative concessions with similar conditions to those applied under the Spanish concession system. These concessions will expire by 2088.

Infrastructures serving a concession

As regards the distribution of electricity, the Group is a concession holder in Italy for this service. The concession, granted by the Ministry for Economic Development, was issued free of charge and terminates on December 31, 2030. If the concession is not renewed upon expiry, the grantor is required to pay an indemnity. The amount of the indemnity will be determined by agreement of the parties using appropriate valuation methods, based on both the balance-sheet value of the assets themselves and their profitability.

In determining the indemnity, such profitability will be represented by the present value of future cash flows. The infrastructure serving the concessions is owned and available to the concession holder. It is recognized under "Property, plant and equipment" and is depreciated over the useful lives of the assets.

Enel also operates under administrative concessions for the distribution of electricity in other countries (including Spain and Romania). These concessions give the right to build and operate distribution networks for an indefinite period of time.

Infrastructures within the scope of “IFRIC 12 - Service concession arrangements”

Under a “public-to-private” service concession arrangement within the scope of “IFRIC 12 - Service concession arrangements”, the operator acts as a service provider and, in accordance with the terms specified in the contract, it constructs/upgrades the infrastructure used to provide a public service and operates and maintains that infrastructure for the period of the concession.

The Group, as operator, does not account for the infrastructure within the scope of IFRIC 12 as property, plant and equipment and it recognizes and measures revenue in accordance with IFRS 15 for the services it performs. In particular, when the Group provides construction or upgrade services, depending on the characteristics of the service concession arrangement, it recognizes:

- > a financial asset, if the Group has an unconditional contractual right to receive cash or another financial asset from the grantor (or from a third party at the direction of the grantor), that is the grantor has little discretion to avoid payment. In this case, the grantor contractually guarantees to pay to the operator specified or determinable amounts or the shortfall between the amounts received from the users of the public service and specified or determinable amounts (defined by the contract), and such payments are not dependent on the usage of the infrastructure; and/or
- > an intangible asset, if the Group receives the right (a license) to charge users of the public service provided. In such a case, the operator does not have an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

If the Group (as operator) has a contractual right to receive an intangible asset (a right to charge users of public service), borrowing costs are capitalized using the criteria specified in the paragraph “Property, plant and equipment”.

However, for construction/upgrade services, both types of consideration are generally classified as a contract asset during the construction/upgrade period.

For more details about such consideration, please see note 8.a “Revenue from sales and services”.

Leases

The Group holds property, plant and equipment for its various activities under lease contracts. At inception of a contract, the Group assesses whether a contract is, or contains, a lease.

For contracts entered into or changed on or after January 1, 2019, the Group has applied the definition of a lease under IFRS 16, that is met if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Conversely, for contracts entered into before January 1, 2019, the Group determined whether the arrangement was or contained a lease under IFRIC 4.

Group as a lessee

At commencement or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognizes a right-of-use asset and a lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use).

The right-of-use asset represents a lessee’s right to use an underlying asset for the lease term; it is initially measured at cost, which includes the initial amount of a lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset and to restore the underlying asset or the site on which it is located.

Right-of-use assets are subsequently depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use assets, as follows:

	Average residual life (years)
Buildings	7
Ground rights of renewable energy plants	31
Vehicles and other means of transport	5

If ownership of the leased underlying asset transfers to the Group at the end of the lease term or if the cost of the right-of-use asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the underlying asset.

In addition, the right-of-use assets are subject to impairment and adjusted for any remeasurement of lease liabilities. Further details about impairment are provided in the paragraph

“Impairment of non-financial assets”.

The lease liability is initially measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the lessee’s incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

After the commencement date, the lease liability is measured at amortized cost using the effective interest method and is remeasured upon the occurrence of certain events.

The Group applies the short-term lease recognition exemption to its lease contracts that have a lease term of 12 months or less from the commencement date. It also applies the low-value assets recognition exemption to lease contracts for which the underlying asset is of low-value whose amount is estimated not material. As example, the Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low-value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property in “Property, plant and equipment” and lease liabilities in “Borrowings”.

Consistent with the requirement of the standard, the Group presents separately the interest expense on lease liabilities under “Other financial expense” and the depreciation charge on the right-of-use assets under “Depreciation, amortization and impairment losses”.

Previously, in compliance with IAS 17, the Group classified leases which transfer substantially all the risks and rewards incidental to the ownership of the related asset to the lessee as finance leases. In this case, leased assets were recognized at the lower of their fair value and the present value of the minimum lease payments due, including the payment required to exercise any purchase option. Subsequent to initial recognition, the assets were depreciated on the basis of their useful lives or, if the Group was not reasonably certain to acquire the assets at the end of the lease, over the shorter of the lease term and the useful life of the assets. Leases which did not comply with the definition of a finance lease were classified as operating leases; payments made under operating lease were recognized as a cost on a straight-line basis over the lease term.

Group as a lessor

Lessor accounting under IFRS 16 is substantially unchanged

from accounting under IAS 17.

When the Group acts as a lessor, it determines at the lease inception date whether each lease is a finance lease or an operating lease using the same classification principle under IAS 17.

If a contract contains lease and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group accounts for rental income arising from operating leases on a straight-line basis over the lease terms and it recognizes them as other revenue.

Investment property

Investment property consists of the Group’s real estate held to earn rentals and/or for capital appreciation rather than for use in the production or supply of goods and services.

Investment property is measured at acquisition cost less any accumulated depreciation and any accumulated impairment losses.

Investment property, excluding land, is depreciated on a straight-line basis over the useful lives of the related assets.

Impairment losses are determined on the basis of the criteria following described.

The breakdown of the fair value of investment property is detailed in note 47 “Assets measured at fair value”.

Investment property is derecognized either when it has been transferred (i.e., at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss, recognized through profit or loss, is calculated as the difference between the net disposal proceeds, determined in accordance with the transaction price requirements of IFRS 15, and the net book value of the derecognized assets.

Transfers are made to (or from) investment property only when there is a change in use.

Intangible assets

Intangible assets are identifiable assets without physical substance controlled by the entity and capable of generating future economic benefits. They are measured at purchase or internal development cost when it is probable that the use of such assets will generate future economic benefits and the related cost can be reliably determined.

The cost includes any directly attributable expenses necessary to make the assets ready for their intended use.

Development costs are recognized as an intangible asset only when Group can demonstrate the technical feasibility of completing the intangible asset, its intention and ability to

complete development and to use or sell the asset and the availability of resources to complete the asset.

Research costs are recognized as expenses.

Intangible assets with a finite useful life are reported net of accumulated amortization and any impairment losses.

Amortization is calculated on a straight-line basis over the item's estimated useful life, which is reassessed at least annually; any changes in amortization policies are reflected on a prospective basis. Amortization commences when the asset is ready for use. Consequently, intangible assets not yet available for use are not amortized, but are tested for impairment at least annually.

The Group's intangible assets have a definite useful life, with the exception of a number of concessions and goodwill.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is accounted for as a change in accounting estimate.

Intangible assets are derecognized either at the time of their disposal (at the date when the recipient obtains control) or when no future economic benefit is expected from their use or disposal. Any gain or loss, recognized through profit or loss, is calculated as the difference between the net consideration received in the disposal, determined in accordance with the provisions of IFRS 15 concerning the transaction price, and the net book value of the derecognized assets.

The estimated useful life of the main intangible assets, distinguishing between internally generated and acquired assets, is as follows:

Development costs:	
- internally generated	2-26 years
- acquired	3-26 years
Industrial patents and intellectual property rights:	
- internally generated	3-10 years
- acquired	2-50 years
Concessions, licenses, trademarks and similar rights:	
- internally generated	20 years
- acquired	1-40 years
Intangible assets from service concession arrangements:	
- internally generated	-
- acquired	5 years
Other:	
- internally generated	2-28 years
- acquired	1-28 years

The Group also presents capitalized costs to obtain a contract with a customer within the scope of IFRS 15 in this item.

The Group recognizes such costs as an asset only if:

- > the costs are incremental, that is they are directly attributable to an identified contract and the Group would not have incurred them if the contract had not been obtained;
- > the Group expects to recover them, through reimbursements (direct recoverability) or the margin (indirect recoverability).

In particular, the Group generally capitalizes trade fees and commissions paid to agents for such contracts if the capitalization criteria are met.

Capitalized contract costs are amortized on a systematic basis, consistent with the pattern of the transfer of the goods or services to which they relate, and undergo impairment testing to identify any impairment losses to the extent that the carrying amount of the asset recognized exceeds the recoverable amount.

The Group amortizes the capitalized contract costs on a straight-line basis over the expected period of benefit from the contract (i.e., the average term of the customer relationship); any changes in amortization policies are reflected on a prospective basis.

The Group does not incur any costs to fulfil a contract that are eligible for capitalization.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the acquisition cost, of any non-controlling interest and of any previously held interest over the acquisition date fair value of the acquiree's assets, liabilities and identifiable contingent liabilities. After initial recognition, goodwill is not amortized, but is tested for recoverability at least annually using the criteria described in the paragraph "Impairment of non-financial assets". For the purpose of impairment testing, goodwill is allocated, from the acquisition date, to each of the cash generating units (CGUs) that are expected to benefit from the synergies of the combination. Goodwill relating to equity investments in associates and joint ventures is included in their carrying amount.

Impairment of non-financial assets

At each reporting date, non-financial assets are reviewed to determine whether there is evidence of impairment.

Goodwill, intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for recoverability annually or more frequently if there is evidence suggesting that the assets can be impaired.

If such evidence exists, the recoverable amount of any involved asset is estimated on the basis of the use of the asset and their future disposal, in accordance with the Group's most recent business plan. For the estimate of the recoverable amount, please refer to the paragraph "Use of estimates".

The recoverable amount is determined for an individual asset, unless the asset do not generate cash inflows that are largely independent of those from other assets or groups of assets and therefore it is determined for the cash generating unit (CGU) to which the asset belongs.

If the carrying amount of an asset or of a CGU to which it is allocated is greater than its recoverable amount, an impairment loss is recognized in profit or loss under "Depreciation, amortization and impairment losses".

Impairment losses of CGUs are firstly charged against the carrying amount of any goodwill attributed to it and then against the other assets, in proportion to their carrying amount.

If the reasons for a previously recognized impairment loss no longer obtain, the carrying amount of the asset is restored through profit or loss, under "Depreciation, amortization and impairment losses", in an amount that shall not exceed the net carrying amount that the asset would have had if the impairment loss had not been recognized and depreciation or amortization had been performed. The original value of goodwill is not restored even if in subsequent years the reasons for the impairment no longer obtain.

If certain specific identified assets owned by the Group are impacted by adverse economic or operating conditions that undermine their capacity to contribute to the generation of cash flows, they can be isolated from the rest of the assets of the CGU, undergo separate analysis of their recoverability and impaired where necessary.

Inventories

Inventories are measured at the lower of cost and net realizable value except for inventories involved in trading activities, which are measured at fair value with recognition through profit or loss. Cost is determined on the basis of average weighted cost, which includes related ancillary charges. Net estimated realizable value is the estimated normal selling price net of estimated costs to sell or, where applicable, replacement cost.

For the portion of inventories held to discharge sales that have already been made, the net realizable value is determined on the basis of the amount established in the contract of sale.

Inventories include environmental certificates (green cer-

tificates, energy efficiency certificates and CO₂ emissions allowances) that were not utilized for compliance in the reporting period. As regards CO₂ emissions allowances, inventories are allocated between the trading portfolio and the compliance portfolio, i.e. those used for compliance with greenhouse gas emissions requirements. Within the latter, CO₂ emissions allowances are allocated to sub-portfolios on the basis of the compliance year to which they have been assigned.

Inventories also include nuclear fuel stocks, use of which is determined on the basis of the electricity generated.

Materials and other consumables (including energy commodities) held for use in production are not written down if it is expected that the final product in which they will be incorporated will be sold at a price sufficient to enable recovery of the cost incurred.

Financial instruments

Financial instruments are any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity; they are recognized and measured in accordance with IAS 32 and IFRS 9.

A financial asset or liability is recognized in the consolidated financial statements when, and only when, the Group becomes party to the contractual provision of the instrument (trade date). Trade receivables arising from contracts with customers, in the scope of IFRS 15, are initially measured at their transaction price (as defined in IFRS 15) if such receivables do not contain a significant financing component or when the Group applies the practical expedient allowed by IFRS 15.

Conversely, the Group initially measures financial assets other than receivables above-mentioned at their fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Financial assets are classified, at initial recognition, as financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss, on the basis of both Group's business model and the contractual cash-flow characteristics of the instrument.

For this purpose, the assessment to determine whether the instrument gives rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For purposes of subsequent measurement, financial assets are classified in four categories:

- > financial assets measured at amortized cost (debt instruments);
- > financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments);
- > financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- > financial assets at fair value through profit or loss.

Financial assets measured at amortized cost

This category mainly includes trade receivables, other receivables and financial receivables.

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and whose contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such assets are initially recognized at fair value, adjusted for any transaction costs, and subsequently measured at amortized cost using the effective interest method and are subject to impairment.

Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through other comprehensive income (FVOCI) - Debt instruments

This category mainly includes listed debt securities not classified as held for trading by the Group's reinsurance company.

Financial assets at fair value through other comprehensive income are assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and whose contractual cash flows give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in fair value for these financial assets are recognized in other comprehensive income as well as loss allowances that do not reduce the carrying amount of the financial assets. When a financial asset is derecognized (e.g., at the time of sale), the cumulative gains and losses previously recognized in equity (except impairment and foreign exchange gains and losses to be recognized in profit or loss) are reversed to the income statement.

Financial assets at fair value through other comprehensive income (FVOCI) - Equity instruments

This category includes mainly equity investments in unlisted entities irrevocably designated as such upon initial recognition. Gains and losses on these financial assets are never recycled to profit or loss. The Group may transfer the cumulative gain or loss within equity.

Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment. Dividends on such investments are recognized in profit or loss unless they clearly represent a recovery of a part of the cost of the investment.

Financial assets at fair value through profit or loss

This category mainly includes: securities, equity investments in other entities, financial investment in fund held for trading and financial assets designated as at fair value through profit or loss at initial recognition.

Financial assets at fair value through profit or loss are:

- > financial assets with cash flows that are not solely payments of principal and interest, irrespective of the business model;
- > financial assets held for trading because acquired or incurred principally for the purpose of selling or repurchasing in short term;
- > debt instruments designated upon initial recognition, under the option allowed by IFRS 9 (fair value option) if doing so eliminates, or significantly reduces, an accounting mismatch;
- > derivatives, including separated embedded derivatives, held for trading or not designated as effective hedging instruments.

Such financial assets are initially recognized at fair value with subsequent gains and losses from changes in their fair value recognized through profit or loss.

This category include also listed equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

Financial assets that qualify as contingent consideration are also measured at fair value through profit or loss.

Impairment of financial assets

At the end of each reporting date, the Group recognizes a loss allowance for expected credit losses on trade receivables and other financial assets measured at amortized cost, debt instru-

ments measured at fair value through other comprehensive income, contract assets and all other assets in the scope.

In compliance with IFRS 9, as from January 1, 2018, the Group adopted a new impairment model based on the determination of expected credit losses (ECL) using a forward-looking approach. In essence, the model provides for:

- > the application of a single framework for all financial assets;
- > the recognition of expected credit losses on an ongoing basis and the updating of the amount of such losses at the end of each reporting period, reflecting changes in the credit risk of the financial instrument;
- > the measurement of expected losses on the basis of reasonable information, obtainable without undue cost, about past events, current conditions and forecasts of future conditions.

For trade receivables, contract assets and lease receivables, including those with a significant financial component, the Group adopts the simplified approach, determining expected credit losses over a period corresponding to the entire life of the receivable, generally equal to 12 months.

For all financial assets other than trade receivables, contract assets and lease receivables, the Group applies the general approach under IFRS 9, based on the assessment of a significant increase in credit risk since initial recognition. Under such approach, a loss allowance on financial assets is recognized at an amount equal to the lifetime expected credit losses, if the credit risk on those financial assets has increased significantly, since initial recognition, considering all reasonable and supportable information, including also forward-looking inputs.

If at the reporting date, the credit risk on financial assets has not increased significantly since initial recognition, the Group measures the loss allowance for those financial assets at an amount equal to 12-month expected credit losses.

For financial assets on which loss allowance equal to lifetime expected credit losses has been recognized in the previous reporting date, the Group measures the loss allowance at an amount equal to 12-month expected credit losses when significant increase in credit risk condition is no longer met.

The Group recognizes in profit or loss, as impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized in accordance with IFRS 9.

The Group applies the low credit risk exemption, avoiding the recognition of loss allowances at an amount equal to lifetime expected credit losses due to significant increase in credit risk of debt securities at fair value through other comprehensive income,

whose counterparty has a strong financial capacity to meet its contractual cash-flow obligations (e.g., investment grade).

Cash and cash equivalents

This category includes deposits that are available on demand or at very short term, as well as highly short-term liquid financial investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value.

In addition, for the purpose of the consolidated statement of cash flows, cash and cash equivalents do not include bank overdrafts at period-end.

Financial liabilities at amortized cost

This category mainly includes borrowings, trade payables, finance leases and debt instruments.

Financial liabilities, other than derivatives, are recognized when the Group becomes a party to the contractual clauses of the instrument and are initially measured at fair value adjusted for directly attributable transaction costs. Financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as at fair value through profit or loss unless they are designated as effective hedging instruments.

Gains or losses on liabilities at fair value through profit or loss are recognized through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in IFRS 9 are satisfied.

In this case, the portion of the change in fair value attributable to own credit risk is recognized in other comprehensive income.

The Group has not designated any financial liability as at fair value through profit or loss, upon initial recognition.

Financial liabilities that qualify as contingent consideration are also measured at fair value through profit or loss.

Derecognition of financial assets and liabilities

Financial assets are derecognized whenever one of the following conditions is met:

- > the contractual right to receive the cash flows associated with the asset expires;
- > the Group has transferred substantially all the risks and rewards associated with the asset, transferring its rights to receive the cash flows of the asset or assuming a contractual obligation to pay such cash flows to one or more beneficiaries under a contract that meets the requirements provided by IFRS 9 (the “pass through test”);
- > the Group has not transferred or retained substantially all the risks and rewards associated with the asset but has transferred control over the asset.

Financial liabilities are derecognized when they are extinguished, i.e. when the contractual obligation has been discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Derivative financial instruments

A derivative is a financial instrument or another contract:

- > whose value changes in response to the changes in an underlying variable such as an interest rate, commodity or security price, foreign exchange rate, a price or rate index, a receivable rating or other variable;
- > that requires no initial net investment, or one that is smaller than would be required for a contract with similar response to changes in market factors;
- > that is settled at a future date.

Derivative instruments are classified as financial assets or liabilities depending on the positive or negative fair value and they are classified as “held for trading” within “Other business models” and measured at fair value through profit or loss, except for those designated as effective hedging instruments.

For more details about hedge accounting, please refer to note 46 “Derivatives and hedge accounting”.

All derivatives held for trading are classified as current assets or liabilities.

Derivatives not held for trading purposes, but measured at fair value through profit or loss since they do not qualify for hedge accounting, and derivatives designated as effective hedging instruments are classified as current or not current on the basis

of their maturity date and the Group intention to hold the financial instrument till maturity or not.

Embedded derivatives

An embedded derivative is a derivative included in a “combined” contract (the so-called “hybrid instrument”) that contains another non-derivative contract (the so-called host contract) and gives rise to some or all of the combined contract’s cash flows.

The main Group’s contracts that may contain embedded derivatives are contracts to buy or sell non-financial items with clauses or options that affect the contract price, volume or maturity. A derivative embedded in a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Contracts that do not represent financial instruments to be measured at fair value are analyzed in order to identify any embedded derivatives, which are to be separated and measured at fair value. This analysis is performed when the Group becomes party to the contract or when the contract is renegotiated in a manner that significantly changes the original associated cash flows.

Embedded derivatives are separated from the host contract and accounted for as derivatives when:

- > host contract is not a financial instrument measured at fair value through profit or loss;
- > the economic risks and characteristics of the embedded derivative are not closely related to those of the host contract;
- > a separate contract with the same terms as the embedded derivative would meet the definition of a derivative.

Embedded derivatives that are separated from the host contract are recognized in the consolidated financial statements at fair value with changes recognized in profit or loss (except when the embedded derivative is part of a designated hedging relationship).

Contracts to buy or sell non-financial items

In general, contracts to buy or sell non-financial items that are entered into and continue to be held for receipt or delivery in accordance with the Group’s normal expected purchase, sale or usage requirements are out of the scope of IFRS 9 and then recognized as executory contracts, according to the “own use exemption”.

Such contracts are recognized as derivatives and, as a consequence, at fair value through profit or loss only if:

- > they can be settled net in cash; and

- > they are not entered into in accordance with the Group's expected purchase, sale or usage requirements.

A contract to buy or sell non-financial items is classified as "normal purchase or sale" if it is entered into:

- > for the purpose of the physical delivery;
- > in accordance with the entity's expected purchase, sale or usage requirements.

The Group analyses all contracts to buy or sell non-financial assets, with a specific focus on forward purchases and sales of electricity and energy commodities, in order to determine if they shall be classified and treated according to IFRS 9 or if they have been entered into for "own use".

Offsetting financial assets and liabilities

The Group offsets financial assets and liabilities when:

- > there is a legally enforceable right to set off the recognized amounts; and
- > there is the intention of either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Hyperinflation

In a hyperinflationary economy, the Group adjusts non-monetary items, shareholders' equity and items deriving from index-linked contracts up to the limit of recoverable value, using a price index that reflects changes in general purchasing power. The effects of initial application are recognized in equity net of tax effects. Conversely, during the hyperinflationary period (until it ceases), the result (gain or loss) of adjustments is recognized in profit or loss and disclosed separately in financial income and expense.

Starting from 2018, this standard applies to the Group's transactions in Argentina, whose economy has been declared hyperinflationary from July 1, 2018.

Non-current assets (or disposal groups) classified as held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than through continuing use. This classification criteria is applicable only when non-current assets (or disposal groups) are available in their present condition for immediate sale and the sale is highly probable.

If the Group is committed to a sale plan involving loss of control of a subsidiary and the requirements provided for under IFRS 5 are met, all the assets and liabilities of that subsidiary are classified as held for sale when the classification criteria are met, regardless of whether the Group will retain a non-controlling

interest in its former subsidiary after the sale.

The Group applies these classification criteria as envisaged in IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale is accounted for using the equity method until disposal of the portion that is classified as held for sale takes place.

Non-current assets (or disposal groups) and liabilities of disposal groups classified as held for sale are presented separately from other assets and liabilities in the balance sheet.

The amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale are not reclassified or re-presented for prior periods presented. Immediately before the initial classification of non-current assets (or disposal groups) as held for sale, the carrying amounts of such assets (or disposal groups) are measured in accordance with the IFRS/IAS applicable to the specific assets or liabilities. Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses for any initial or subsequent write-down of the assets (or disposal groups) to fair value less costs to sell and gains for their reversals are included in profit or loss from continuing operations.

Non-current assets are not depreciated (or amortized) while they are classified as held for sale or while they are part of a disposal group classified as held for sale.

If the classification criteria are no longer met, the Group ceases to classify non-current assets (or disposal group) as held for sale. In that case they are measured at the lower of:

- > the carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized if the asset (or disposal group) had not been classified as held for sale; and
- > the recoverable amount, which is equal to the greater of its fair value net of costs of disposal and its value in use, as calculated at the date of the subsequent decision not to sell.

Any adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale is included in profit or loss from continuing operations.

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- > represents a separate major line of business or geographical area of operations;
- > is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

> is a subsidiary acquired exclusively with a view to resale. The Group presents, in a separate line item of the income statement, a single amount comprising the total of:

- > the post-tax profit or loss of discontinued operations; and
- > the post-tax gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation.

The corresponding amount is re-presented in the income statement for prior periods presented in the financial statements, so that the disclosures relate to all operations that are discontinued by the end of the current reporting period. If the Group ceases to classify a component as held for sale, the results of the component previously presented in discontinued operations are reclassified and included in income from continuing operations for all periods presented.

Environmental certificates

Some Group companies are affected by national regulations governing green certificates and energy efficiency certificates (so-called white certificates), as well as the European "Emissions Trading System".

Green certificates, which now only exist outside of Italy, accrued in proportion to electricity generated by renewable energy plants and energy efficiency certificates accrued in proportion to energy savings achieved that have been certified by the competent authority are treated as non-monetary government operating grants and are recognized at fair value, under other operating income, with recognition of an asset under other non-financial assets, if the certificates are not yet credited to the ownership account, or under inventories, if the certificates have already been credited to that account. At the time the certificates are credited to the ownership account, they are reclassified from other assets to inventories. Revenue from the sale of such certificates are recognized under revenue from contracts with customers, with a corresponding decrease in inventories.

For the purposes of accounting for charges arising from regulatory requirements concerning green certificates, energy efficiency certificates and CO₂ emissions allowances, the Group uses the "net liability approach".

Under this accounting policy, environmental certificates received free of charge and those self-produced as a result of Group's operations that will be used for compliance purposes are recognized at nominal value (nil). In addition, charges incurred for obtaining (in the market or in some other transaction for consideration) any missing certificates to fulfil compliance requirements for the reporting period are recognized through profit or loss on an accruals basis under other oper-

ating expenses, as they represent "system charges" consequent upon compliance with a regulatory requirement.

Employee benefits

Liabilities related to employee benefits paid upon or after ceasing employment in connection with defined benefit plans or other long-term benefits accrued during the employment period are determined separately for each plan, using actuarial assumptions to estimate the amount of the future benefits that employees have accrued at the balance-sheet date (the projected unit credit method). More specifically, the present value of the defined benefit obligation is calculated by using a discount rate determined on the basis of market yields at the end of the reporting period on high-quality corporate bonds. If there is no deep market for high-quality corporate bonds in the currency in which the bond is denominated, the corresponding yield of government securities is used.

The liability is recognized on an accruals basis over the vesting period of the related rights. These appraisals are performed by independent actuaries.

If the value of plan assets exceeds the present value of the related defined benefit obligation, the surplus (up to the limit of any cap) is recognized as an asset.

As regards the liabilities/(assets) of defined benefit plans, the cumulative actuarial gains and losses from the actuarial measurement of the liabilities, the return on the plan assets (net of the associated interest income) and the effect of the asset ceiling (net of the associated interest income) are recognized in other comprehensive income when they occur. For other long-term benefits, the related actuarial gains and losses are recognized through profit or loss.

In the event of a change being made to an existing defined benefit plan or the introduction of a new plan, any past service cost is recognized immediately in profit or loss.

Employees are also enrolled in defined contribution plans under which the Group pays fixed contributions to a separate entity (a fund) and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Such plans are usually aimed to supplement pension benefits due to employees post-employment. The related costs are recognized in income statement on the basis of the amount of contributions paid in the period.

Termination benefits

Liabilities for benefits due to employees for the early termination of the employment relationship, both for a Group's decision and for an employee's decision to accept voluntary redun-

dancy in exchange for these benefits, are recognized at the earlier of the following dates:

- > when the entity can no longer withdraw its offer of benefits; and
- > when the entity recognizes a cost for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

The liabilities are measured on the basis of the nature of the employee benefits. More specifically, when the benefits represent an enhancement of other post-employment benefits, the associated liability is measured in accordance with the rules governing that type of benefits. Otherwise, if the termination benefits due to employees are expected to be settled wholly before 12 months after the end of the annual reporting period, the entity measures the liability in accordance with the requirements for short-term employee benefits; if they are not expected to be settled wholly before 12 months after the end of the annual reporting period, the entity measures the liability in accordance with the requirements for other long-term employee benefits.

Provisions for risks and charges

Provisions are recognized where there is a legal or constructive obligation as a result of a past event at the end of the reporting period, the settlement of which is expected to result in an outflow of resources whose amount can be reliably estimated. Where the impact is significant, the accruals are determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and, if applicable, the risks specific to the liability. If the provision is discounted, the periodic adjustment of the present value for the time factor is recognized as a financial expense.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Where the liability relates to decommissioning and/or site restoration in respect of property, plant and equipment, the initial recognition of the provision is made against the related asset and the expense is then recognized in profit or loss through the depreciation of the asset involved.

Where the liability regards the treatment and storage of nuclear waste and other radioactive materials, the provision is recognized against the related operating costs.

Provisions do not include liabilities for uncertain income tax treatments that are recognized as tax liabilities.

The Group could provide a warranty in connection with the sale of a product (whether a good or service) from contracts with

customers in the scope of IFRS 15, in accordance with the contract, the law or its customary business practices. In this case, the Group assesses whether the warranty provides the customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications or whether the warranty provides the customer with a service in addition to the assurance that the product complies with agreed-upon specifications.

After the assessment, if the Group establishes that an assurance warranty is provided, it recognizes a separate warranty liability and corresponding expense when transferring the product to the customer, as additional costs of providing goods or services, without attributing any of the transaction price (and therefore revenue) to the warranty. The liability is measured and presented as a provision.

Otherwise, if the Group determines that a service warranty is provided, it accounts for the promised warranty as a performance obligation in accordance with IFRS 15, recognizing the contract liability as revenue over the period the warranty service is provided and the costs associated as they are incurred. Finally, if the warranty includes both an assurance element and a service element and the Group cannot reasonably account for them separately, then it accounts for both of the warranties together as a single performance obligation.

In the case of contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it (onerous contracts), the Group recognizes a provision as the lower of the costs of fulfilling the obligation that exceed the economic benefits expected to be received under the contract and any compensation or penalty arising from failure to fulfil it.

Changes in estimates of accruals to the provision are recognized in the income statement in the period in which the changes occur, with the exception of those in the costs of decommissioning, dismantling and/or restoration resulting from changes in the timetable and costs necessary to extinguish the obligation or from a change in the discount rate. These changes increase or decrease the value of the related assets and are taken to the income statement through depreciation. Where they increase the value of the assets, it is also determined whether the new carrying amount of the assets is fully recoverable. If this is not the case, a loss equal to the unrecoverable amount is recognized in the income statement.

Decreases in estimates are recognized up to the carrying amount of the assets. Any excess is recognized immediately in the income statement.

For more information on the estimation criteria adopted in determining provisions for dismantling and/or restoration of pro-

perty, plant and equipment, especially those associated with nuclear power plants, please refer to the paragraph "Use of estimates".

Revenue from contracts with customers

The Group recognizes revenue from contracts with customers in order to represent the transfer of promised goods or services to the customers at an amount that reflects the consideration at which the Group expects to be entitled in exchange for those goods or services.

The Group applies this core principle using a five-step model:

> identify the contract with the customer (step 1).
The Group applies IFRS 15 to contracts with customers in the scope of the standard when the contract is legally enforceable and all the criteria envisaged for step 1 are met. If the criteria are not met, any consideration received from the customer is generally recognized as an advance;

> identify the performance obligations in the contract (step 2).
The Group identifies all goods or services promised in the contract, separating them into performance obligations to account for separately if they are both: capable of being distinct and distinct in the context of the contract.

As an exception, the Group accounts for a single performance obligation a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer over time.

In assessing the existence and the nature of the performance obligations, the Group considers all contract's features as mentioned in step 1.

For each distinct good or service identified, the Group determines whether it acts as a principal or agent, respectively if it controls or not the specified good or service that is promised to the customer before its control is transferred to the customer. When the Group acts as agent, it recognizes revenue on a net basis, corresponding to any fee or commission to which it expects to be entitled;

> determine the transaction price (step 3).
The transaction price represents the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties (e.g., some sale taxes and value-added taxes).

The Group determines the transaction price at inception of the contract and updates it at each reporting period for any changes in circumstances.

When the Group determines the transaction price, it considers whether the transaction price includes variable

consideration, non-cash consideration received from a customer, consideration payable to a customer and a significant financing component;

> allocate the transaction price (step 4).

The Group allocates the transaction price at contract inception to each separate performance obligation to depict the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services.

When the contract includes a customer option to acquire additional goods or services that represents a material right, the Group allocates the transaction price to this performance obligation (i.e., the option) and defers the relative revenue until those future goods or services are transferred or the option expires.

The Group generally allocates the transaction price on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract (that is, the price at which the Group would sell that good or service separately to the customer);

> recognize revenue (step 5).

The Group recognizes revenue when (or as) each performance obligation is satisfied by transferring the promised good or service to the customer, which is when the customer obtains control of the good or service.

As a first step, the Group determines if one of the over-time criteria is met.

For each performance obligation satisfied over time, the Group recognizes revenue over time by measuring progress toward the complete satisfaction of that performance obligation using an output method or an input method and applies a single method of measuring progress from contract inception until full satisfaction and to similar performance obligations and in similar circumstances.

When the Group cannot reasonably measure the progress, it recognizes revenue only to the extent of the costs incurred that are considered recoverable.

If the performance obligation is not satisfied over time, the Group determines the point in time at which the customer obtains the control, considering whether the indicators of the transfer of control collectively indicate that the customer has obtained control.

Depending on the type of transaction, the broad criteria used under IFRS 15 are summarized below:

- revenue from the sale of goods is recognized at the point in time at which the customer obtains the control of goods if the Group considers that the sale of goods is satisfied at a point in time;

- revenue from providing services is recognized on the basis of the progress towards complete satisfaction of the performance obligation measured with an appropriate method that better depicts this progress if the Group considers that the performance obligation is satisfied over time. The cost incurred method (cost-to-cost method) is considered appropriate for measuring progress, except when specific contract analysis suggest the use of an alternative method, which better depicts the Group's performance obligation fulfilled at the reporting date.

The Group does not disclose the information about the remaining performance obligations in existing contracts if the performance obligation is part of a contract that has an original expected duration of one year or less and if the Group recognizes revenue in the amount to which it has a right to invoice the customer.

Further details on the application of this revenue recognition model are provided in the paragraph "Management judgments" and in note 8.a "Revenue from sales and services".

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, it recognizes a contract asset relating to the right to consideration in exchange for goods or services transferred to the customer.

If a customer pays consideration before the Group transfers goods or services to the customer, the Group recognizes a contract liability when the payment is made (or the payment is due) that is recognized as revenue when the Group performs under the contract.

Other revenue

The Group recognizes revenue other than those related to contracts with customers mainly referring to:

- > revenue from contracts to sell energy commodities at a future date and a fixed price with physical settlement that do not meet the own use exemption and therefore is recognized according to IFRS 9;
- > results from changes in fair value of contracts to sell at a future date energy commodities with physical delivery under IFRS 9;
- > operating lease revenue accounted for on an accrual basis in accordance with the substance of the relevant lease agreement.

Other operating income

Other operating income primarily include gains on the disposal of assets that are not an output of the Group's ordinary activities and government grants.

Government grants, including non-monetary grants at fair value, are recognized where there is reasonable assurance that they will be received and that the Group will comply with all conditions attaching to them as set by the government, government agencies and similar bodies, whether local, national or international.

When loans are provided by governments at a below-market rate of interest, the benefit is regarded as a government grant. The loan is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying amount of the loan and the funds received. The loan is subsequently measured in accordance with the requirements for financial liabilities.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the costs that the grants are intended to compensate.

Where the Group receives government grants in the form of a transfer of a non-monetary asset for the use of the Group, it accounts for both the grant and the asset at the fair value of the non-monetary asset received at the date of the transfer.

Grants related to long-lived assets, including non-monetary grants at fair value, i.e. those received to purchase, build or otherwise acquire non-current assets (for example, an item of property, plant and equipment or an intangible asset), are recognized on a deferred basis under other liabilities and are credited to profit or loss on a straight-line basis over the useful life of the asset.

Financial income and expense from derivatives

Financial income and expense from derivatives includes:

- > income and expense from derivatives measured at fair value through profit or loss on interest rate and foreign exchange risk;
- > income and expense from fair value hedge derivatives on interest rate risk;
- > income and expense from cash flow hedge derivatives on interest rate and foreign exchange risks.

Other financial income and expense

For all financial assets and liabilities measured at amortized cost and interest-bearing financial assets classified as at fair value through other comprehensive income, interest income and expense is recorded using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period,

where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured.

Other financial income and expense include also changes in the fair value of financial instruments other than derivatives.

Dividends

Dividends are recognized when the unconditional right to receive payment is established.

Dividends and interim dividends payable to a company's shareholders are recognized as changes in equity in the period in which they are approved by the Shareholders' Meeting and the Board of Directors, respectively.

Income taxes

Current income taxes

Current income taxes for the period, which are recognized under "income tax payable" net of payments on account, or under "tax receivable" where there is a credit balance, are determined using an estimate of taxable income and in conformity with the applicable regulations.

In particular, such payables and receivables are determined using the tax rates and tax laws that are enacted or substantively enacted by the end of the reporting period in the countries where taxable income has been generated.

Current income taxes are recognized in profit or loss with the exception of current income taxes related to items recognized outside profit or loss that are recognized in equity.

Deferred tax

Deferred tax liabilities and assets are calculated on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding values recognized for tax purposes on the basis of tax rates in effect on the date the temporary difference will reverse, which is determined on the basis of tax rates that are enacted or substantively enacted as at the end of the reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the Group can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, when recovery is probable, i.e. when an entity expects to have sufficient future taxable income to recover the asset.

The recoverability of deferred tax assets is reviewed at each period-end.

Unrecognized deferred tax assets are re-assessed at each reporting date and they are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred taxes are recognized in profit or loss, with the exception of those in respect of items recognized outside profit or loss that are recognized in equity.

Deferred tax assets and deferred tax liabilities are offset against current tax liabilities related to income taxes levied by the same taxation authority that arise at the time of reversal if a legally enforceable right to set-off exists.

Uncertainty over income tax treatments

In defining 'uncertainty', it shall be considered whether a particular tax treatment will be accepted by the relevant taxation authority. If it is deemed probable that the tax treatment will be accepted (where the term 'probable' is defined as 'more likely than not'), then the Group recognizes and measures its current/deferred tax asset or liabilities applying the requirements in IAS 12.

Conversely, when there is uncertainty over income tax treatments, the uncertainty should be reflected in the manner that better predicts the resolution of the uncertain tax treatment. The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach provides better predictions of the resolution of the uncertainty. In assessing whether and how the uncertainty affects the tax treatment, the Group assumes that a taxation authority will accept or not an uncertain tax treatment supposing that the taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. The Group reflects the effect of uncertainty in accounting for current and deferred tax when it concludes it is not probable that the taxation authority will accept an uncertain tax treatment, using the expected value or the most likely amount, whichever method better predicts the resolution of the uncertainty.

The Group applies significant judgment in identifying uncertainties over income tax treatments and reassesses any judgments and estimates made if a change in facts and circumstances

might change a conclusions about the acceptability of a tax treatment or the estimate of the effect of uncertainty, or both. Since uncertain income tax positions meet the definition of in-

come taxes, the Group presents uncertain tax liabilities/assets as current tax liabilities/assets or deferred tax liabilities/assets.

3. New and amended standards and interpretations

The Group has applied the following standards, interpretations and amendments that took effect as from January 1, 2019.

> “IFRS 16 - Leases”, issued on January 2016, which replaces “IAS 17 - Leases”; “IFRIC 4 - Determining Whether an Arrangement Contains a Lease”; “SIC 15 - Operating Leases-Incentives” and “SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease”

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

The nature and effect of the changes as a result of the adoption of this new accounting standard are described in note 4 “Changes in accounting policies and disclosures”.

> “Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement”, issued in February 2018.

When an amendment, curtailment or settlement of a defined benefit plan occurs during the annual reporting period, the amendments specify that, for the remainder of the annual reporting period, an entity shall determine:

- current service cost using the actuarial assumptions used to remeasure the net defined benefit liability/(asset); and
- net interest using the net defined benefit liability/(asset) remeasured and the discount rate used to remeasure the net defined benefit liability/(asset).

The amendments also clarify that the past service cost (or the gain/loss on settlement) is calculated ignoring the effect of the asset ceiling that is determined in a second step and is recognized in the normal manner in other comprehensive income. The amendments do not address the accounting for “significant market fluctuations” in the absence of a plan amendment, curtailment or settlement.

The application of these amendments did not have a significant impact in the consolidated financial statements.

> “Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures”, issued in October 2017; the amendments clarify that an entity applies “IFRS 9 - Finan-

cial Instruments” to non-current interests in associates and joint ventures to which the equity method is not applied.

The application of these amendments did not have a significant impact in the consolidated financial statements.

> “IFRIC 23 - Uncertainty over Income Tax Treatments”, issued in June 2017; the interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments.

The application of this interpretation did not have a significant impact in the consolidated financial statements.

> “Annual improvements to IFRSs 2015-2017 cycle”, issued in December 2017; the document contains formal modifications and clarifications of existing standards. More specifically, the following standards were amended:

- “IFRS 3 - Business Combinations”; the amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring its entire previously held interests in the assets of the joint operation at the acquisition-date fair value. These amendments apply to business combinations for which the acquisition date is on or after January 1, 2019;
- “IFRS 11 - Joint Arrangements”; the amendments clarify that when an entity obtains joint control of a joint operation that constitutes a business (as defined in IFRS 3), it should not remeasure its previously held interests in that joint operation. These amendments apply to transactions in which it obtains joint control on or after January 1, 2019;
- “IAS 12 - Income Taxes”; the amendments clarify that the income tax consequences when the entity recognizes a liability to pay a dividend are linked more directly to past transactions or events that generated distributable profits than distributions to owners. Therefore, the related income tax consequences of dividends shall be recognized in income statement, other comprehensive income or equity according to where the entity originally recognized those past transactions or events;
- “IAS 23 - Borrowing Costs”; the amendments clarify

that an entity treats as part of general borrowings any specific borrowing, originally made to develop a qualifying asset, that remain outstanding when substantially all the activities necessary to prepare that asset for its intended use or sale are complete. These amendments

apply to borrowing costs incurred on or after January 1, 2019.

The application of these amendments did not have a significant impact in the consolidated financial statements.

4. Changes in accounting policies and disclosures

4.1 Application of “IFRS 16 - Leases”

Transition disclosures

The Group adopted “IFRS 16 - Leases” using the modified retrospective method, with the date of initial application on January 1, 2019; under this method, the standard is applied retrospectively with the cumulative effect of initial applying IFRS 16 recognized at the date of initial application. Accordingly, the comparative information (for year 2018) has not been restated and it is presented, as previously reported, under IAS 17 and related Interpretations. Additionally, the disclosure requirements in IFRS 16 have not been applied to comparative information.

On transition to IFRS 16, the Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease, at January 1, 2019. Therefore, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

At transition, the Group:

- > did not change the carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases under IAS 17;
- > recognized right-of-use assets and lease liabilities for those leases previously classified as an operating lease applying IAS 17, except for leases of low-value assets, whose amount is considered not material, for which is not required to make any adjustments on transition. The Group mainly recognized a right-of-use asset at the date of initial application in an amount equal to the lease liability,

adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group’s lessee entity as of January 1, 2019.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as an operating lease under IAS 17:

- > relied on its assessment of whether leases are onerous applying IAS 37 immediately before the date of initial application and adjusted the right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognized immediately before the date of initial application;
- > applied the short-term leases exemption to leases with lease terms ending within 12 months of the date of initial application;
- > applied the low-value assets exemption for contracts whose amounts are considered not material;
- > used hindsight, particularly to determine the lease term for contracts that contain options to extend or terminate a lease.

IFRS 16 affects substantially all of the Group entities that act as a lessee. The most significant cases affected by the new provisions of IFRS 16 regard the right-of-use in respect of buildings, ground rights of renewable energy plants, cars and other means of transportation (such as shipping) and other technical machinery.

The Group is not required to make any adjustments on transition for leases in which it acts as a lessor.

Millions of euro

ASSETS	at Dec. 31, 2018	IFRS 16 effect	at Jan. 1, 2019
Non-current assets			
Property, plant and equipment	76,631	1,370	78,001
Investment property	135	-	135
Intangible assets	19,014	-	19,014
Goodwill	14,273	-	14,273
Deferred tax assets	8,305	-	8,305
Equity investments accounted for using the equity method	2,099	-	2,099
Derivatives	1,005	-	1,005
Non-current contract assets	346	-	346
Other non-current financial assets	5,769	-	5,769
Other non-current assets	1,272	-	1,272
	<i>[Total]</i>	1,370	130,219
Current assets			
Inventories	2,818	-	2,818
Trade receivables	13,587	-	13,587
Current contract assets	135	-	135
Income tax credits	660	-	660
Derivatives	3,914	-	3,914
Other current financial assets	5,160	-	5,160
Other current assets	2,983	-	2,983
Cash and cash equivalents	6,630	-	6,630
	<i>[Total]</i>	-	35,887
Assets classified as held for sale	688	2	690
TOTAL ASSETS	165,424	1,372	166,796

Millions of euro

LIABILITIES AND SHAREHOLDERS' EQUITY	at Dec. 31, 2018	IFRS 16 effect	at Jan. 1, 2019
Equity attributable to shareholders of the Parent Company			
Share capital	10,167	-	10,167
Other reserves	1,700	-	1,700
Retained earnings/(loss carried forward)	19,853	-	19,853
	<i>[Total]</i>		
	31,720	-	31,720
Non-controlling interests	16,132	-	16,132
Total shareholders' equity	47,852	-	47,852
Non-current liabilities			
Long-term borrowings	48,983	1,311	50,294
Employee benefits	3,187	-	3,187
Provisions for risks and charges (non-current portion)	5,181	-	5,181
Deferred tax liabilities	8,650	-	8,650
Derivatives	2,609	-	2,609
Non-current contract liabilities	6,306	-	6,306
Other non-current liabilities	1,901	-	1,901
	<i>[Total]</i>		
	76,817	1,311	78,128
Current liabilities			
Short-term borrowings	3,616	-	3,616
Current portion of long-term borrowings	3,367	59	3,426
Provisions for risks and charges (current portion)	1,312	-	1,312
Trade payables	13,387	-	13,387
Income tax payable	333	-	333
Derivatives	4,343	-	4,343
Current contract liabilities	1,095	-	1,095
Other current financial liabilities	788	-	788
Other current liabilities	12,107	-	12,107
	<i>[Total]</i>		
	40,348	59	40,407
Liabilities included in disposal groups classified as held for sale	407	2	409
Total liabilities	117,572	1,372	118,944
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	165,424	1,372	166,796

Millions of euro

	2019
	IFRS 16 effect
Total costs ⁽¹⁾	(21)
Operating income	21
Financial expense	54
Income before taxes	(33)
Income taxes	(9)
Net income for the period (shareholders of the Parent Company and non-controlling interests)	(24)

(1) The figure reflects a decrease of €224 million in costs for services, leases and rentals and an increase of €203 million in depreciation and amortization.

IFRS 16 reconciliation

Millions of euro	
Minimum payments due in respect of operating leases at Dec. 31, 2018	2,441
(Discounting effect)	(1,051)
(Low-value lease exemption)	(1)
(Shot-term lease exemption)	(19)
Finance lease liabilities at Dec. 31, 2018	657
Payments due in respect of leases for renewal periods not included in operating lease commitments at Dec. 31, 2018	-
Lease liabilities at Jan. 1, 2019	2,027

4.2 Argentina - Hyperinflationary economy: impact of the application of IAS 29

As from July 1, 2018, the Argentine economy has been considered hyperinflationary based on the criteria established by "IAS 29 - Financial Reporting in Hyperinflationary Economies". This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of a cumulative inflation rate of more than 100% over the previous three years.

For the purposes of preparing the consolidated financial statements and in accordance with IAS 29, certain items of the balance sheets of the investees in Argentina have been remeasured by applying the general consumer price index to historical data in order to reflect changes in the purchasing power of the Argentine peso at the reporting date for those companies.

Bearing in mind that the Enel Group acquired control of the Argentine companies on June 25, 2009, the remeasurement of the non-monetary balance-sheet figures was conducted by applying the inflation indices starting from that date. In addition to being already reflected in the opening balance sheet, the accounting effects of that remeasurement also include changes during the period. More specifically, the effect of the remeasurement of non-monetary items, the components of equity and the components of the income statement recognized in 2019 was recognized in a specific line of the income statement under financial income and expense. The associated tax effect was recognized in taxes for the period.

In order to also take account of the impact of hyperinflation on the exchange rate of the local currency, the income statement balances expressed in the hyperinflationary currency have been translated into the Group's presentation currency (euro) applying, in accordance with IAS 21, the closing exchange rate rather than the average rate for the period in order to adjust these amounts to current values.

The cumulative changes in the general price indices at December 31, 2018 and December 31, 2019 are shown in the following table:

Periods	Cumulative change in general consumer price index
From July 1, 2009 to December 31, 2018	346.30%
From January 1, 2019 to December 31, 2019	54.46%

In 2019, the application of IAS 29 generated net financial income (gross of tax) of €95 million.

The following tables report the effects of IAS 29 on the balance at December 31, 2019 and the impact of hyperinflation on the main income statement items for 2019, differentiating between that concerning the revaluation on the basis of the general consumer price index and that due to the application of the closing exchange rate rather than the average exchange rate for the period in accordance with the provisions of IAS 21 for hyperinflationary economies.

Millions of euro

	Cumulative hyperinflation effect at Dec. 31, 2018	Hyperinflation effect for the period	Exchange differences	Cumulative hyperinflation effect at Dec. 31, 2019
Total assets	765	368	(276)	857
Total liabilities	197	38	(71)	164
Shareholders' equity	568	330 ⁽¹⁾	(205)	693

(1) The figure includes net income for 2019, equal to €56 million.

Millions of euro

	IAS 29 effect	IAS 21 effect	Total effect
Revenue	297	(325)	(28)
Costs	306 ⁽¹⁾	(236) ⁽²⁾	70
Operating income	(9)	(89)	(98)
Net financial income/(expense)	(4)	(17)	(21)
Net income/(expense) from hyperinflation	95	-	95
Income before taxes	82	(106)	(24)
Income taxes	26	(18)	8
Net income for the year (shareholders of the Parent Company and non-controlling interests)	56	(88)	(32)
Attributable to shareholders of the Parent Company	39	(32)	7
Attributable to non-controlling interests	17	(56)	(39)

(1) Includes impact on depreciation, amortization and impairment losses of €85 million.

(2) Includes impact on depreciation, amortization and impairment losses of €(16) million.

4.3 Application of IFRIC Agenda Decision on transactions on non-financial items with physical delivery within "IFRS 9 - Financial Instruments"

Transition disclosures

In its Agenda Decision of March 2019, the IFRS Interpretations Committee (IFRIC) clarified the proper recognition of contracts entered into to buy or sell fixed-price non-financial items, accounted for at fair value through profit or loss under IFRS 9 and physically settled, including energy commodities.

Based on that measure, the Group changed its accounting policy for the year ended December 31, 2019, with no impact on net income or equity.

Past practice was based on the recognition in:

- > "Net income/(expense) from commodity contracts measured at fair value" of changes in the fair value of outstanding derivatives as well as of the effects in profit or loss, at the settlement date, of the derecognition of derivative assets/liabilities deriving from the fair value measurement of those contracts;

- > "Revenue from sales and services" and "Electricity, gas and fuel purchases" of revenue and costs on the settlement date. The current treatment of such contracts for non-financial items that do not meet the requirements for the own use exemption envisages recognition:

- > under "Revenue" of changes in fair value on outstanding sale contracts as well as, at the settlement date, of the revenue together with the effects in profit or loss from the derecognition of assets/liabilities deriving from the fair value measurement of those contracts;
- > under "Costs":
 - of changes in fair value on outstanding purchase contracts; and
 - at the settlement date, of the associated purchase costs as well as the effects in profit or loss from derecognition of assets/liabilities deriving from the fair value measurement of those contracts.

Consequently the income statement line "Net income/(expense) from commodity contracts measured at fair value" has been renamed as "Net income/(expense) from commodity risk management", which currently includes only changes in fair value and settlement effects of energy commodity derivatives without physical settlement.

Impact on the income statement

Millions of euro	Notes	Effect of IFRIC application		
		2018		2018
Revenue				
Revenue from sales and services	8.a	73,134	(97)	73,037
Other income	8.b	2,538	-	2,538
	<i>[Subtotal]</i>	75,672	(97)	75,575
Costs				
Electricity, gas and fuel purchases	9.a	35,728	1,536	37,264
Services and other materials	9.b	18,870	(464)	18,406
Personnel	9.c	4,581	-	4,581
Net impairment/(reversals) of trade receivables and other receivables	9.d	1,096	-	1,096
Depreciation, amortization and other impairment losses	9.e	5,355	-	5,355
Other operating expenses	9.f	2,889	(1,120)	1,769
Capitalized costs	9.g	(2,264)	-	(2,264)
	<i>[Subtotal]</i>	66,255	(48)	66,207
Net income/(expense) from commodity risk management	10	483	49	532
Operating income		9,900	-	9,900
Financial income from derivatives	11	1,993	-	1,993
Other financial income	12	1,715	-	1,715
Financial expense from derivatives	11	1,532	-	1,532
Other financial expense	12	4,392	-	4,392
Net income/(expense) from hyperinflation		168	-	168
Share of income/(losses) of equity investments accounted for using the equity method	13	349	-	349
Income before taxes		8,201	-	8,201
Income taxes	14	1,851	-	1,851
Net income from continuing operations		6,350	-	6,350
Net income from discontinued operations		-	-	-
Net income for the year (shareholders of the Parent Company and non-controlling interests)		6,350	-	6,350
Attributable to shareholders of the Parent Company		4,789	-	4,789
Attributable to non-controlling interests		1,561	-	1,561
<i>Basic earnings/(loss) per share attributable to shareholders of the Parent Company (euro)</i>		<i>0.47</i>	<i>-</i>	<i>0.47</i>
<i>Diluted earnings/(loss) per share attributable to shareholders of the Parent Company (euro)</i>		<i>0.47</i>	<i>-</i>	<i>0.47</i>
<i>Basic earnings/(loss) per share from continuing operations attributable to shareholders of the Parent Company (euro)</i>		<i>0.47</i>	<i>-</i>	<i>0.47</i>
<i>Diluted earnings/(loss) per share from continuing operations attributable to shareholders of the Parent Company (euro)</i>		<i>0.47</i>	<i>-</i>	<i>0.47</i>

With regard to the details in notes 8 and 9 on revenue and costs, respectively, the following tables give a breakdown of the effects of the application of the interpretation on contracts in

commodities with physical delivery that fall within the scope of IFRS 9.

Millions of euro	Notes	2018	Effect of IFRIC application	2018
Revenue from sales and services				
Sale of electricity	8.a	43,110	(3,832)	39,278
Sale of fuels	8.a	8,556	(7,637)	919
Sale of environmental certificates	8.a	497	(461)	36
Sale of energy commodities under contracts with physical delivery (IFRS 9)	8.a	-	13,843	13,843
Gain/(Loss) on derivatives on sale of commodities with physical delivery	8.a	-	(2,010)	(2,010)
Total		52,163	(97)	52,066

Millions of euro	Notes	2018	Effect of IFRIC application	2018
Purchase of electricity, gas and fuel				
Electricity	9.a	19,584	218	19,802
Gas	9.a	12,944	1,318	14,262
Total		32,528	1,536	34,064
Other materials	9.b	2,375	(464)	1,911
Other operating expenses				
Gain/(Loss) on derivatives on sale of commodities with physical delivery	9.f	-	(1,120)	(1,120)
Total		34,903	(48)	34,855
Net income/(expense) from commodity risk management	10	483	49	532
Total impact of IFRIC application on profit or loss		-	-	-

5. Restatement of comparative disclosures

The figures presented in the comments and tables of the notes to the financial statements are consistent and comparable between 2018 and 2019.

Note that in the light of the introduction of the new accounting policy for the recognition of contracts for the sale and purchase of non-financial items that are accounted for at fair value through profit or loss in accordance with IFRS 9 and settled with physical delivery, analogous reclassifications of the comparative balances for 2018 have been performed to ensure the uniformity and comparability of the figures. These reclassifications had no impact on margins or on shareholders' equity. Please see paragraph 4.3 for further details.

With regard to disclosures for operating segments, beginning with the close of the accounts at September 30, 2019, the Enel Group has changed its primary and secondary reporting seg-

ments in accordance with the provisions of IFRS 8. Specifically, bearing in mind that in 2019 management, understood as the highest operational decision-making level for the purpose of taking decisions on the resources to be allocated to the segment and of measuring and evaluating the results, has begun to report performance by business area, the Group has therefore adopted the following reporting sectors:

- > primary sector: business area; and
- > secondary sector: geographical area.

The business area is therefore the main discriminant in the analyzes performed and decisions taken by the management of the Enel Group, and is fully consistent with the internal reporting prepared for these purposes since the results are measured and evaluated first and foremost for each business area and only thereafter are they broken down by country.

The new business structure is organized as follows: Thermal Generation and Trading, Enel Green Power, Infrastructure and Networks, End-user Markets, Enel X, Services and Holding/Other.

Finally, it should be noted that with effect from September 2019, the Latin America area connected with the Enel Green Power business area also includes the countries Panama, Costa Rica, Guatemala, El Salvador and Nicaragua, which had previously been reported in the North and Central America ge-

ographical area (now renamed North America and consisting of the following countries: United States, Canada and Mexico). In order to ensure full comparability of the figures commented here in the light of the new breakdown of the primary and secondary reporting sectors for IFRS 8 disclosure purposes and of the reallocation of countries in the Enel Green Power segment, the comparative figures for 2018 have been adjusted appropriately.

6. Main changes in the scope of consolidation

In the two periods under review, the scope of consolidation changed as a result of a number of transactions.

2018

- > Disposal, on March 12, 2018, of 86.4% of Erdwärme Oberland GmbH, a company developing geothermal plants headquartered in Germany. The total transaction price was €0.9 million, with a realized capital gain of €1 million;
- > acquisition, on April 2, 2018, of 33.6% of the minority interests in Enel Generación Chile, enabling Enel Chile to increase its stake in Enel Generación Chile to 93.55%. In addition, on that date the merger of the renewables company Enel Green Power Latin America SA into Enel Chile took effect;
- > acquisition, on April 3, 2018, acting through Enel Green Power España, of 100% of Parques Eólicos Gestinver SLU and Parques Eólicos Gestinver Gestión SLU for €57 million, of which €15 million of existing debt assumed;
- > acquisition, on June 7, 2018, by Enel Sudeste of control of the Brazilian distribution company Enel Distribuição São Paulo (formerly Eletropaulo Metropolitana Eletricidade de São Paulo SA) following initial participation of shareholders. The tender for 100% of the shares ended on July 4, 2018. At September 30, 2018, the company was consolidated on the basis of a 95.88% holding by the Group;
- > acquisition, on July 25, 2018, acting through the subsidiary Endesa Red, of 94.6% of Empresa de Alumbrado Eléctrico de Ceuta SA, a company operating in the distribution and sale of electricity in the autonomous city of Ceuta in North Africa;
- > disposal, on September 28, 2018, to Caisse de Dépôt et Placement du Québec (CDPQ), a long-term institutional investor, and CKD Infraestructura México SA de CV (CKD IM), the investment vehicle of leading Mexican pension funds, of

- 80% of eight special purpose vehicles that own eight plants in operation or under construction in Mexico. Following the close of the transaction, Enel Green Power SpA holds 20% of their share capital, meaning that the companies are now accounted for using the equity method;
- > disposal, on October 18, 2018, by Enel Green Power SpA of the biomass generation plant of Finale Emilia;
- > disposal, on December 14, 2018, by Enel Green Power SpA of its wholly owned subsidiary Enel Green Power Uruguay SA, which in turn owns the vehicle Estrellada SA of the 50 MW Melowind wind farm at Cerro Largo.

2019

- > Disposal, on March 1, 2019, of 100% of Mercure Srl, a company to which the business unit consisting of the Mercure biomass plant and the related legal relationships had been previously transferred. The price for the transaction was €168 million;
- > acquisition, on March 14, 2019, by Enel Green Power SpA, acting through its US renewables subsidiary Enel Green Power North America (EGPNA, now renamed Enel North America), of 100% of 13 companies that own seven operating renewable generation plants from Enel Green Power North America Renewable Energy Partners (EGPNA REP), a joint venture 50% owned by EGPNA and 50% by General Electric Capital's Energy Financial Services;
- > acquisition, on March 27, 2019, by Enel Green Power SpA (EGP), acting through its US renewables subsidiary EGPNA (now ENA), of Tradewind Energy, a renewable energy project development company based in Lenexa, Kansas. EGP has incorporated the entire Tradewind development platform, which includes 13 GW of wind, solar and storage projects located in the United States. The agreement also

- provided for the sale, which took place in June, of Savion, a wholly owned subsidiary of Tradewind;
- > acquisition, on April 30, 2019, by Enel X Italia of 100% of YouSave SpA, an Italian company operating in the energy services sector, providing assistance to large electricity consumers;
 - > on May 31, 2019, the finalization, acting through the renewables subsidiary Enel Green Power Brasil Participações Ltda, of the disposal of 100% of three renewables plants in Brazil. The total price of the transaction was about R\$2.7 billion, the equivalent of about €603 million;
 - > acquisition, on November 14, 2019, by Enel X Srl of 55% of PayTipper, an authorized payment institution that offers its customers financial services to facilitate their daily lives. The contract is accompanied by a put option for the remaining 45%.

Other changes

In addition to the above changes in the scope of consolidation, note the following transactions, which although they do not represent transactions involving the acquisition or loss of control, gave rise to a change in the interest held by the Group in the investees:

- > Enel SpA increased its stake over the course of 2019 in Enel Américas by 5.74% under the provisions of the two share swap contracts signed with a financial institution and as a result of a non-proportional capital increase in the subsidiary, bringing the Group's interest to 59.97%;
- > on March 25, 2019, Enel X International acquired 40% of EnerNOC Japan K.K, bringing its stake to 100%;
- > on September 5, 2019, Enel Green Power Development acquired 23.44% of Enel Green Power India, bringing its interest to 100%;
- > on November 21, 2019, Enel Brasil acquired 4.1% of Elet-

ropaulo Metropolitana Eletricidade de São Paulo SA for about €93 million;

- > on December 5, 2019, Enel SpA increased its stake in Enel Chile by 0.11% under the provisions of two share swap transactions with a financial institution to increase its interest in Enel Chile SA by a maximum of 3% of share capital.

Acquisition of geothermal, solar and wind plants from Enel Green Power North America Renewable Energy Partners

On March 14, 2019, Enel Green Power SpA, acting through its US subsidiary Enel Green Power North America (EGPNA, now called Enel North America), acquired 100% of 13 companies owning seven operating renewable generation plants with a total capacity of 650 GW from Enel Green Power North America Renewable Energy Partners (EGPNA REP), a joint venture 50% owned by EGPNA (now ENA) and 50% by General Electric Capital's Energy Financial Services.

The acquisition involved a cash outflow of €225 million, of which €198 million for the equity acquired and €27 million for the settlement with the counterparty of a number of creditor positions that the latter had in respect of the companies acquired.

The 13 companies included in the transaction own the following seven plants: Cove Fort, Salt Wells, Stillwater (two plants), Cimarron Bend, Lindahl, Sheldon Springs.

The transaction involved the provisional recognition of negative goodwill of €106 million and the concomitant recognition of a loss by EGPNA REP, which is accounted for using the equity method, reflecting the capital loss (€88 million pertaining to EGPNA) on the sale of the 13 companies to EGPNA.

The following table reports the provisional fair values of the net assets acquired.

Millions of euro	Carrying amount prior to March 14, 2019	Adjustments from purchase price allocation	Carrying amount at March 14, 2019
Property, plant and equipment	947	86	1,033
Intangible assets	20	(20)	-
Goodwill	13	(13)	-
Investments accounted for using the equity method	(10)	-	(10)
Inventories	2	-	2
Trade receivables	6	-	6
Other current assets	7	-	7
Cash and cash equivalents	6	-	6
Borrowings	(579)	(24)	(603)
Provisions for risks and charges (non-current portion)	(9)	7	(2)
Deferred tax liabilities	-	(56)	(56)
Other non-current liabilities	(2)	(5)	(7)
Short-term borrowings	(2)	-	(2)
Current portion of long-term borrowings	(41)	8	(33)
Trade payables	(8)	-	(8)
Other current liabilities	(2)	-	(2)
Non-controlling interests	-	-	-
Net assets acquired	348	(17)	331
Cost of the acquisition	225	-	225
<i>(of which paid in cash)</i>	<i>225</i>	<i>-</i>	<i>225</i>
Goodwill/(Badwill)	(123)	17	(106)

The companies acquired contributed €112 million in revenue and €41 million in operating income to results for 2019.

Acquisition of Tradewind Energy

On March 27, 2019, Enel Green Power acquired Tradewind Energy, a renewables project development company with 13 GW of wind, solar and storage projects located in the United States.

Under the terms of the agreement, Savion, a 100% subsidiary of Tradewind, which has a 6 GW development platform of solar and storage projects, would be sold to the Green Investment Group, part of the Australian multinational Macquarie, and the Cheyenne Ridge company would be sold to Xcel. At June 30, 2019, those disposals had been finalized. Definitive regulatory approval of the disposal of Savion was obtained in July 2019.

The following table reports the provisional fair values of the net assets acquired.

Millions of euro	Carrying amount prior to March 27, 2019	Adjustments from purchase price allocation	Carrying amount at March 27, 2019
Property, plant and equipment	8	(2)	6
Intangible assets	2	100	102
Deferred tax assets	11	(11)	-
Other non-current assets	31	3	34
Trade receivables	3	(3)	-
Other current assets	1	117	118
Cash and cash equivalents	4	-	4
Deferred tax liabilities		(26)	(26)
Other non-current liabilities	(1)	-	(1)
Short-term borrowings	(87)	-	(87)
Trade payables	(6)	(4)	(10)
Other current financial liabilities	(54)	25	(29)
Other current liabilities	(3)	(2)	(5)
Net assets acquired	(91)	197	106
Cost of the acquisition	6	25	31
<i>(of which paid in cash)</i>	<i>6</i>	<i>25</i>	<i>31</i>
Goodwill/(Badwill)	97	(172)	(75)

The accounting effects of the transaction involved the recognition of negative goodwill of €75 million. During the year, the process of allocating the purchase price was completed by independent experts, who allocated the portfolio of projects under development to "intangible assets". Those no longer considered strategic and subsequently sold were recognized under "other current assets".

Acquisition of YouSave

On April 30, 2019, Enel X Italia acquired 100% of YouSave SpA, an Italian company that operates in the energy services sector, providing assistance to large energy consumers in the industrial, services and government sectors with the aim of significantly reducing energy expenditure by jointly improving prices and the amount of power consumed.

The total consideration, equal to €29 million, based on the structure of the operation, was divided as follows:

- > price at the date the agreement was signed, equal to €20 million;
- > a final price adjustment of €9 million.

The acquisition involved a cash outlay of €26 million, including the payment of €3 million into an escrow account.

This residual amount of €3 million represents a deferred component to be paid on the 18th month from the execution date, unless the conditions for the payment of the indemnity by the seller to the buyer with respect to a dispute pending before the Court of Bergamo should exist.

The following table reports the provisional fair values of the net assets acquired.

Millions of euro	Carrying amount prior to April 30, 2019	Adjustments from purchase price allocation	Post-adjustment carrying amount at April 30, 2019
Net assets acquired	15	24	39
Cost of the acquisition	29	-	29
Goodwill/(Badwill)	14	(24)	(10)

Acquisition of PayTipper

On November 14, 2019, Enel X acquired 55% of PayTipper, a payment institution with agreements with an extensive network of sales outlets that offers its customers financial services to facilitate their daily lives. In addition, the contract

is associated with a put option for the remaining 45%, to be exercised no later than April 30, 2024. At December 31, 2019 the put option had a value of €17 million.

The Group will determine the fair value of the assets acquired and the liabilities assumed within 12 months of the acquisition date.

Determination of goodwill

Millions of euro	
Net assets acquired	4
Cost of the acquisition	22
<i>(of which paid in cash)</i>	<i>5</i>
Goodwill	18

Disposal of three renewables plants in Brazil

On May 31, 2019 the disposal of 100% of three operating renewables plants in Brazil was finalized through the renew-

ables subsidiary Enel Green Power Brasil Participações Ltda. The total consideration in the transaction, paid to Enel at closing, was equal to the enterprise value of the plants and amounted to about R\$2.7 billion, equivalent to about €603 million.

Millions of euro	
Value of the transaction	603
Net assets sold	(565)
Transaction costs	(4)
Reversal of OCI reserve	(41)
Capital loss	(7)

Disposal of Mercure Srl

March 1, 2019, saw the finalization of the sale of 100% of Mercure Srl, a company to which a business unit consisting of

the Mercure biomass power plant and related legal relationships had previously been transferred. The price for the sale was €168 million.

Millions of euro	
Value of the transaction	168
Net assets sold	60
Capital gain	108

7. Segment information

The representation of performance and financial position by business area presented here is based on the approach used by management in monitoring Group performance for the two periods being compared.

As already discussed in note 5 to the consolidated financial statements, since September 2019, segment information has been reformulated to give a more consistent view of the decision-making processes implemented by management, which give priority to analyzes by Business Line rather than by Country or Region.

In order to ensure full comparability of the figures commented here in the light of the new breakdown of the primary and secondary reporting sectors for IFRS 8 disclosure purposes

and of the reallocation of countries in the Enel Green Power segment, the comparative figures for 2018 have been restated appropriately. At the same time, within each CGU, lower level operating units were identified at the intersections of the organizational matrix (Business Line/Country/Region), which in accordance with IAS 36 made it possible to reallocate the goodwill associated with the higher level and reported cumulatively at December 31, 2018 in the column "Other, eliminations and adjustments".

For more information on performance and financial developments during the year, please see the dedicated section in the Report on Operations.

Segment information for 2019 and 2018

Results for 2019 ⁽¹⁾

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue and other income from third parties	30,519	7,360	20,092	19,482	967	1,901	6	80,327
Revenue and other income from transactions with other segments	1,532	373	1,697	13,062	163	80	(16,907)	-
Total revenue	32,051	7,733	21,789	32,544	1,130	1,981	(16,901)	80,327
Total costs	29,980	3,143	13,511	29,186	972	1,855	(16,757)	61,890
Net income/(expense) from commodity risk management	(676)	14	-	(71)	-	-	-	(733)
Depreciation and amortization	1,142	1,241	2,692	333	145	171	26	5,750
Impairment losses	4,031	99	371	930	111	33	1	5,576
Reversals of impairment losses	(284)	(12)	(62)	(139)	-	(3)	-	(500)
Operating income	(3,494)	3,276	5,277	2,163	(98)	(75)	(171)	6,878
Capital expenditure	851	4,293 ⁽²⁾	3,905	449	270	134	45	9,947

(1) Segment revenue includes both revenue from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.

(2) Does not include €4 million regarding units classified as "held for sale".

Results for 2018 ⁽¹⁾⁽²⁾⁽³⁾

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue and other income from third parties	26,630	7,613	18,250	20,340	849	1,878	15	75,575
Revenue and other income from transactions with other segments	977	443	1,718	13,431	157	60	(16,786)	-
Total revenue	27,607	8,056	19,968	33,771	1,006	1,938	(16,771)	75,575
Total costs	27,130	3,286	12,429	30,681	882	1,918	(16,570)	59,756
Net income/(expense) from commodity risk management	640	(162)	-	(11)	-	65	-	532
Depreciation and amortization	1,098	1,101	2,483	314	86	113	19	5,214
Impairment losses	158	131	337	1,000	15	15	1	1,657
Reversals of impairment losses	(21)	(129)	(68)	(193)	4	(5)	(8)	(420)
Operating income	(118)	3,505	4,787	1,958	19	(38)	(213)	9,900
Capital expenditure	839	2,784 ⁽⁴⁾	3,830	374	183	106	36	8,152

(1) Segment revenue includes both revenue from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.

(2) The figures have been restated to ensure comparability with results for 2019, which are presented using business area as the primary reporting segment.

(3) The 2018 figures have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of March 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 4.3 of the consolidated financial statements).

(4) Does not include €378 million regarding units classified as "held for sale".

Financial position by segment

At December 31, 2019

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Property, plant and equipment	11,863	30,351	36,333	160	442	663	11	79,823
Intangible assets	134	4,697	23,782	3,624	605	466	29	33,337
Non-current and current contract assets	-	-	482	-	53	75	43	653
Trade receivables	3,219	1,726	7,649	3,838	607	676	(4,632)	13,083
Other	1,426	1,421	1,654	543	1,098	1,283	(1,350)	6,075
Operating assets	16,642⁽¹⁾	38,195⁽²⁾	69,900⁽³⁾	8,165	2,805	3,163	(5,899)	132,971
Trade payables	3,383	2,192	5,411	5,028	414	949	(4,417)	12,960
Non-current and current contract liabilities	199	167	7,271	75	5	16	(104)	7,629
Sundry provisions	3,410	903	4,412	494	34	578	459	10,290
Other	1,074	1,843	8,867	2,642	415	1,451	(503)	15,789
Operating liabilities	8,066	5,105	25,961⁽⁴⁾	8,239	868	2,994	(4,565)	46,668

(1) Of which €4 million regarding units classified as "held for sale".

(2) Of which €7 million regarding units classified as "held for sale".

(3) Of which €10 million regarding units classified as "held for sale".

(4) Of which €3 million regarding units classified as "held for sale".

At December 31, 2018⁽¹⁾

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Property, plant and equipment	15,448	25,971	35,026	73	344	371	10	77,243
Intangible assets ⁽²⁾	38	1,220	15,875	1,078	347	414	14,343	33,315
Non-current and current contract assets	15	-	348	-	47	78	(7)	481
Trade receivables	4,345	1,290	7,582	4,640	282	696	(5,224)	13,611
Other	2,483	1,042	2,424	555	113	1,726	(1,985)	6,358
Operating assets	22,329⁽³⁾	29,523⁽⁴⁾	61,255⁽⁵⁾	6,346	1,133	3,285	7,137⁽⁶⁾	131,008
Trade payables	4,680	1,806	5,555	5,535	381	890	(5,458)	13,389
Non-current and current contract liabilities	220	100	7,156	41	13	12	(141)	7,401
Sundry provisions	2,490	768	4,644	551	35	669	524	9,681
Other	1,647	1,517	6,746	2,454	257	1,311	(998)	12,934
Operating liabilities	9,037	4,191⁽⁷⁾	24,101⁽⁸⁾	8,581	686	2,882	(6,073)	43,405

(1) The figures have been restated to ensure comparability with the results at December 31, 2019, which are presented using business area as the primary reporting segment.

(2) Intangible assets include goodwill allocated by country, which was reallocated by business area in 2019 in the light of new breakdown of primary and secondary reporting segments for the purpose of IFRS 8 disclosures.

(3) Of which €4 million regarding units classified as "held for sale".

(4) Of which €635 million regarding units classified as "held for sale".

(5) Of which €5 million regarding units classified as "held for sale".

(6) Of which €23 million regarding units classified as "held for sale".

(7) Of which €19 million regarding units classified as "held for sale".

(8) Of which €3 million regarding units classified as "held for sale".

The following table reconciles segment assets and liabilities and the consolidated figures.

Millions of euro	at Dec. 31, 2019	at Dec. 31, 2018
Total assets	171,426	165,424
Equity investments accounted for using the equity method	1,682	2,099
Non-current derivative assets	1,383	1,005
Other non-current financial assets	6,006	5,769
Long-term tax receivables included in "Other non-current assets"	1,587	231
Current financial assets	4,305	5,160
Current derivative assets	4,065	3,914
Cash and cash equivalents	9,029	6,630
Deferred tax assets	9,112	8,305
Tax receivables	1,206	1,282
Financial and tax assets of "Assets held for sale"	80	21
Segment assets	132,971	131,008
Total liabilities	124,488	117,572
Long-term borrowings	54,174	48,983
Non-current derivative liabilities	2,407	2,609
Short-term borrowings	3,917	3,616
Current portion of long-term borrowings	3,409	3,367
Current financial liabilities	754	788
Current derivative liabilities	3,554	4,343
Deferred tax liabilities	8,314	8,650
Income tax payable	209	333
Other tax payables	1,082	1,093
Financial and tax liabilities of "Liabilities held for sale"	-	385
Segment liabilities	46,668	43,405

Revenue

8.a Revenue from sales and services - €77,366 million

Millions of euro	2019	2018	Change	
Sale of electricity ⁽¹⁾	40,045	39,278	767	2.0%
Transport of electricity	10,470	10,101	369	3.7%
Fees from network operators	866	1,012	(146)	-14.4%
Transfers from institutional market operators	1,625	1,711	(86)	-5.0%
Sale of gas	3,294	4,401	(1,107)	-25.2%
Transport of gas	617	576	41	7.1%
Sale of fuels ⁽¹⁾	914	919	(5)	-0.5%
Connection fees to electricity and gas networks	785	714	71	9.9%
Construction contracts	749	735	14	1.9%
Sale of environmental certificates ⁽¹⁾	36	36	-	-
Sale of value-added services	343	390	(47)	-12.1%
Other sales and services	1,295	1,305	(10)	-0.8%
Total IFRS 15 revenue	61,039	61,178	(139)	-0.2%
Operating leases	24	26	(2)	-7.7%
Sale of energy commodities under contracts with physical delivery (IFRS 9) ⁽¹⁾	10,775	13,843	(3,068)	-22.2%
Gain/(Loss) on derivatives on sale of commodities with physical delivery ⁽¹⁾	5,519	(2,010)	7,529	-
Reinsurance premiums	6	-	6	-
Other revenue	3	-	3	-
TOTAL REVENUE FROM SALES AND SERVICES	77,366	73,037	4,329	5.9%

(1) The 2018 figures have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of March 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 4.3 of the consolidated financial statements).

The increase in revenue from energy sales (€767 million) is mainly attributable to the consolidation of Enel Distribuição São Paulo in June 2018.

Revenue from the transport of electricity came to €10,470 million in 2019, an increase of €369 million. This increase was mainly due to the acquisition of Enel Distribuição São Paulo and the greater distribution revenue in Italy, above all as a result of the regulatory change with Resolution no. 654/2015 of the Regulatory Authority for Energy, Networks and the Environment (ARERA) (related to “regulatory lag”).

Revenue generated by fees from network operators came to €866 million, a decrease of €146 million compared with the previous year due, above all, to lower fees for the remuneration of generation plants in Italy.

Revenue from the sale of natural gas for 2019, which totaled €3,294 million, decreased by €1,107 million from the previous year (€4,401 million in 2018). The decrease reflects lower quantities sold and, above all, lower average prices applied for sales in Spain (€1,136 million) compared with the previous year.

Other non-IFRS 15 revenue increased by €4,468 million due to the sale of commodities under contracts for physical delivery and adjustments to their fair value, including for the unsettled portion following reclassification as a result of application of the IFRIC Agenda Decision of March 2019 concerning the recognition of contracts on commodities with the physical delivery of energy within the scope of IFRS 9.

Revenue from contracts with customers (IFRS 15) for 2019 totaled €61,039 million and can be broken down into point-in-time and over-time revenue as shown in the table below:

		2019														Total	
		Italy		Iberia		Latin America		Europe and Euro-Mediterranean Affairs		North America		Africa, Asia and Oceania		Other, eliminations and adjustments			
		Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time
Total IFRS 15 revenue		22,635	522	17,860	785	15,573	503	1,383	934	646	27	76	81	7	7	58,180	2,859

The table below gives a breakdown of revenue from sales and services by geographical area:

Millions of euro		2019	2018
Italy ⁽¹⁾		26,420	27,385
Europe			
Iberia ⁽¹⁾		18,265	18,379
France		1,259	1,006
Switzerland		217	1,039
Germany		3,746	2,297
Austria		173	155
Slovenia		40	27
Slovakia		1	-
Romania		1,311	1,214
Greece		73	62
Bulgaria		8	9
Belgium		26	320
Czech Republic		152	113
Hungary		418	399
Russia		897	989
Netherlands		6,553	2,139
United Kingdom		726	1,685
Other European countries		(23)	113
Americas			
United States		501	466
Canada		18	23
Mexico ⁽¹⁾		233	519
Brazil		7,752	6,518
Chile		3,263	3,169
Peru		1,261	1,275
Colombia		2,243	2,242
Argentina		1,323	1,265
Other South American countries		169	14
Other			
Africa		92	82
Asia		249	133
Total		77,366	73,037

(1) The 2018 figures have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of March 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 4.3 of the consolidated financial statements).

Performance obligations

The following table provides information about the Group's performance obligations arising from contracts with custo-

mers with reference to the main revenue streams only, with a summary of the specific judgments made and the related revenue recognition policies:

Type of product/service	Nature and timing of satisfaction of performance obligation	Accounting policies
Sale/transport electricity/gas to end-users	<p>An electricity/gas supply agreement signed with an end users includes a single performance obligation (sale and transport of the commodity) because the Group has determined that the contract does not provide distinct goods/services and the promise is satisfied by transferring control over the commodity to the customer when it is delivered at the point of delivery. In order to determine the nature of the promise included in such contracts, the Group carefully analyzes the facts and circumstances applicable to each contract and commodity.</p> <p>However, the Group considers that the performance obligation provided for in a repetitive service contract, such as a supply or transport contract for the provision of electricity/gas to end users is typically satisfied over time (because the customer simultaneously receives and consumes the benefits of the commodity as it is delivered) as part of a series of distinct goods/services (i.e., each unit of commodity) that are substantially the same and have the same pattern of transfer to the customer. In these cases, the Group applies an output method to recognize revenue in the amount to which it has a right to invoice the customer if that amount corresponds directly with the value to the customer of the performance completed to date.</p>	<p>Revenue from the sale and transport of electricity/gas to end users is recognized when these commodities are delivered to the customer and is based on the quantities provided during the period, even if these have not yet been invoiced. It is determined using estimates as well as periodic meter readings. Where applicable, this revenue is based on the rates and related restrictions established by law or by the Regulatory Authority for Energy, Networks and the Environment (ARERA) and analogous foreign authorities during the applicable period.</p>

Type of product/service	Nature and timing of satisfaction of performance obligation	Accounting policies
<p>Network connection services</p>	<p>The network connection fees received from customers for connecting them to the electricity/gas distribution networks require a specific Group assessment to take into consideration all terms and conditions of the connection arrangements. This assessment is intended to determine whether the contract includes other distinct goods or services, such as for example, the right to obtain ongoing access to the infrastructure in order to receive the commodity or, when the connection fee is a “non-refundable up-front fee” paid at or near contract inception, a material right that gives rise to a performance obligation. In particular, in some countries in which the Group operates, it has determined that the nature of the consideration received represents a “non-refundable up-front fee” whose payment provides a material right to the customer. In order to determine if the period over which this material right should be recognized extends beyond the initial contractual period, the Group takes into consideration the applicable local legal and regulatory framework applicable to the contract and that affect the parties. In such cases, if there is an implied assignment of the material right and an obligation from the initial customer to the new customer, the Group recognizes the connection fee over a period beyond the relationship with the initial customer, considering the concession terms as the period during which the initial customer and any future customer can benefit from the ongoing access without paying an additional connection fee. As a consequence, the fee is recognized over the period for which the payment creates an obligation for the Group to make the lower prices available to future customers (i.e., the period during which the customer is expected to benefit from the ongoing access service without having to pay an “up-front fee” upon renewal).</p>	<p>Revenue from monetary and in-kind fees for connection to the electricity and gas distribution network is recognized on the basis of the satisfaction of the performance obligations included in the contract. The identification of distinct goods or services requires a careful analysis of the terms and conditions of the connection arrangements, which could vary from country to country based on the local context, regulations and law. In order to finalize this assessment, the Group considers not only the characteristics of the goods/services themselves (i.e., the good or service is capable of being distinct) but also the implied promises for which the customer has a valid expectation as it views those promises as part of the negotiated exchange, that is goods/services that the customer expects to receive and has paid for (i.e., the promise to transfer the good or service to the customer is separately identifiable from other promises in the contract). Furthermore, the Group acts as an agent in some contracts for electricity/gas network connection services and other related activities, depending on local legal and regulatory framework. In such cases, it recognizes revenue on a net basis, corresponding to any fee or commission to which it expects to be entitled.</p>
<p>Construction contracts</p>	<p>The construction contracts typically include a performance obligation satisfied over time. For these contracts, the Group generally considers it appropriate to use an input method for measuring progress, except when a specific contract analysis suggests the use of an alternative method that better depicts the Group’s performance obligation fulfilled at reporting date.</p>	<p>For construction contracts that include a performance obligation satisfied over time, the Group recognizes revenue over time by measuring progress toward the complete satisfaction of that performance obligation. The cost-incurred method (cost-to-cost method) is generally considered the best method to depict the Group’s performance obligation fulfilled at the reporting date. The amount due from customers under a construction contract is presented as a contract asset; the amount due to customers under a construction contract is presented as a contract liability.</p>

8.b Other income - €2,961 million

Millions of euro

	2019	2018	Change	
Operating grants	19	20	(1)	-5.0%
Grants for environmental certificates	475	664	(189)	-28.5%
Capital grants (electricity and gas business)	25	22	3	13.6%
Sundry reimbursements	521	353	168	47.6%
Gains on disposal of subsidiaries, associates, joint ventures, joint operations and non-current assets held for sale	325	287	38	13.2%
Gains on the disposal of property, plant and equipment, and intangible assets	79	61	18	29.5%
Service continuity bonuses	32	44	(12)	-27.3%
Other income	1,485	1,087	398	36.6%
Total	2,961	2,538	423	16.7%

Grants for environmental certificates amounted to €475 million, a decrease of €189 million from the previous year due essentially to a reduction in grants on energy efficiency certificates obtained on distribution in Italy.

Sundry reimbursements increased by €168 million, attributable mainly to Enel Generación Chile for the indemnity received from the customer Anglo American for early withdrawal from a long-term electricity supply agreement totaling €160 million, of which €80 million related to Thermal Generation and Trading Business Line and €80 million related to the Enel Green Power Business Line.

Gains on the disposal of entities came to €325 million in 2019, an increase of €38 million, and mainly include:

- > the gain on the sale of Mercure Srl, a special-purpose vehicle to which Enel Produzione had previously transferred the Valle del Mercure biomass plant (€108 million);
- > the negative goodwill (of €181 million) resulting from the definitive allocation of the purchase price of (i) a number of companies sold by Enel Green Power North America Renewable Energy Partners LLC (€106 million) and (ii) Tradewind, which transitioned from being an associated company to a wholly-owned subsidiary (negative goodwill of €75 million);
- > the gains of €42 million on the disposals of Gratiot and Outlaw, two renewable energy projects developed by Tradewind.

In 2018, this item mainly included:

- > the gain on the sale, with loss of control, of eight project

companies in Mexico at the end of September 2018 and the associated re-measurement at fair value of the 20% stake retained by the Group in the companies sold (€190 million);

- > the gain on the sale of EF Solare Italia (€65 million);
- > the gain on the sale of a number of companies within the Enel Green Power Business Line in Uruguay (€18 million).

The aggregate "Other income" increased by €398 million in 2019, essentially attributable to:

- > an increase in revenue in Argentina following the Edesur agreement with the local authorities resolving reciprocal pending issues arising during the 2006-2016 period (€233 million);
- > the adjustment to the amount paid for the acquisition of eMotorWerks in 2017 in application of certain contract clauses (€98 million);
- > the €50 million payment under the agreement that e-distribuzione reached with F2i and 2i Rete Gas for the early, lump-sum settlement of the second indemnity connected with the sale, in 2009, of e-distribuzione's share held in Enel Rete Gas.

In 2018, this aggregate mainly included the €128 million indemnity related to the e-distribuzione agreement for the sale of Enel Rete Gas in 2009.

The following table shows a breakdown of total revenue from sales and services by business area based on the approach used by management to monitor the Group's performance during the two years being compared.

Millions of euro	2019							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue from sales and services	31,744	7,173	20,599	32,042	1,011	1,946	(17,149)	77,366
Other income	307	560	1,190	502	119	35	248	2,961
Total revenue	32,051	7,733	21,789	32,544	1,130	1,981	(16,901)	80,327
	2018 ⁽¹⁾							
Revenue from sales and services	27,412	7,650	18,805	33,444	964	1,958	(17,196)	73,037
Other income	195	406	1,163	327	42	(20)	425	2,538
Total revenue	27,607	8,056	19,968	33,771	1,006	1,938	(16,771)	75,575

(1) The 2018 figures have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of March 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 4.3 of the consolidated financial statements).

Costs

9.a Electricity, gas and fuel purchases - €33,755 million

Millions of euro				
	2019	2018	Change	
Electricity ⁽¹⁾	20,449	19,802	647	3.3%
Gas ⁽¹⁾	10,706	14,262	(3,556)	-24.9%
Nuclear fuel	125	118	7	5.9%
Other fuels	2,475	3,082	(607)	-19.7%
Total	33,755	37,264	(3,509)	-9.4%

(1) The 2018 figures have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of March 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 4.3 of the consolidated financial statements).

Purchases of electricity, gas and other fuels decreased by €3,509 million in 2019 mainly due to the reclassifications in response to the IFRIC Agenda Decision of March 2019 concerning the recognition of non-financial transactions for physical deliveries within the scope of IFRS 9. For more information,

see paragraph 4.3 of the notes to the consolidated financial statements.

This reduction, under “fuels,” also includes the €206 million in impairment losses on fuel inventories associated with the coal-fired plants subject to impairment in Italy and Spain.

9.b Services and other materials - €18,580 million

Millions of euro				
	2019	2018	Change	
Transmission and transport	9,879	9,754	125	1.3%
Maintenance and repairs	1,145	1,013	132	13.0%
Telephone and postal costs	181	180	1	0.6%
Communication services	142	129	13	10.1%
IT services	806	773	33	4.3%
Leases and rentals	382	589	(207)	-35.1%
Other services	3,935	4,057	(122)	-3.0%
Other materials ⁽¹⁾	2,110	1,911	199	10.4%
Total	18,580	18,406	174	0.9%

(1) The 2018 figures have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of March 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 4.3 of the consolidated financial statements).

Costs for services and other materials amounted to €18,580 million in 2019, an increase on 2018 of €174 million. This increase is mainly attributable to “Other materials,” which includes

the impairment of spare-parts inventories associated with the coal-fired plants subject to impairment in Italy and Spain for a total of €102 million.

9.c Personnel - €4,634 million

Millions of euro

	2019	2018	Change	
Wages and salaries	3,240	3,157	83	2.6%
Social security contributions	875	894	(19)	-2.1%
Deferred compensation benefits	103	103	-	-
Other post-employment and long-term benefits	108	113	(5)	-4.4%
Early retirement incentives	101	138	(37)	-26.8%
Other costs	207	176	31	17.6%
Total	4,634	4,581	53	1.2%

Personnel costs amounted to €4,634 million in 2019, an increase of €53 million.

The Group's workforce decreased by 1,019 employees, mainly reflecting the negative difference between new hires and terminations (1,094 employees) due to early-retirement incentives, only partially offset by a net increase for changes in the scope of consolidation (75 employees) essentially attributable to:

- > the disposal of the Mercure plant by Enel Produzione in Italy;
- > the acquisition of Tradewind in the USA;
- > the sale of the Reftinskaya GRES plant in Russia;
- > the acquisition of PayTipper Network Srl, FlagPay Srl, and PayTipper in Italy.

The increase in wages and salaries despite the decrease in

the total workforce essentially reflects the greater average size of the workforce in 2019 due to the consolidation of Enel Distribuição São Paulo, which only took effect as from June 2018.

Early retirement incentives in 2019 totaled €101 million, a decrease of €37 million mainly attributable to Latin America and Italy in reflection of terminations of employment in application of the provisions of Article 4 of Law 92/2012 (the "Fornero Act") applied mainly in 2018, which were only partially offset by the cost increase in Spain for the *Plan de Salida* incentive plan.

The table below shows the average number of employees by category, along with a comparison with the previous year, and the headcount as of December 31, 2019.

	Average ⁽¹⁾			Headcount ⁽¹⁾
	2019	2018	Change	at Dec. 31, 2019
Senior managers	1,375	1,343	32	1,357
Middle managers	11,016	10,614	402	11,329
Office staff	35,066	33,906	1,160	36,280
Blue collar	20,846	20,834	12	19,287
Total	68,303	66,697	1,606	68,253

(1) For companies consolidated on a proportionate basis, the headcount corresponds to Enel's percentage share of the total.

9.d Net impairment/(reversals) of trade receivables and other receivables - €1,144 million

Millions of euro

	2019	2018	Change	
Impairment of trade receivables	1,239	1,367	(128)	-9.4%
Impairment of other receivables	116	18	98	-
Total impairment of trade and other receivables	1,355	1,385	(30)	-2.2%
Reversals of impairment losses on trade receivables	(202)	(281)	79	-
Reversals of impairment losses on other receivables	(9)	(8)	(1)	-
Total reversals of impairment losses on trade and other receivables	(211)	(289)	78	-
TOTAL NET IMPAIRMENT/(REVERSALS) OF TRADE AND OTHER RECEIVABLES	1,144	1,096	48	4.4%

The aggregate, which totaled €1,144 million, includes impairment losses and reversals of impairment losses on trade and other receivables. The decrease in impairment for Italian companies operating in end-user markets was more than offset

by the increased impairment resulting from the consolidation of Enel Distribuição São Paulo and by a decrease in reversals of impairment for Endesa Energía.

9.e Depreciation, amortization and other impairment losses - €9,682 million

Millions of euro

	2019	2018	Change	
Property, plant and equipment	4,481	4,132	349	8.4%
Investment property	3	7	(4)	-57.1%
Intangible assets	1,266	1,075	191	17.8%
Other impairment losses	4,221	272	3,949	-
Other reversals of impairment losses	(289)	(131)	(158)	-
Total	9,682	5,355	4,327	80.8%

In 2019, depreciation, amortization and other impairment losses essentially reflect the impairment losses recognized on a number of coal-fired plants in Italy, Spain, Chile and Russia for a total of €4,010 million, including related decommissioning charges.

These impairment losses are essentially attributable to:

- > the reduced competitiveness of plants with higher CO₂ emissions compared with other technologies, particularly in Spain and Italy, based on the changing characteristics of the market in terms of commodity prices and increased compliance costs in relation to CO₂ emissions, as well as the additional penalties, particularly in Italy, due to introduction of new capacity-market regulations for the remuneration mechanism for available capacity, which restricts the scope of application for plants with higher CO₂ emissions;
- > agreements with the Chilean government for the early de-

commissioning of the Tarapacá and Bocamina I coal-fired plants (by May 31, 2020, and December 31, 2023, respectively) within the scope of the decarbonization process that has begun in the country (€356 million);

- > the adjustment (€127 million) to the fair value of the Reftinskaya plant as a result of its classification as held for sale following the binding agreement approved by the parties in June 2019.

The change also includes the depreciation of right-of-use assets, which, as of January 1, 2019, are subject to depreciation over the term of the lease agreement in application of IFRS 16 (€203 million).

These effects were partially offset by reversals of impairment for gas plants in Italy in the amount of €265 million in response to impairment testing.

In 2018, this aggregate included the impairment of biomass assets in Italy (€94 million), of the assets of Nuove Energie (€24 million), of the Augusta and Bastardo power plants (€23 million), and of the Alcúdia power plant in Spain (€82 million). These effects were partially offset by the reversal of impairment for the Hellas CGU (€117 million).

9.f Other operating expenses - €7,276 million

Millions of euro				
	2019	2018	Change	
System charges - emissions allowances	430	443	(13)	-2.9%
Charges for energy efficiency certificates	416	607	(191)	-31.5%
Charges for purchases of green certificates	62	41	21	51.2%
Losses on disposal of property, plant and equipment, and intangible assets	76	61	15	24.6%
Taxes and duties	1,035	1,126	(91)	-8.1%
Gain/(Loss) on derivatives on the purchase of commodities with physical delivery ⁽¹⁾	4,583	(1,120)	5,703	-
Other	674	(509)	1,183	-
Total	7,276	1,769	5,507	-

(1) The 2018 figures have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of March 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 4.3 of the consolidated financial statements).

Other operating expenses increased by €5,507 million mainly due to the reclassifications in response to the IFRIC Agenda Decision of March 2019 concerning the recognition of non-financial transactions with physical delivery within the scope of IFRS 9. For more information, see paragraph 4.3 of the notes to the consolidated financial statements.

This change was partially offset by a decrease in environmental compliance costs in Italy and a reduction in taxes in Spain for suspension (in accordance with Royal Decree no. 15/2015 of October 5, 2018) of the application of taxes on conventional thermal power generation and on the consumption of hydrocarbons used in generation.

9.g Capitalized costs - €(2,355) million

Millions of euro				
	2019	2018	Change	
Personnel	(899)	(836)	(63)	-7.5%
Materials	(980)	(852)	(128)	-15.0%
Other	(476)	(576)	100	-17.4%
Total	(2,355)	(2,264)	(91)	-4.0%

Capitalized costs increased by €91 million, mainly for the development and execution of increased investment within the

Infrastructure and Networks Business Line in Colombia, Peru and Italy.

10. Net income/(expense) from commodity risk management - €(733) million

Millions of euro

	2019	2018	Change	
Income:				
- income from cash flow hedge derivatives	200	93	107	-
- income from derivatives at fair value through profit or loss ⁽¹⁾	1,311	3,910	(2,599)	-66.5%
Total income	1,511	4,003	(2,492)	-62.3%
Expense:				
- expense on cash flow hedge derivatives	(23)	(68)	45	-66.2%
- expense on derivatives at fair value through profit or loss ⁽¹⁾	(2,221)	(3,403)	1,182	-34.7%
Total expense	(2,244)	(3,471)	1,227	-35.4%
NET INCOME/(EXPENSE) FROM COMMODITY RISK MANAGEMENT	(733)	532	(1,265)	-

(1) The 2018 figures have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of March 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 4.3 of the consolidated financial statements).

Net expense from the management of commodity risk amounted to €733 million for 2019 (compared with net income of €532 million in 2018), which can be broken down as follows:

- > net income on cash flow hedge derivatives in the amount of €177 million (compared with net income of €25 million in 2018);

- > net expense on derivatives at fair value through profit or loss in the amount of €910 million (compared with net income of €507 million in 2018);

For more information on derivatives, see note 46 "Derivatives and hedge accounting".

11. Net financial income/(expense) from derivatives - €342 million

Millions of euro

	2019	2018	Change	
Income:				
- income from derivatives designated as hedging derivatives	1,120	1,142	(22)	-1.9%
- income from derivatives at fair value through profit or loss	364	851	(487)	-57.2%
Total income	1,484	1,993	(509)	-25.5%
Expense:				
- expense on derivatives designated as hedging derivatives	(538)	(408)	(130)	31.9%
- expense on derivatives at fair value through profit or loss	(604)	(1,124)	520	-46.3%
Total expense	(1,142)	(1,532)	390	25.5%
TOTAL FINANCIAL INCOME/(EXPENSE) FROM DERIVATIVES	342	461	(119)	-25.8%

Net income from derivatives on interest and exchange rates amounted to €342 million for 2019 (compared with a net income balance of €461 million in 2018), which can be broken down as follows:

- > net income on derivatives designated as hedging derivatives in the amount of €582 million (compared with net income of €734 million in 2018), mainly in respect of cash flow hedges;
- > net expense on derivatives at fair value through profit or

loss in the amount of €240 million (compared with net expense of €273 million in 2018).

The net balances recognized in 2019 on both hedging and trading derivatives mainly refer to the hedging of exchange risk. For more information on derivatives, see note 46 "Derivatives and hedge accounting".

12. Other net financial income/(expense) - €(2,786) million

Other financial income

Millions of euro

	2019	2018	Change	
Interest income from financial assets (current and non-current):				
- interest income at effective rate on non-current securities and receivables	126	93	33	35.5%
- interest income at effective rate on short-term financial investments	162	163	(1)	-0.6%
Total interest income at the effective interest rate	288	256	32	12.5%
Financial income on non-current securities at fair value through profit or loss	-	-	-	-
Exchange gains	915	910	5	0.5%
Income on equity investments	4	12	(8)	-66.7%
Other income	1,262	1,190	72	6.1%
TOTAL FINANCIAL INCOME	2,469	2,368	101	4.3%

Financial income, in the amount of €2,469 million, increased by €101 million compared with the previous year, due mainly to an increase in "Other income" as a result of the application to the Argentine companies of IAS 29 related to accounting for hyperinflationary economies (+€179 million). See note 4.2

of the consolidated financial statements for the year ended December 31, 2019 for more information.

This was partly offset by the effect of the adjustment to fair value in 2018 of Enel Produzione's financial receivable arising from the sale of 50% of Slovak Power Holding (€134 million).

Other financial expense

Millions of euro

	2019	2018	Change	
Interest expense on financial debt (current and non-current):				
- interest on bank borrowings	386	408	(22)	-5.4%
- interest expense on bonds	2,030	1,953	77	3.9%
- interest expense on other borrowings	183	127	56	44.1%
Total interest expense	2,599	2,488	111	4.5%
Exchange losses	1,229	1,378	(149)	-10.8%
Accretion of post-employment and other employee benefits	135	107	28	26.2%
Accretion of other provisions	186	169	17	10.1%
Charges on equity investments	2	1	1	-
Other expenses	1,104	734	370	50.4%
TOTAL FINANCIAL EXPENSE	5,255	4,877	378	7.8%

Other financial expense amounted to €5,255 million, a total increase of €378 million compared with 2018. The change reflects the following factors in particular:

- > an increase in other expenses of €370 million, due largely to:
 - an increase of €252 million in financial expense as a result of the application to the Argentine companies of IAS 29 related to accounting for hyperinflationary

economies. See note 4.2 of the consolidated financial statements for the year ended December 31, 2019 for more information;

- the effect of the recognition in 2018 of the reversal of impairment recognized on the financial receivable arising from the sale of 50% of Slovak Power Holding (€186 million);
- a reduction of €83 million in financial expense due to an

- increase in the capitalization of charges;
- > an increase in interest expense on financing in the amount of €111 million. This reflected the increase in interest expense on bonds (€77 million) and financial expense from the application of IFRS 16 (€54 million);

- > a decrease of €149 million in exchange rate losses, primarily reflecting developments in the exchange rates associated with net financial debt denominated in currencies other than the euro.

13. Share of income/(losses) of equity investments accounted for using the equity method - €(122) million

Millions of euro				
	2019	2018	Change	
Share of income of associates	120	521	(401)	-77.0%
Share of losses of associates	(242)	(172)	(70)	-40.7%
Total	(122)	349	(471)	-

The share of income and losses of equity investments accounted for using the equity method deteriorated by €471 million compared with the previous year. In addition to reflecting the Group's shares in companies measured using the equity method, the change was due mainly to the 2018 adjustment to the fair value of the 50% stake held in Slovak Power

Holding (€362 million), which had been written down multiple times in previous years. This reduction also shows the effects of reacquiring controlling interests in 13 companies from EGPNA REP, which resulted in a change in the scope of consolidation and the recognition of a capital loss by EGPNA REP.

14. Income taxes - €836 million

Millions of euro				
	2019	2018	Change	
Current taxes	2,137	2,014	123	6.1%
Adjustments for income taxes relating to prior years	(132)	(150)	18	-12.0%
Total current taxes	2,005	1,864	141	7.6%
Deferred tax expense	(567)	92	(659)	-
Deferred tax income	(602)	(105)	(497)	-
TOTAL	836	1,851	(1,015)	-54.8%

The decrease in income taxes in 2019 compared with the previous year is essentially due to the reduction in income.

In percentage terms, the tax burden has decreased due, in particular, to:

- > the release of €494 million in deferred taxes by Enel Distribuição São Paulo following the merger with Enel Brasil Investimentos Sudeste SA (Enel Sudeste);
- > the agreement with the tax authorities concerning the "patent box" option, which provides for preferential taxation of earnings resulting from the use of intellectual property (€53 million);
- > a decrease in taxes (in the amount of €35 million) recognized in Argentina by the generation companies Enel Generación

Costanera and Central Dock Sud as a result of exercising the "revalúo impositivo" option for tax incentives. In return for payment of a tax in lieu, this mechanism allows the remeasurement of certain assets for tax purposes, resulting in the recognition of deferred tax assets and the greater deductibility of future depreciation;

- > the reversal of deferred tax liabilities by EGPNA as an ancillary effect of the acquisition of a number of companies from EGPNA REP;
- > the deductibility of goodwill resulting from the merger of GasAtacama into Enel Generación Chile.

These effects were partially offset by recognition in the previous year of the following:

- > greater deferred tax assets on past losses by Enel Distribuição Goiás as a result of the efficiency improvement measures implemented by the Group subsequent to the acquisition (€274 million);
 - > a decrease in income taxes in Italy for the recognition of deferred tax assets (€85 million) for the past losses of 3Sun following the merger with Enel Green Power SpA;
 - > a reduction in deferred tax liabilities (€61 million) following the tax reform in Colombia, which led to a reduction in progressive tax rates from 33% to 30%.
- For more information on changes in deferred tax assets and liabilities, see note 22.
- The following table provides a reconciliation of the theoretical tax rate and the effective tax rate.

Millions of euro

	2019		2018	
Income before taxes	4,312		8,201	
Theoretical taxes	1,035	24.0%	1,968	24.0%
Change in tax effect on impairment losses, capital gains and negative goodwill	93		(180)	
Reversal of deferred taxes in Brazil	(494)		-	
Recognition of deferred tax assets on past losses in Brazil	-		(274)	
Recognition of deferred tax assets on past losses in Italy	-		(86)	
Change in tax effect on Kino gain and other items in Mexico	-		100	
Impact on deferred taxation of changes in tax rates	(33)		(61)	
Patent box mechanism in Italy	(50)		-	
Remeasurement for tax purposes of certain assets in Argentina	(35)		-	
IRAP	235		237	
Other differences, effect of different tax rates abroad compared with the theoretical rate in Italy, and other minor items	85		147	
Total	836		1,851	

15. Basic and diluted earnings per share

Both of these indicators have been calculated based on

an average number of ordinary shares for the year of 10,166,331,854, adjusted for the 1,549,152 treasury shares with a par value of €1.00 each (0 at December 31, 2018).

	2019	2018	Change	
Net income from continuing operations attributable to shareholders of the Parent Company (millions of euro)	2,174	4,789	(2,615)	-54.6%
Net income from discontinued operations attributable to shareholders of the Parent Company (millions of euro)	-	-	-	-
Net income attributable to shareholders of the Parent Company (millions of euro)	2,174	4,789	(2,615)	-54.6%
Number of ordinary shares	10,166,331,854	10,166,679,946	(348,092)	-
Dilutive effect of stock options	-	-	-	-
Basic and diluted earnings per share (euro)	0.21	0.47	(0.26)	-55.3%
Basic and diluted earnings from continuing operations per share (euro)	0.21	0.47	(0.26)	-55.3%
Basic and diluted earnings from discontinued operations per share (euro)	-	-	-	-

16. Property, plant and equipment - €79,809 million

The breakdown of and changes in property, plant and equipment for 2019 is shown below.

Millions of euro	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Leased assets	Leasehold improvements	Assets under construction and advances	Total
Cost net of accumulated impairment	655	9,919	158,257	503	1,401	1,077	411	6,092	178,315
Accumulated depreciation	-	5,303	94,314	345	1,095	363	264	-	101,684
Balance at Dec. 31, 2018	655	4,616	63,943	158	306	714	147	6,092	76,631
Capital expenditure	3	43	1,742	33	61	7	3	6,340	8,232
IFRS 16 as at Jan. 1, 2019	-	-	-	-	-	1,370	-	-	1,370
Assets entering service	18	313	3,451	1	39	-	15	(3,837)	-
Exchange differences	(5)	31	(322)	-	(3)	9	-	(144)	(434)
Change in the scope of consolidation	9	105	834	-	2	51	2	(18)	985
Disposals	(6)	(13)	(66)	(2)	(3)	(64)	(1)	-	(155)
Depreciation	-	(189)	(3,885)	(26)	(91)	(260)	(30)	-	(4,481)
Impairment losses	(31)	(286)	(3,230)	(1)	(3)	-	-	(394)	(3,945)
Reversals of impairment losses	-	115	167	-	-	-	-	-	282
Other changes	20	151	1,140	(2)	14	174	-	240	1,737
Reclassifications from/to assets held for sale	-	(90)	(310)	-	-	-	-	(13)	(413)
Total changes	8	180	(479)	3	16	1,287	(11)	2,174	3,178
Cost net of accumulated impairment	663	10,265	160,068	527	1,471	2,614	427	8,266	184,301
Accumulated depreciation	-	5,469	96,604	366	1,149	613	291	-	104,492
Balance at Dec. 31, 2019	663	4,796	63,464	161	322	2,001	136	8,266	79,809

Plant and machinery includes assets to be relinquished free of charge with a net carrying amount of €8,976 million (€8,747 million at December 31, 2018), largely regarding power plants in Iberia and Latin America amounting to €4,267 million (€4,390 million at December 31, 2018), and the electricity distribution network in Latin America totaling €3,911 million (€3,806 million at December 31, 2018).

For more information on leased assets, see note 18 below.

The types of capital expenditure made during 2019 are summarized below. These expenditures, totaling €8,924 million, increased by €2,394 million from 2018, an increase that was particularly concentrated in solar power plants.

Millions of euro	2019	2018
Power plants:		
- thermal	602	400
- hydroelectric	382	504
- geothermal	145	114
- nuclear	130	156
- alternative energy sources	3,695	2,170
Total power plants	4,954	3,344
Electricity distribution networks ⁽¹⁾	3,874	3,090
Land, buildings, and other assets and equipment	96	96
TOTAL	8,924	6,530

(1) The figure for 2019 includes €692 million in infrastructure investments within the scope of IFRIC 12 (€271 million in 2018).

Capital expenditure on power plants amounted to €4,954 million, an increase of €1,610 million on the previous year, essentially reflecting increased investment in alternative energy plants. Capital expenditure on power plants is mainly attributable to wind farms in North America, Spain, Brazil, South Africa and Greece, and on solar plants in the United States, Brazil and Spain.

Capital expenditure on the electricity distribution network amounted to €3,874 million, an increase of €784 million compared with the previous year, and mainly concerned service-quality improvements in Italy and Brazil and the production of smart meters in the amount of €730 million.

The change in the scope of consolidation in 2019 mainly concerns the acquisition of controlling interests in a number of companies of EGPNA REP, a joint venture held equally by EGPNA (now Enel North America) and General Electric Capital's Energy Financial Services, companies that were previously measured using the equity method (€1,033 million), and the acquisition of Tradewind Energy, a company developing renewable energy projects in the United States, and YouSave SpA.

Impairment mainly concerns adjustments to the carrying amount of a number of coal-fired plants in Italy, Spain, Chile and Russia. In Chile, specifically, the value of two plants has been adjusted due in part to the agreement reached with the Chilean government concerning their early decommissioning, and the value of the Reftinskaya coal-fired plant in Russia has been adjusted due to its sale.

In Spain, the deterioration in the market in relation to developments in commodity prices and the functioning of the CO₂ emissions market in the 3rd Quarter of 2019 compromised the competitiveness of coal-fired plants. In Italy, in addition to a deterioration in market conditions, implementation of new capacity market regulations for the remuneration mechanism for available capacity restricted the scope of future application for plants with higher CO₂ emission, excluding coal technology from the electricity market. For these reasons, the carrying amount of a number of coal-fired plants in Italy and Spain, including the associated dismantling costs, has been written down by a total of €3,527 million.

These effects were partially offset by reversals of impairment for gas plants in Italy in the amount of €265 million following impairment testing.

Reclassifications from/to assets held for sale mainly concern the Reftinskaya GRES plant, which was sold by Enel Russia to JSC Kuzbassenergo in the 4th Quarter of 2019.

Other changes include the provisioning of decommissioning costs and plant restoration charges in Italy and Spain in the amount of €825 million, mainly in respect of coal-fired plants, the effects of IAS 29 on property, plant and equipment for a total of €462 million and the effect of capitalizing interest on loans specifically dedicated to capital expenditures in the amount of €159 million (€77 million in 2018), as detailed below.

Millions of euro

	2019	Rate %	2018	Rate %	Change	
Enel Green Power SpA	4	1.2%	4	1.7%	-	-
Enel Green Power Brazil	16	5.8%	19	0.9%	(3)	-15.8%
Enel Green Power North America	16	0.2%	9	0.5%	7	77.8%
Enel Green Power México	36	7.0%	3	5.2%	33	-
Enel Green Power South Africa	17	6.4%	6	6.3%	11	-
Enel Américas Group	14	8.3%	16	8.5%	(2)	-12.5%
Enel Chile Group	12	8.0%	9	7.7%	3	33.3%
Endesa Group	3	1.8%	4	1.9%	(1)	-25.0%
Enel Green Power España Group	3	1.8%	-	-	3	-
Enel Russia Group	5	9.1%	-	-	5	-
Enel Green Power India Group	3	7.5%	-	-	3	-
Enel Produzione	9	4.8%	7	4.8%	2	28.6%
Enel Finance International	21	1.6%	-	-	21	-
Total	159		77		82	-

At December 31, 2019, contractual commitments to purchase property, plant and equipment amounted to €763 million.

17. Infrastructure within the scope of “IFRIC 12 - Service concession arrangements”

Service concession arrangements, which are recognized in

accordance with IFRIC 12, regard certain infrastructure serving concessions for electricity distribution in Brazil.

The following table summarizes the salient details of those concessions.

Millions of euro

	Grantor	Activity	Country	Concession period	Concession period remaining	Renewal option	Amount recognized among assets from contracts with clients at Dec. 31, 2019	Amount recognized among financial assets at Dec. 31, 2019	Amount recognized among intangible assets at Dec. 31, 2019
Enel Distribuição Rio	Brazilian government	Electricity distribution	Brazil	1997-2026	7 years	Yes	134	800	641
Enel Distribuição Ceará	Brazilian government	Electricity distribution	Brazil	1998-2028	9 years	Yes	61	525	591
Enel Green Power Mourão	Brazilian government	Power generation	Brazil	2016-2046	27 years	No	-	6	-
Enel Green Power Paranapanema	Brazilian government	Power generation	Brazil	2016-2046	27 years	No	-	30	-
Celg Distribuição	Brazilian government	Electricity distribution	Brazil	2015-2045	26 years	No	99	33	491
Enel Green Power Volta Grande	Brazilian government	Power generation	Brazil	2017-2047	28 years	No	-	316	-
Enel Distribuição São Paulo	Brazilian government	Electricity distribution	Brazil	1998-2028	9 years	No	185	1,003	893
Total							479	2,714	2,616

The value of the assets at the end of the concessions classified under financial assets has been measured at fair value. For more information, see note 47 “Assets measured at fair value”.

18. Leases

As at January 1, 2019, the effects on property, plant and equipment of the application of IFRS 16 totaled €1,370 million. The table below shows the changes in right-to-use assets in 2019.

Millions of euro

	Leased land	Leased buildings	Leased plant	Other leased assets	Total
Total at December 31, 2018	10	36	518	150	714
IFRS 16 as at Jan. 1, 2019	520	679	-	171	1,370
Exchange rate differences	4	-	5	-	9
Depreciation	(23)	(124)	(30)	(83)	(260)
Other changes	34	10	(5)	129	168
Total at December 31, 2019	545	601	488	367	2,001

Lease liabilities and changes during the year are shown in the table below.

Millions of euro	
Total at December 31, 2018	657
IFRS 16 as at Jan. 1, 2019	1,370
Increases	224
Payments	(212)
Other changes	(75)
Total at December 31, 2019	1,964
<i>of which medium to long term</i>	<i>1,689</i>
<i>of which short term</i>	<i>275</i>

Millions of euro	
	2019
Depreciation of right-of-use assets	260
Interest expense on lease liabilities	57
Expense relating to short-term leases (included in cost for services and other materials)	50
Expense relating to leases of low-value assets (included in cost for services and other materials)	4
Variable lease payments (included in cost for services and other materials)	9
Total	380

19. Investment property - €112 million

Investment property at December 31, 2019, came to €112 million, a decrease of €23 million year on year.

Millions of euro	
Cost net of accumulated impairment	179
Accumulated depreciation	44
Balance at Dec. 31, 2018	135
Depreciation	(3)
Impairment losses	(24)
Other changes	4
Total changes	(23)
Cost net of accumulated impairment	157
Accumulated depreciation	45
Balance at Dec. 31, 2019	112

The Group's investment property consists of properties in Italy, Spain, Brazil and Chile, which are free of restrictions on the sale of the investment property or the remittance of income and proceeds of disposal. In addition, the Group has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The change for the year was mainly due to impairment recognized on a number of assets of Enel Italia.

For more information on the valuation of investment property, see notes 47 "Assets measured at fair value", and 47.1 "Fair value of other assets".

20. Intangible assets - €19,089 million

A breakdown of and changes in intangible assets for 2019 are shown below:

Millions of euro	Development costs	Industrial patents & intellectual property rights	Concessions, licenses, trademarks and similar rights	Service concession arrangements	Other	Leasehold improvements	Assets under development and advances	Contract costs	Total
Cost net of accumulated impairment	42	2,352	15,246	6,899	3,294	-	985	986	29,804
Accumulated depreciation	19	1,987	1,705	4,119	2,479	-	-	481	10,790
Balance at Dec. 31, 2018	23	365	13,541	2,780	815	-	985	505	19,014
Capital expenditure	1	120	1	-	46	-	562	293	1,023
Assets entering service	12	306	6	-	255	-	(579)	-	-
Exchange differences	-	(4)	(104)	(45)	(2)	-	(18)	-	(173)
Change in the scope of consolidation	4	1	1	-	50	7	144	-	207
Disposals	-	-	-	(14)	-	-	(1)	1	(14)
Depreciation	(4)	(226)	(206)	(373)	(283)	-	-	(187)	(1,279)
Impairment losses	-	(2)	(1)	-	(82)	-	(3)	(1)	(89)
Reversals of impairment losses	-	-	4	-	-	-	-	-	4
Other changes	(13)	22	4	269	146	-	(18)	(2)	408
Reclassifications from/to assets held for sale	-	-	-	-	-	-	(12)	-	(12)
Total changes	-	217	(295)	(163)	130	7	75	104	75
Cost net of accumulated impairment	46	2,767	15,083	6,987	3,747	10	1,060	1,275	30,975
Accumulated depreciation	23	2,185	1,837	4,370	2,802	3	-	666	11,886
Balance at Dec. 31, 2019	23	582	13,246	2,617	945	7	1,060	609	19,089

In 2019, intangible assets registered a net increase of €75 million. The rise mainly reflects the capitalization of the Group's new investments in digital transformation initiatives and a number of acquisitions of highly innovative industrial assets.

Industrial patents and intellectual property rights relate mainly to costs incurred in purchasing software and open-ended software licenses. The most important applications relate to invoicing and customer management, the development of Internet portals and the management of company systems. The increase recorded in 2019 (+59%) is mainly due to the Group's investments in digital transformation initiatives. Among these, the "Digitaly" project deserves special mention (€55.5 million). It seeks to introduce digital technologies

and applications, making it possible to simplify our organizational model and redesign certain key processes and operating approaches, increasing their effectiveness and overall efficiency.

The item also includes the portion of the value of patents that can be recognized in accordance with the provisions of the international accounting standards. Amortization is calculated on a straight-line basis over the asset's residual useful life.

Concessions, licenses, trademarks and similar rights include the costs incurred for the acquisition of customers by the foreign electricity distribution and gas sales companies. Amortization is calculated on a straight-line basis over the term of the average period of the relationship with customers or of the concessions.

The following table reports service concession arrangements that do not fall within the scope of IFRIC 12 and had a balance as at December 31, 2019.

Millions of euro

	Grantor	Activity	Country	Concession period	Concession period remaining	Renewal option	at Dec. 31, 2019	Initial fair value
Endesa Distribución Eléctrica	-	Electricity distribution	Spain	Indefinite	Indefinite	-	5,678	5,673
Codensa	Republic of Colombia	Electricity distribution	Colombia	Indefinite	Indefinite	-	1,469	1,839
Enel Distribución Chile (formerly Chilectra)	Republic of Chile	Electricity distribution	Chile	Indefinite	Indefinite	-	1,433	1,667
Enel Distribución Perú (formerly Empresa de Distribución Eléctrica de Lima Norte)	Republic of Peru	Electricity distribution	Peru	Indefinite	Indefinite	-	638	548
E- Distribuție Muntenia	Romanian Ministry for the Economy	Electricity distribution	Romania	2005-2054	34 years	Yes	131	191

The item includes assets with an indefinite useful life in the amount of €9,218 million (€9,271 million at December 31, 2018), essentially accounted for by concessions for distribution activities in Spain (€5,678 million), Colombia (€1,469 million), Chile (€1,433 million), and Peru (€638 million), for which there is no statutory or currently predictable expiration date. On the basis of the forecasts developed, cash flows for each CGU, with which the various concessions are associated, are sufficient to recover the carrying amount. The change during the year is essentially attributable to changes in exchange rates. For more information on service concession arrangements, see note 17.

“Other” intangible assets mainly consist of investments in digital applications for which there is no ownership title or use

license, as well as customer lists acquired externally and other intangible assets of various types.

The change in the scope of consolidation for 2019 mainly refers to the companies acquired in North America from EGPNA REP.

Impairment losses amounted to €89 million in 2019. For more information, see note 9.e.

Other changes include the reclassification of public-to-private service concession agreements (under development) to non-current assets deriving from contracts with customers in Brazil in application of IFRS 15.

21. Goodwill - €14,241 million

Millions of euro	at Dec. 31, 2018			Change in consol.	Exchange rate diff.	Impairment losses	Offsetting cost with accum. impairment	Other changes	at Dec. 31, 2019		
	Cost	Cumulative impairment	Net carrying amount						Cost	Cumulative impairment	Net carrying amount
Iberia ⁽¹⁾	11,177	(2,392)	8,785	-	-	-	-	-	11,177	(2,392)	8,785
Chile	1,209	-	1,209	-	-	-	-	-	1,209	-	1,209
Argentina	276	-	276	-	-	-	-	-	276	-	276
Peru	561	-	561	-	-	-	-	-	561	-	561
Colombia	530	-	530	-	-	-	-	-	530	-	530
Brazil	1,420	-	1,420	-	(9)	-	-	-	1,411	-	1,411
Central America	54	-	54	(13)	1	-	-	-	42	-	42
Enel Green Power North America	106	(11)	95	-	2	(27)	38	-	70	-	70
Enel X North America	328	-	328	-	7	-	-	-	335	-	335
PayTipper ⁽²⁾	-	-	-	19	-	-	-	-	19	-	19
Market Italy ⁽³⁾	579	-	579	-	-	-	-	-	579	-	579
Enel Green Power Italy	23	(3)	20	-	-	-	3	-	20	-	20
Romania ⁽⁴⁾	426	(13)	413	-	(10)	-	-	(2)	414	(13)	401
Tynemouth Energy	3	-	3	-	-	-	-	-	3	-	3
Total	16,692	(2,419)	14,273	6	(9)	(27)	41	(2)	16,646	(2,405)	14,241

(1) Includes Endesa and Enel Green Power España.

(2) The figure can be subject to change once the purchase-price allocation process has been finalized. For more information, see note 6.

(3) Includes Enel Energia.

(4) Includes E-Distribuție Muntenia, Enel Energie Muntenia and Enel Green Power Romania.

The €32 million decrease in goodwill can be attributed mostly to impairment in the amount of €27 million, which concerns the impairment loss on the wind farm of Padoma Wind Power, a company of the Enel Green Power North America Group.

The exchange rate differences are mainly due to unfavorable exchange rate developments in Romania and Brazil, which were partially offset by the positive impact of the US dollar.

The criteria used to identify the cash generating units (CGUs) were essentially based – in line with management's strategic and operational vision – on the specific characteristics of their business, on the operational rules and regulations of the markets in which Enel operates, on the corporate organization, and on the level of reporting monitored by management.

The recoverable value of the goodwill recognized was estimated by calculating the value in use of the CGUs using dis-

counted cash flow models, which involve estimating expected future cash flows and applying an appropriate discount rate, selected on the basis of market inputs such as risk-free rates, betas and market-risk premiums.

Although the CGUs have not changed since last year, the impairment tests were carried out this year at the level of the operating segment within the CGU resulting from the combination of Business Lines and countries/regions.

Cash flows were determined on the basis of the best information available at the time of the estimate, taking account of the specific risks of each CGU, and drawn:

- > for the explicit period, from the business plan approved by the Board of Directors of the Parent Company on November 25, 2019, containing forecasts for volumes, revenue, operating costs, capital expenditure, industrial and commercial organization and developments in the main macroeconomic variables (inflation, nominal interest rates and exchange rates) and commodity prices. The explicit period of cash flows considered in impairment testing was five years;

Goodwill matrix

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other	Total
Italy	-	20	-	579	19	-	-	618
Enel Green Power	-	20	-	-	-	-	-	20
Enel Energia	-	-	-	579	-	-	-	579
Other	-	-	-	-	19	-	-	19
Iberia	-	1,190	5,788	1,807	-	-	-	8,785
Latin America	44	1,961	2,005	-	-	35	(35)	4,010
Argentina	-	40	236	-	-	-	-	276
Brazil	-	397	1,014	-	-	-	-	1,411
Chile	-	996	213	-	-	-	-	1,209
Colombia	-	307	223	-	-	-	-	530
Peru	43	198	320	-	-	-	-	561
Panama	-	23	-	-	-	-	-	23
Europe and Euro-Mediterranean Affairs	3	-	342	59	-	-	-	404
Romania	-	-	342	59	-	-	-	401
Other countries	3	-	-	-	-	-	-	3
North America	-	89	-	-	335	-	-	424
United States and Canada	-	70	-	-	335	-	-	405
Mexico	-	19	-	-	-	-	-	19
Total	47	3,260	8,135	2,445	354	35	(35)	14,241

> for subsequent years, from assumptions concerning long-term developments in the main variables that determine cash flows, the average residual useful life of assets or the duration of the concessions.

More specifically, the terminal value calculated based on the specific characteristics of the businesses related to the various CGUs subject to impairment testing:

- > perpetuity, for the businesses of large-hydro (LH) power generation and of distribution, in which the licenses and public concessions are of a long-term nature and are easily renewable; as well as for the Enel X businesses, as they feature the development of specific know-how that is sustainable over the long term;
- > annuity, for CGUs that are predominantly characterized by retail business, for which the residual life is, therefore, essentially correlated with the average duration of the customer relationships; as well as for businesses of conventional thermal power generation (G&T). It is also used for the renewable energy (Enel Green Power) businesses to

take account of: (i) the value resulting from the remaining useful lives of the plants; and (ii) the residual value, in the event of plant decommissioning, associated with licensing rights, the competitiveness of the production facilities (in terms of natural resources), and network interconnectivity.

The nominal growth rate is equal to the long-term rate of growth in electricity and/or inflation (depending on the country and business involved) and in any case no higher than the average long-term growth rate of the reference market.

The value in use calculated as described above was found to be greater than the amount recognized on the balance sheet. In order to verify the robustness of the value in use of the CGUs, sensitivity analyses were conducted for the main drivers of the values, in particular WACC, the long-term growth rate and margins, the outcomes of which fully supported that value.

The table below reports the composition of the main goodwill values according to the company to which the cash generating unit (CGU) belongs, along with the discount rates applied

and the time horizon over which the expected cash flows have been discounted.

Millions of euro	Amount	Growth rate ⁽¹⁾	Pre-tax WACC discount rate ⁽²⁾	Explicit period of cash flows	Terminal value ⁽³⁾
at Dec. 31, 2019					
Iberia ⁽⁴⁾	8,785	1.80%	4.59%	5 years	Perpetuity/26 years EGP/9 years G&T
Chile	1,209	2.07%	7.41%	5 years	Perpetuity/25 years EGP/9 years G&T
Argentina	276	6.36%	21.84%	5 years	Perpetuity/1 year G&T/4 years LH
Peru	561	2.39%	7.46%	5 years	Perpetuity/23 years EGP/9 years G&T
Colombia	530	2.97%	9.01%	5 years	Perpetuity/27 years EGP/16 years G&T
Brazil	1,411	3.61%	10.64%	5 years	Perpetuity/26 years EGP/7 years G&T
Central America	42	2.01%	9.68%	5 years	22 years
Enel Green Power North America	70	2.01%	6.58%	5 years	24 years
Enel X North America	335	2.01%	10.89%	5 years	Perpetuity
Market Italy ⁽⁵⁾	579	0.48%	10.23%	5 years	15 years
Enel Green Power Italy	20	1.03%	6.15%	5 years	Perpetuity/25 years
Romania ⁽⁶⁾	401	2.00%	7.27%	5 years	Perpetuity/17 years
PayTipper SpA	19	n/a	n/a	n/a	n/a
Tynemouth Energy	3	n/a	n/a	n/a	n/a

(1) Perpetual growth rate for cash flows after the explicit forecast period.

(2) Pre-tax WACC calculated using the iterative method: the discount rate that ensures that the value in use calculated with pre-tax cash flows is equal to that calculated with post-tax cash flows discounted with the post-tax WACC.

(3) The terminal value has been estimated on the basis of a perpetuity or an annuity with a rising yield for the years indicated in the column (G&T = Generation & Trading, EGP = Enel Green Power, LH = Large Hydro).

(4) Includes Endesa and Enel Green Power España.

(5) Includes Enel Energia.

(6) Includes E-Distribuție Muntenia, Enel Energie Muntenia and Enel Green Power Romania.

At December 31, 2019, impairment tests conducted for the CGUs and at the level of the operating segments within the CGUs identified at the intersection of the Business Lines and

the countries/regions to which goodwill was allocated found no impairment losses.

Amount	Growth rate ⁽¹⁾	Pre-tax WACC discount rate ⁽²⁾ at Dec. 31, 2018	Explicit period of cash flows	Terminal value ⁽³⁾
8,785	1.61%	6.88%	5 years	Perpetuity/24 years
1,209	2.63%	7.53%	5 years	Perpetuity/25 years
276	7.14%	20.07%	5 years	Perpetuity
561	3.38%	6.82%	5 years	Perpetuity/26 years
530	2.97%	9.30%	5 years	Perpetuity/28 years
1,420	4.00%	9.46%	5 years	Perpetuity/26 years
54	1.46%	8.98%	5 years	24 years
95	2.27%	6.83%	5 years	25 years
328	2.27%	10.31%	5 years	Perpetuity
579	0.73%	10.98%	5 years	15 years
20	0.99%	6.65%	5 years	Perpetuity/23 years
413	2.37%	6.78%	5 years	Perpetuity/18 years
n/a	n/a	n/a	n/a	n/a
3	n/a	n/a	n/a	n/a

22. Deferred tax assets and liabilities - €9,112 million and €8,314 million

The following table details changes in deferred tax assets and liabilities by type of timing difference and calculated based on the tax rates established by applicable regulations, as well as

the amount of deferred tax assets offsettable, where permitted, with deferred tax liabilities.

Millions of euro		Increase/ (Decrease) taken to income statement	Increase/ (Decrease) taken to equity	Change in the scope of consolidation	Translation adjustment	Other changes	Reclassifications of assets held for sale	at Dec. 31, 2019
	at Dec. 31, 2018							
Deferred tax assets:								
- differences in the value of intangible assets, property, plant and equipment	1,669	726	(11)	(3)	(1)	(7)	-	2,372
- accruals to provisions for risks and charges and impairment losses with deferred deductibility	1,726	(119)	(1)	-	(29)	126	-	1,702
- tax loss carried forward	508	56	-	-	(5)	(57)	-	502
- measurement of financial instruments	801	37	(60)	-	1	7	-	786
- employee benefits	869	6	209	-	(10)	12	-	1,086
- other items	2,732	(104)	1	1	(1)	35	-	2,664
Total	8,305	602	138	(2)	(45)	116	-	9,112
Deferred tax liabilities:								
- differences on non-current and financial assets	6,638	(623)	(3)	89	(90)	82	-	6,093
- measurement of financial instruments	403	41	36	-	1	-	-	481
- other items	1,609	15	8	9	(16)	115	-	1,740
Total	8,650	(567)	41	98	(105)	197	-	8,314
Non-offsettable deferred tax assets								4,743
Non-offsettable deferred tax liabilities								3,054
Excess net deferred tax liabilities after any offsetting								891

At December 31, 2019, deferred tax assets, recognized when there is a reasonable certainty of their recoverability, totaled €9,112 million (€8,305 million at December 31, 2018).

Deferred tax assets increased by €809 million during the year due, essentially, to taxes recognized in 2019 on the impairment of coal-fired plants in Italy and Spain.

It should also be noted that deferred tax assets (in the amount of €279 million) were not recorded in relation to prior tax losses in the amount of €965 million because, on the basis of current estimates of future taxable income, it is not certain that such assets will be recovered.

Deferred tax liabilities amounted to €8,314 million at December 31, 2019 (€8,650 million at December 31, 2018). They essentially include the determination of the tax effects of the value adjustments to assets acquired as part of the final allocation of the cost of acquisitions made in the various years and the deferred taxation in respect of the differences between depreciation charged for tax purposes, including accelerated depreciation, and depreciation based on the estimated useful lives of assets.

Deferred tax liabilities decreased by a total of €336 million due, in particular, to the release of €494 million in deferred ta-

xes of Enel Distribuição São Paulo following the merger with Enel Brasil Investimentos Sudeste SA (Enel Sudeste), which nullified the differences between fiscal and carrying amounts

of net assets on the books at the time of the acquisition of Enel Distribuição São Paulo. This decrease was partially offset by the effects of hyperinflation.

23. Equity investments accounted for using the equity method - €1,682 million

Investments in joint arrangements and associated companies accounted for using the equity method are as follows.

Millions of euro		% held	Income effect	Change in consol.	Dividends	Reclassifications from/to assets held for sale	Other changes	at Dec. 31, 2019	% held
	at Dec. 31, 2018								
Joint arrangements									
Slovak Power Holding	497	50.0%	(14)	-	-	-	21	504	50.0%
EGPNA Renewable Energy Partners	459	50.0%	(76)	(178)	-	(84)	16	137	20.0%
OpEn Fiber	394	50.0%	(58)	-	-	-	48	384	50.0%
Zacapa Topco Sàrl	147	21.4%	(7)	(5)	-	-	(5)	130	20.6%
Project Kino companies	79	20.0%	(21)	-	-	-	2	60	20.0%
Tejo Energia Produção e Distribuição de Energia Elétrica	72	43.8%	(7)	-	(6)	-	(1)	58	43.8%
Rocky Caney Holding	43	20.0%	4	-	-	-	(1)	46	20.0%
Drift Sand Wind Project	36	50.0%	3	-	-	-	(3)	36	50.0%
Front Marítim del Besòs	37	61.4%	-	-	-	-	-	37	61.4%
Enel Green Power Bungala	40	50.0%	3	-	-	-	(43)	-	51.0%
Rusenergosbyt	35	49.5%	44	-	(41)	-	2	40	49.5%
Energie Electrique de Tahaddart	27	32.0%	2	-	(3)	-	-	26	32.0%
Transmisora Eléctrica de Quillota	12	50.0%	1	-	(5)	-	(1)	7	50.0%
PowerCrop	-	50.0%	(9)	-	-	-	9	-	50.0%
Centrales Hidroeléctricas de Aysén	-	51.0%	-	-	-	-	-	-	51.0%
Nuclenor	-	50.0%	-	-	-	-	-	-	50.0%
Associates									
CESI	57	42.7%	7	-	-	-	(3)	61	42.7%
Tecnom	29	45.0%	1	-	-	-	-	30	45.0%
Suministradora Eléctrica de Cádiz	10	33.5%	4	-	(3)	-	-	11	33.5%
Compañía Eólica Tierras Altas	11	37.5%	-	-	(2)	-	-	9	37.5%
Cogenio Srl	8	20.0%	1	-	-	-	2	11	20.0%
Other	106		-	-	(15)	-	4	95	
Total	2,099		(122)	(183)	(75)	(84)	47	1,682	

Income effect includes the positive and negative income figures recognized by the companies in proportion to the share

held in these companies by the Enel Group and mainly concerns the EGPNA (now Enel North America) repurchase of

13 companies that own seven operating renewable energy plants from the EGPNA REP joint venture.

The change in the scope of consolidation therefore mainly concerns this operation, as well as the subsequent sale by EGPNA (now named Enel North America) of 30% of its stake in the EGPNA REP joint venture, which owns a number of companies developing wind power projects (the Athena operation, which resulted in a capital loss of €25 million) and the reduction in the share held in the special-purpose vehicle Zacapa Topco Sàrl, which holds 100% of Ufinet International, a leading Latin American wholesale operator of fiber-optic networks.

The reclassification of €84 million to assets held for sale refers to the share held by EGPNA REP Holding LLC in the companies developing hydroelectric projects.

Other changes mainly include the pro rata changes in the OCI reserves or other changes recognized directly in equity. In particular, €21 million for Slovak Power Holding refers to OCI changes on cash flow hedge derivatives, while €48 million for OpEn Fiber is attributable to an increase in reserves for future capital increases by shareholders (€66 million) and OCI reserves for cash flow hedge derivatives (-€18 million). The negative impact of €43 million recognized by the Enel Green Power Bungala companies in Australia refers to the fair value remeasurement of the PPAs signed with customers.

The following tables provide a summary of financial information for each joint arrangement and associate of the Group not classified as held for sale in accordance with IFRS 5.

Millions of euro	Non-current assets		Current assets		Total assets	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Joint arrangements						
Slovak Power Holding	10,182	9,295	702	922	10,884	10,217
OpEn Fiber	3,070	2,084	421	313	3,491	2,397
Zacapa Topco Sàrl	1,376	1,343	99	81	1,475	1,424
Rusenergosbyt	3	3	144	116	147	119
Tejo Energia Produção e Distribuição de Energia Elétrica	146	203	132	163	278	366
Energie Electricque de Tahaddart	77	91	20	11	97	102
Associates						
CESI	198	75	13	68	211	143
Tecnatom	62	51	64	67	126	118
Suministradora Eléctrica de Cádiz	19	6	66	70	85	76
Compañía Eólica Tierras Altas	4	6	23	27	27	33

Non-current liabilities		Current liabilities		Total liabilities		Shareholders' equity	
at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
6,385	5,643	755	981	7,140	6,624	3,744	3,593
1,894	1,043	828	565	2,722	1,608	769	789
753	669	73	65	826	734	649	690
-	-	131	112	131	112	16	7
25	72	85	126	110	198	168	168
6	8	8	9	14	17	83	85
21	13	-	55	21	68	190	75
35	29	24	24	59	53	67	65
33	26	20	21	53	47	32	29
2	3	2	2	4	5	23	28

Millions of euro	Total revenue		Income before taxes		Net income from continuing operations	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Joint arrangements						
Slovak Power Holding	2,600	2,587	172	205	131	103
OpEn Fiber	186	114	(157)	(162)	(117)	(127)
Zacapa Topco Sàrl	208	91	(22)	(21)	(32)	(25)
Rusenergosbyt	2,548	2,378	111	88	89	70
Tejo Energia Produção e Distribuição de Energia Elétrica	145	234	21	30	14	21
Energie Electrique de Tahaddart	37	35	9	7	6	5
Associates						
CESI	111	114	9	11	6	7
Tecnatom	104	97	2	-	2	-
Suministradora Eléctrica de Cádiz	18	10	11	6	11	6
Compañía Eólica Tierras Altas	12	12	2	4	1	3

24. Derivatives

Millions of euro	Non-current		Current	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Derivative financial assets	1,383	1,005	4,065	3,914
Derivative financial liabilities	2,407	2,609	3,554	4,343

For more information on derivatives classified as non-current financial assets, please see note 46 for hedging derivatives and trading derivatives.

25. Current/Non-current assets/(liabilities) deriving from contracts with customers

Millions of euro	Non-current		Current	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Assets deriving from contracts with customers	487	346	166	135
Liabilities deriving from contracts with customers	6,301	6,306	1,328	1,095

Non-current assets deriving from contracts with customers refer mainly to assets under development resulting from public-to-private service concession arrangements recognized in accordance with IFRIC 12 and which have an expiration of beyond 12 months (€479 million). These cases arise when the contract holder has not yet obtained the full right to recognize the asset from the grantor at the hypothetical conclusion of the concession arrangement in that there remains a contractual obligation to ensure that the asset becomes operational. It should also be noted that the figure at December 31, 2019 includes investments for the period in the amount of €692 million.

Current assets deriving from contracts with customers mainly concern outstanding construction contracts (€140 million), payments on which are subject to the fulfillment of a performance obligation.

The figure at December 31, 2019 for non-current liabilities deriving from contracts with customers is mainly attributable to distribution in Italy (€3,520 million), Spain (€2,364 million), and Romania (€411 million).

Current liabilities deriving from contracts with customers in-

clude the contractual liabilities related to revenue from connections to the electricity grid expiring within 12 months in the amount of €793 million recognized in Italy and Spain, as well as liabilities for construction contracts (€504 million).

26. Other non-current financial assets - €6,006 million

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Equity investments in other companies measured at fair value	72	63	9	14.3%
Receivables and securities included in net financial debt (see note 26.1)	3,185	3,272	(87)	-2.7%
Service concession arrangements	2,702	2,415	287	11.9%
Non-current prepaid financial expense	47	19	28	-
Total	6,006	5,769	237	4.1%

The change in other non-current financial assets particularly reflects the higher value of service concession arrangements, recognized above all in Brazil, which concern amounts paid to the licensing authorities for the construction and/or improvement of public service infrastructures involved in concession arrangements, which have been recognized in accordance with IFRIC 12.

The following is a breakdown of equity investments in other companies measured at fair value:

Millions of euro

	at Dec. 31, 2019	% held	at Dec. 31, 2018	% held	Change
Galsi	14	17.6%	14	17.6%	-
Empresa Propietaria de la Red SA	17	11.1%	17	11.1%	-
European Energy Exchange	8	2.2%	8	2.2%	-
Athonet Srl	7	16.0%	7	16.0%	-
Korea Line Corporation	2	0.3%	2	0.3%	-
Hubject GmbH	10	12.5%	-	-	10
Other	14		15		(1)
Total	72		63		9

26.1 Other non-current financial assets included in net financial debt - €3,185 million

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Securities at FVOCI	416	360	56	15.6%
Other financial receivables	2,769	2,912	(143)	-4.9%
Total	3,185	3,272	(87)	-2.7%

Securities measured at FVOCI represent financial instruments in which the Dutch insurance companies invest a portion of their liquidity.

The reduction in other financial receivables is mainly attributable to:

- > €96 million for the reclassification of medium- and long-term financial receivables to short-term financial receivables and securities of the receivable of e-distribuzione from CSEA (€55 million) and the receivable (€41 million) related to reimbursement of the extraordinary costs incurred by distributors for the early replacement of electromechanical meters with electronic devices;
- > €220 million for the decrease in the financial receivable that was recognized in 2018 by Enel North America from EGPNA Preferred Wind Holdings. This loan was repaid with the reacquisition of EGPNA REP;
- > an increase of €106 million in Enel Finance International's receivable from Slovak Power Holding.

27. Other non-current assets - €2,701 million

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Receivables from institutional market operators	232	200	32	16.0%
Other receivables	2,469	1,072	1,397	-
Total	2,701	1,272	1,429	-

Receivables from institutional market operators are essentially unchanged from the previous year.

At December 31, 2019, other receivables mainly regarded tax receivables in the amount of €1,587 million (€231 million at December 31, 2018), security deposits in the amount of €418 million (€307 million at the end of 2018), and non-monetary grants to be received in respect of green certificates totaling €37 million (€50 million at December 31, 2018).

The change for the year mainly reflects the tax receivables recognized by Enel Distribuição São Paulo and Enel Distribuição Ceará related to the PIS/COFINS dispute in Brazil.

The PIS (Program of Social Integration) and COFINS (Contribution for the Financing of Social Security) are federal contributions that pay companies in Brazil with the goal of funding programs for employees, public health, social services, and social security by applying tax rates on the gross revenue of each company. The ICMS (Tax on Commerce and Services) is

similar to VAT and is applied on the sale of goods, telecommunications and transport.

Electricity distribution companies in Brazil have filed separate law suits against the Brazilian government's application of PIS/COFINS for the portion calculated on the ICMS tax.

These companies include Enel Distribuição São Paulo, Enel Distribuição Ceará, Enel Distribuição Goiás, and Enel Distribuição Rio.

The Brazilian court has upheld the complaint filed by the companies, according to which the additional ICMS tax must not be included in the tax base for PIS and COFINS. The federal government has filed an appeal of this ruling.

In 2019, Enel Distribuição São Paulo and Enel Distribuição Ceará were notified of the ruling that acknowledges the full deductibility of ICMS for the purposes of calculating PIS and COFINS for the periods between December 2013 and December 2014 for Enel Distribuição São Paulo and from May 2001 onward for Enel Distribuição Ceará.

28. Inventories - €2,531 million

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Raw materials, consumables and supplies:				
- fuels	857	1,260	(403)	-32.0%
- materials, equipment and other inventories	1,493	1,345	148	11.0%
Total	2,350	2,605	(255)	-9.8%
Environmental certificates:				
- CO ₂ emissions allowances	96	119	(23)	-19.3%
- green certificates	12	16	(4)	-25.0%
- white certificates	1	-	1	-
Total	109	135	(26)	-19.3%
Buildings held for sale	54	57	(3)	-5.3%
Payments on account	18	21	(3)	-14.3%
TOTAL	2,531	2,818	(287)	-10.2%

Raw materials, consumables and supplies consist of materials and equipment used to operate, maintain, and construct power plants and distribution networks, as well as fuel inventories to cover the company's requirements for generation and trading activities.

The overall decrease in inventories for the year (€287 million) is mainly attributable to the impairment of inventories of fuel, materials and spare-parts (€308 million) associated with the coal-fired plants subject to impairment in Italy and Spain.

29. Trade receivables - €13,083 million

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Customers:				
- electricity sales and transport	8,532	8,556	(24)	-0.3%
- distribution and sale of gas	1,284	1,145	139	12.1%
- other assets	3,014	3,687	(673)	-18.3%
Total customer receivables	12,830	13,388	(558)	-4.2%
Trade receivables due from associates and joint arrangements	253	199	54	27.1%
TOTAL	13,083	13,587	(504)	-3.7%

Trade receivables from customers are recognized net of allowances for doubtful accounts, which totaled €2,980 million at the end of the year, compare with a balance of €2,828 million at the end of the previous year. Specifically, the reduction for the period was mainly due to a decline in receivables for

the sale and transport of electricity, to an increase in write-downs and to ordinary developments in receivables.

For more information on trade receivables, see note 43 "Financial instruments".

30. Other current financial assets - €4,305 million

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Current financial assets included in net financial debt (see note 30.1)	4,158	5,003	(845)	-16.9%
Other	147	157	(10)	-6.4%
Total	4,305	5,160	(855)	-16.6%

30.1 Other current financial assets included in net financial debt - €4,158 million

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Short-term portion of long-term financial receivables	1,585	1,522	63	4.1%
Securities at FVOCI	61	72	(11)	-15.3%
Financial receivables and cash collateral	2,153	2,559	(406)	-15.9%
Other	359	850	(491)	-57.8%
Total	4,158	5,003	(845)	-16.9%

The change in this item is mainly due to the following:

- > a reduction of €406 million in financial receivables and cash collateral due to the decline in cash collateral paid to counterparties for transactions in over-the-counter derivative on interest rates and exchange rates;
- > a decrease in "Other" due primarily to the payment of the financial receivable recognized by Enel Finance International in 2018 in respect of the renewables companies of Mexico, which are accounted for using the equity method.

31. Other current assets - €3,115 million

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Receivables from institutional market operators	732	745	(13)	-1.7%
Advances to suppliers	314	299	15	5.0%
Receivables due from employees	28	30	(2)	-6.7%
Other receivables	1,084	1,139	(55)	-4.8%
Sundry tax receivables	797	622	175	28.1%
Accrued operating income and prepaid expenses	160	148	12	8.1%
Total	3,115	2,983	132	4.4%

Receivables from institutional market operators include receivables in respect of the Italian system in the amount of €450 million (€526 million at December 31, 2018) and the Spanish system in the amount of €254 million (€185 million at December 31, 2018).

The increase of €175 million in sundry tax receivables is mainly attributable to a reclassification of tax receivables of Enel Distribuição São Paulo to short term.

Other receivables decreased mainly due to the collection of the receivable deriving from the sale of the eight renewable companies in Mexico last year. This effect is partially offset by the recognition of contingent assets following the sale of a number of companies in North America.

32. Cash and cash equivalents - €9,029 million

Cash and cash equivalents, detailed in the table below, are not restricted by any encumbrances, apart from €72 million essentially in respect of deposits pledged to secure transactions carried out.

Millions of euro				
	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Bank and postal deposits	7,910	5,531	2,379	43.0%
Cash and cash equivalents on hand	87	328	(241)	-73.5%
Other investments of liquidity	1,032	771	261	33.9%
Total	9,029	6,630	2,399	36.2%

33. Assets and disposal groups classified as held for sale - €101 million and €3 million

Changes in assets held for sale during 2019 can be broken down as follows.

Millions of euro						
	at Dec. 31, 2018	Reclassification from/to current and non-current assets	Disposals and changes in the scope of consolidation	Impairment losses	Other changes	at Dec. 31, 2019
Property, plant and equipment	611	413	(879)	(124)	(7)	14
Intangible assets	5	13	(7)	(6)	2	7
Goodwill	23	-	(23)	-	-	-
Investments accounted for using the equity method	-	80	-	-	-	80
Other non-current assets	1	-	(1)	-	-	-
Cash and cash equivalents	21	-	(33)	-	12	-
Inventories, trade receivables, and other current assets	27	-	(22)	-	(5)	-
Total	688	506	(965)	(130)	2	101

Changes in liabilities in 2019 were as follows:

Millions of euro				
	at Dec. 31, 2018	Disposals and changes in the scope of consolidation	Other changes	at Dec. 31, 2019
Long-term borrowings	99	(100)	1	-
Provisions for risks and charges (non-current portion)	1	(2)	1	-
Other non-current liabilities	5	(2)	-	3
Short-term borrowings	284	-	(284)	-
Other current financial liabilities	2	(1)	(1)	-
Trade payables and other current liabilities	16	(11)	(5)	-
Total	407	(116)	(288)	3

Assets and liabilities held for sale at December 31, 2019, therefore amount to €101 million and €3 million respectively and mainly regard the value of a number of hydro shareholdings measured using the equity method and held by EGPNA

(now Enel North America) and the Rionegro plant in Colombia, which, following decisions by management, meet the requirements of IFRS 5 for classification within this aggregate. The change for the period essentially concerns the sale of a number of renewable energy companies in Brazil that were previously classified as held for sale and the Reftinskaya GRES plant, which was classified in this aggregate in 2019 and sold in the 4th Quarter of 2019.

34. Shareholders' equity - €46,938 million

34.1 Equity attributable to the shareholders of the Parent Company - €30,377 million

Share capital - €10,167 million

At December 31, 2019, the fully subscribed and paid-up share capital of Enel SpA totaled €10,166,679,946, represented by the same number of ordinary shares with a par value of €1.00 each. Share capital is unchanged compared with that registered at December 31, 2018.

At December 31, 2019, based on the shareholders register and the notices submitted to CONSOB and received by the Company pursuant to Article 120 of Legislative Decree 58 of February 24, 1998, as well as other available information, shareholders with an interest of greater than 3% in the Company's share capital included the Ministry for the Economy and Finance (with a 23.585% stake) and Capital Research and Management Company (which held a direct interest of 5.029% at October 11, 2019 for asset management purposes).

Treasury share reserve - €(1) million

As at December 31, 2019, treasury shares are represented by 1,549,152 ordinary shares of Enel SpA with a par value of €1.00 each, purchased through a qualified intermediary for a total value of €10 million.

On May 16, 2019, the Shareholders' Meeting approved the long-term incentive plan for 2019 ("2019 LTI Plan" or "Plan") intended for the management of Enel SpA and/or its subsidiaries pursuant to Article 2359 of the Civil Code, granting the Board of Directors all the powers necessary to implement the Plan.

On the same date, the Shareholders' Meeting also authorized the Board of Directors to purchase treasury shares, in compliance with the time limits established by the resolution, to pur-

sue, among other things, the purposes of the 2019 LTI Plan. On 19 September the Company's Board of Directors, in implementation of the authorization granted and in compliance with the related terms already announced to the market, approved the start of a treasury share purchase program, for a maximum amount of €10.5 million and for a number of shares not exceeding 2.5 million (the "Program"), equal to about 0.02% of Enel's share capital.

Over the duration of the Program (September 23, 2019 - December 2, 2019) the Company purchased 1,549,152 Enel shares at the weighted average price of €6.7779 per share.

Other reserves - €1,139 million

Share premium reserve - €7,487 million

Pursuant to Article 2431 of the Italian Civil Code, the share premium reserve contains, in the case of the issue of shares at a price above par, the difference between the issue price of the shares and their par value, including those resulting from conversion from bonds. The reserve, which is a capital reserve, may not be distributed until the legal reserve has reached the threshold established under Article 2430 of the Italian Civil Code.

Legal reserve - €2,034 million

The legal reserve is formed of the part of net income that, pursuant to Article 2430 of the Italian Civil Code, cannot be distributed as dividends.

Other reserves - €2,262 million

These include €2,215 million related to the remaining portion of the value adjustments carried out when Enel was transformed from a public entity to a joint-stock company.

Pursuant to Article 47 of the Uniform Income Tax Code (Testo Unico Imposte sul Reddito, or "TUIR"), this amount does not constitute taxable income when distributed.

Reserve from translation of financial statements in currencies other than euro - €(3,802) million

The decrease for the year, of €485 million, was mainly due to the net strengthening of the functional currency against the foreign currencies used by subsidiaries and the change in the scope of consolidation connected with the purchase of 5.74% of Enel Américas.

Reserve from measurement of cash flow hedge financial instruments - €(1,610) million

This includes the net charges recognized in equity from the measurement of cash flow hedge derivatives. The cumulative tax effect is equal to €431 million.

Reserve from measurement of costs of hedging financial instruments - €(147) million

As of January 1, 2018, in application of IFRS 9, these reserves include the change in fair value of currency basis points and forward points. The cumulative tax effect is equal to €6 million.

Reserve from measurement of financial instruments at FVOCI - €21 million

This includes net unrealized income from the measurement at fair value of financial assets.

The cumulative tax effect is equal to a negative €3 million

Reserve from equity investments accounted for using the equity method - €(119) million

The reserve reports the share of comprehensive income to be recognized directly in equity of companies accounted for using the equity method. The cumulative tax effect is equal to €25 million.

Reserve from remeasurement of net liabilities/(assets) of defined benefit plans - €(1,043) million

This reserve includes all actuarial gains and losses, net of tax effects. The change is mainly attributable to the decrease in net actuarial losses recognized during the period, mainly reflecting changes in the discount rate. The cumulative tax effect is equal to €244 million.

Reserve from disposal of equity interests without loss of control - €(2,381) million

This item mainly reports:

- > the gain posted on the public offering of Enel Green Power shares, net of expenses associated with the disposal and the related taxation;
- > the sale of minority interests recognized as a result of the Enersis (now Enel Américas and Enel Chile) capital increase;
- > the capital loss, net of expenses associated with the disposal and the related taxation, from the public offering of 21.92% of Endesa;
- > the income from the disposal of the minority interest in Enel Green Power North America Renewable Energy Partners;

- > the effects of the merger into Enel Américas of Endesa Américas and Chilectra Américas;
- > the disposal to third parties of a minority interest without loss of control in Enel Green Power North America Renewable Energy Partners and a number of companies in South Africa.

The reserve did not change in 2019.

Reserve from acquisitions of non-controlling interests - €(1,572) million

This reserve mainly includes the surplus of acquisition prices with respect to the carrying value of the equity acquired following the acquisition from third parties of further interests in companies already controlled in Latin America and in Italy (Enel Green Power SpA).

The change for the period mainly reflects the effects of:

- > the increase of 5.74% in the interest held in Enel Américas under the provisions of the share swap contracts entered into with a financial institution, raising that stake to 59.97%;
- > the increase of 4.1% in the interest held in Eletropaulo Metropolitana Eletricidade de São Paulo SA;
- > the increase of 0.11% in the interest held in Enel Chile under the provisions of the share swap contracts entered into with a financial institution;
- > the increase of 23.44% in the interest held in Enel Green Power India, raising that stake to 100%.

Retained earnings and loss carried forward - €19,081 million

This reserve reports earnings from previous years that have not been distributed or allocated to other reserves.

The table below shows the changes in gains and losses recognized directly in other comprehensive income, including non-controlling interests, with specific reporting of the related tax effects.

Millions of euro						
at Dec. 31, 2018						
	Total	<i>Of which shareholders of the Parent Company</i>	<i>Of which non-controlling interests</i>	Gains/(Losses) recognized in equity for the year	Released to income statement	Taxes
Reserve from translation of financial statements in currencies other than euro	(6,709)	<i>(3,206)</i>	<i>(3,503)</i>	(481)	-	-
Reserve from measurement of cash flow hedge financial instruments	(2,007)	<i>(1,721)</i>	<i>(286)</i>	(2,036)	2,141	(66)
Reserves from measurement of costs of hedging financial instruments	(265)	<i>(258)</i>	<i>(7)</i>	150	(36)	6
Reserve from measurement of financial instruments at FVOCI	(4)	<i>(3)</i>	<i>(1)</i>	7	-	(2)
Share of OCI of associates accounted for using the equity method	(109)	<i>(112)</i>	<i>3</i>	(60)	-	3
Reserves from measurement of equity investments in other companies	(11)	<i>(11)</i>	-	-	-	-
Remeasurements of net liabilities/(assets) of defined benefit plans	(973)	<i>(727)</i>	<i>(246)</i>	(702)	-	200
Total gains/(losses) recognized in equity	(10,078)	(6,038)	(4,040)	(3,122)	2,105	141

34.2 Dividends

	Amount distributed (millions of euro)	Dividend per share (euro)
Dividends paid in 2018		
Dividends for 2017	2,410	0.24
Interim dividends for 2018 ⁽¹⁾	-	-
Special dividends	-	-
Total dividend paid in 2018	2,410	0.24
Dividends paid in 2019		
Dividends for 2018	2,847	0.28
Interim dividends for 2019 ⁽²⁾	-	-
Special dividends	-	-
Total dividend paid in 2019	2,847	0.28

(1) Approved by the Board of Directors on November 6, 2018, and paid as from January 23, 2019 (interim dividend of €0.14 per share for a total of €1,423 million).

(2) Approved by the Board of Directors on November 12, 2019, and paid as from January 22, 2020 (interim dividend of €0.16 per share for a total of €1,627 million).

The dividend for 2019, equal to €0.328 per share, for a total amount of €3,334 million (of which €0.16 per share, for a total of €1,626 million, already paid as an interim dividend), will be proposed to the Shareholders' Meeting of May 14, 2020 at

single call. These financial statements do not take account of the effects of the distribution to shareholders of the dividend for 2019, except for the liability in respect of shareholders for the interim dividend for 2019 dividend, which was approved

Change			at Dec. 31, 2019		
Total	<i>Of which shareholders of the Parent Company</i>	<i>Of which non-controlling interests</i>	Total	<i>Of which shareholders of the Parent Company</i>	<i>Of which non-controlling interests</i>
(481)	(265)	(216)	(7,190)	(3,471)	(3,719)
39	94	(55)	(1,968)	(1,627)	(341)
120	111	9	(145)	(147)	2
5	5	-	1	2	(1)
(57)	(56)	(1)	(166)	(168)	2
-	-	-	(11)	(11)	-
(502)	(318)	(184)	(1,475)	(1,045)	(430)
(876)	(429)	(447)	(10,954)	(6,467)	(4,487)

by the Board of Directors on November 12, 2019 for a potential maximum of €1,627 million, and paid as from January 22, 2020 net of the portion pertaining to the 1,549,152 million treasury shares held as at the record date of January 21, 2020.

Capital management

The Group's objectives for managing capital comprise safeguarding the business as a going concern, creating value for

stakeholders and supporting the development of the Group. In particular, the Group seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating.

In this context, the Group manages its capital structure and adjusts that structure when changes in economic conditions so require. There were no substantive changes in objectives, policies or processes in 2019.

To this end, the Group constantly monitors developments in the level of its debt in relation to equity. The situation at De-

cember 31, 2019 and 2018, is summarized in the following table.

Millions of euro	at Dec. 31, 2019	at Dec. 31, 2018	Change
Non-current financial position	54,174	48,983	5,191
Net current financial position	(5,815)	(4,622)	(1,193)
Non-current financial receivables and long-term securities	(3,184)	(3,272)	88
Net financial debt	45,175	41,089	4,086
Equity attributable to the shareholders of the Parent Company	30,377	31,720	(1,343)
Non-controlling interests	16,561	16,132	429
Shareholders' equity	46,938	47,852	(914)
Debt/equity ratio	0.96	0.86	-

The percentage increase in the use of debt is attributable to the increase in net financial debt, mainly reflecting the funding requirements of investment in the period, the recognition of a liability following the first-time application of IFRS 16

and the acquisition of control of a number of companies from the EGPNA REP joint venture.

See note 41 for a breakdown of the individual items in the table.

34.3 Non-controlling interests - €16,561 million

The following table reports the composition of non-controlling interests by geographic area.

Millions of euro	Non-controlling interests		Net income attributable to non-controlling interests	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Italy	1	7	(2)	-
Iberia	5,961	6,405	36	386
Latin America	9,277	8,406	1,256	1,095
Europe and Euro-Mediterranean Affairs	903	908	6	68
North America	222	181	(1)	4
Africa, Asia and Oceania	197	225	7	8
Total	16,561	16,132	1,302	1,561

Finally, note that with effect from September 2019, Latin America also includes the countries Panama, Costa Rica, Guatemala, El Salvador and Nicaragua, which were previously reported under the geographic area North and Central America (now renamed North America).

In order to ensure full comparability of the figures in the light of the new organization, the comparative figures for 2018 have been restated appropriately.

35. Borrowings

Millions of euro	Non-current		Current	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Long-term borrowings	54,174	48,983	3,409	3,367
Short-term borrowings	-	-	3,917	3,616
Total	54,174	48,983	7,326	6,983

For more information on the nature of borrowings, see note 43 "Financial instruments".

36. Employee benefits - €3,771 million

The Group provides its employees with a variety of benefits, including deferred compensation benefits, additional months' pay for having reached age limits or eligibility for old-age pension, loyalty bonuses for achievement of seniority milestones, supplemental retirement and healthcare plans, residential electricity discounts and similar benefits. More specifically:

> for Italy, the item "pension benefits" regards estimated accruals made to cover benefits due under the supplemental retirement schemes of retired executives and the benefits due to personnel under law or contract at the time the employment relationship is terminated. For the foreign companies, the item reports post-employment benefits, of which the most material regard the pension benefit schemes of Endesa in Spain, which break down into three types that differ on the basis of employee seniority and company. In general, under the framework agreement of October 25, 2000, employees participate in a specific defined-contribution pension plan and, in cases of disability or death of employees in service, a defined benefit plan which is covered by appropriate insurance policies. In addition, the group has two other limited-enrollment plans (i) for current and retired Endesa employees covered by the electricity industry collective bargaining agreement prior to the changes introduced with the framework agreement noted earlier and (ii) for employees of the former Catalan companies (Fecsa/Enher/HidroEmpordà). Both are defined bene-

fit plans and benefits are fully ensured, with the exception of the former plan for benefits in the event of the death of a retired employee. Finally, the Brazilian companies have also established defined benefit plans;

- > the item "electricity discount" comprises benefits regarding electricity supply associated with foreign companies. For Italy, that benefit, which was granted until the end of 2015 to retired employees only, was unilaterally cancelled;
- > the item "health insurance" reports benefits for current or retired employees covering medical expenses;
- > "other benefits" mainly regard the loyalty bonus, which is adopted in various countries and for Italy is represented by the estimated liability for the benefit entitling employees covered by the electricity workers national collective bargaining agreement to a bonus for achievement of seniority milestones (25th and 35th year of service). It also includes other incentive plans, which provide for the award to certain Company managers of a monetary bonus subject to specified conditions.

The following table reports changes in the defined benefit obligation for post-employment and other long-term employee benefits at December 31, 2019, and December 31, 2018, respectively, as well as a reconciliation of that obligation with the actuarial liability.

Millions of euro	2019				
	Pension benefits	Electricity discount	Health insurance	Other benefits	Total
CHANGES IN ACTUARIAL OBLIGATION					
Actuarial obligation at the start of the year	5,072	767	253	231	6,323
Current service cost	20	4	4	32	60
Interest expense	335	15	10	5	365
Actuarial (gains)/losses arising from changes in demographic assumptions	(16)	-	1	-	(15)
Actuarial (gains)/losses arising from changes in financial assumptions	701	91	15	8	815
Experience adjustments	94	55	(4)	13	158
Past service cost	(8)	-	-	2	(6)
(Gains)/Losses arising from settlements	-	-	-	-	-
Exchange differences	(84)	-	(2)	1	(85)
Employer contributions	-	-	-	-	-
Employee contributions	2	-	-	-	2
Benefits paid	(431)	(31)	(14)	(45)	(521)
Other changes	6	3	-	(5)	4
Liabilities classified as held for sale	-	-	-	-	-
Actuarial obligation at year end (A)	5,691	904	263	242	7,100
CHANGES IN PLAN ASSETS					
Fair value of plan assets at the start of the year	3,160	-	-	-	3,160
Interest income	235	-	-	-	235
Expected return on plan assets excluding amounts included in interest income	272	-	-	-	272
Exchange differences	(50)	-	-	-	(50)
Employer contributions	186	31	14	16	247
Employee contributions	2	-	-	-	2
Benefits paid	(431)	(31)	(14)	(16)	(492)
Other payments	-	-	-	-	-
Changes in the scope of consolidation	-	-	-	-	-
Fair value of plan assets at year-end (B)	3,374	-	-	-	3,374
EFFECT OF ASSET CEILING					
Asset ceiling at the start of the year	24	-	-	-	24
Interest income	2	-	-	-	2
Changes in asset ceiling	20	-	-	-	20
Exchange differences	(1)	-	-	-	(1)
Changes in the scope of consolidation	-	-	-	-	-
Asset ceiling at year end (C)	45	-	-	-	45
Net liability in balance sheet (A-B+C)	2,362	904	263	242	3,771

2018				
Pension benefits	Electricity discount	Health insurance	Other benefits	Total
2,413	739	253	254	3,659
16	4	5	36	61
247	14	10	5	276
(2)	-	-	-	(2)
213	(10)	4	(5)	202
21	48	2	7	78
(1)	-	-	7	6
-	-	-	-	-
(114)	(1)	(9)	(6)	(130)
-	-	-	-	-
2	-	-	-	2
(370)	(30)	(12)	(65)	(477)
2,647	3	-	(2)	2,648
-	-	-	-	-
5,072	767	253	231	6,323
1,317	-	-	-	1,317
173	-	-	-	173
70	-	-	-	70
(82)	-	-	-	(82)
171	30	12	24	237
2	-	-	-	2
(370)	(30)	(12)	(24)	(436)
-	-	-	-	-
1,879	-	-	-	1,879
3,160	-	-	-	3,160
64	-	-	-	64
4	-	-	-	4
(38)	-	-	-	(38)
(6)	-	-	-	(6)
-	-	-	-	-
24	-	-	-	24
1,936	767	253	231	3,187

Millions of euro

	2019	2018
(Gains)/Losses charged to profit or loss		
Service cost and past service cost	32	39
Net interest expense	129	107
(Gains)/Losses arising from settlements	-	-
Actuarial (gains)/losses on other long-term benefits	25	28
Other changes	-	(4)
Total	186	170

Millions of euro

	2019	2018
Change in (gains)/losses in OCI		
Expected return on plan assets excluding amounts included in interest income	(272)	(70)
Actuarial (gains)/losses on defined benefit plans	958	282
Changes in asset ceiling excluding amounts included in interest income	20	(38)
Other changes	(4)	(2)
Total	702	172

The change in cost recognized through profit or loss was equal to €16 million. The impact on the income statement is, therefore, greater than in 2018, due mainly to the effect of interest on pension funds for Enel Distribuição São Paulo in Brazil.

The liability recognized in the balance sheet at the end of the year is reported net of the fair value of plan assets, amounting to €3,374 million at December 31, 2019. Those assets, which are entirely in Spain and Brazil, break down as follows.

	2019	2018
Investments quoted in active markets		
Equity instruments	8%	8%
Fixed-income securities	68%	65%
Investment property	3%	4%
Other	-	-
Unquoted investments		
Assets held by insurance undertakings	-	-
Other	21%	23%
Total	100%	100%

The main actuarial assumptions used to calculate the liabilities in respect of employee benefits and the plan assets, which are consistent with those used the previous year, are set out in the following table.

	Italy	Iberia	Latin America	Other countries	Italy	Iberia	Latin America	Other countries
	2019				2018			
Discount rate	0.00%-0.70%	0.00%-1.14%	3.40%-7.59%	1.20%-6.45%	0.25%-1.50%	0.21%-1.75%	4.70%-9.15%	1.50%-8.77%
Inflation rate	0.70%	2.00%	3.00%-8.00%	1.00%-3.94%	1.50%	2.00%	3.00%-4.00%	1.50%-4.14%
Rate of wage increases	0.70%-1.70%	2.00%	3.80%-8.00%	2.50%-3.94%	0.025 %	2.00%	3.80%-5.00%	3.00%-4.20%
Rate of increase in healthcare costs	1.70%	3.20%	7.12%-8.00%	-	2.50%	3.20%	7.12%-8.00%	-
Expected rate of return on plan assets	-	1.09%	6.44%-7.38%	-	-	1.75%	8.63%-9.04%	-

The following table reports the outcome of a sensitivity analysis that demonstrates the effects on the defined benefit obligation of changes reasonably possible at the end of the year in the actuarial assumptions used in estimating the obligation.

	Pension benefits	Electricity discount	Health insurance	Other benefits	Pension benefits	Electricity discount	Health insurance	Other benefits
Millions of euro	at Dec. 31, 2019				at Dec. 31, 2018			
Decrease of 0.5% in discount rate	321	78	15	5	280	63	9	3
Increase of 0.5% in discount rate	(285)	(73)	(19)	(7)	(243)	(59)	(12)	(9)
Increase of 0.5% in inflation rate	(2)	(74)	(5)	(3)	(5)	(59)	(3)	(6)
Decrease of 0.5% in inflation rate	31	79	10	1	32	61	3	2
Increase of 0.5% in remuneration	19	2	(2)	5	10	(2)	(3)	1
Increase of 0.5% in pensions currently being paid	9	(2)	(3)	(1)	11	(2)	(3)	(3)
Increase of 1% healthcare costs	-	-	12	-	-	-	32	-
Increase of 1 year in life expectancy of active and retired employees	179	36	19	(1)	155	25	8	(3)

The sensitivity analysis used an approach that extrapolates the effect on the defined benefit obligation of reasonable changes in an individual actuarial assumption, leaving the other assumptions unchanged.

The contributions expected to be paid into defined benefit plans in the subsequent year amount to €177 million.

The following table reports expected benefit payments in the coming years for defined benefit plans.

Millions of euro	at Dec. 31, 2019	at Dec. 31, 2018
Within 1 year	461	436
In 1-2 years	447	429
In 2-5 years	1,288	1,273
More than 5 years	2,040	2,017

37. Provisions for risks and charges - €6,520 million

Millions of euro

	at Dec. 31, 2019		at Dec. 31, 2018	
	Non-current	Current	Non-current	Current
Provision for litigation, risks and other charges:				
- nuclear decommissioning	640	-	552	-
- retirement, removal and site restoration	1,840	102	986	71
- litigation	938	132	1,315	191
- environmental certificates	-	33	-	27
- taxes and duties	312	24	409	23
- other	762	504	742	603
Total	4,492	795	4,004	915
Provision for early retirement incentives	832	401	1,177	397
TOTAL	5,324	1,196	5,181	1,312

Millions of euro	Accrual	Reversal	Utilization	Unwinding of interest	Provisions for retirement and site restoration	Change in the scope of consolidation	Translation adjustment	Other changes	Reclassifications of liabilities held for sale	at Dec. 31, 2018	at Dec. 31, 2019
Provision for litigation, risks and other charges:											
- nuclear decommissioning	552	-	-	-	5	83	-	-	-	-	640
- retirement, removal and site restoration	1,057	64	(21)	(41)	16	880	2	(8)	(7)	-	1,942
- litigation	1,506	278	(168)	(582)	52	-	-	(16)	-	-	1,070
- environmental certificates	27	36	(18)	(13)	-	-	-	-	1	-	33
- taxes and duties	432	31	(20)	(109)	5	-	-	(2)	(1)	-	336
- other	1,345	302	(90)	(295)	39	13	3	(41)	(10)	-	1,266
Total	4,919	711	(317)	(1,040)	117	976	5	(67)	(17)	-	5,287
Provision for early retirement incentives	1,574	79	(13)	(437)	36	-	-	-	(6)	-	1,233
TOTAL	6,493	790	(330)	(1,477)	153	976	5	(67)	(23)	-	6,520

Nuclear decommissioning provision

At December 31, 2019, the provision reflected solely the costs that will be incurred at the time of decommissioning of nuclear plants by Endesa, a Spanish public enterprise responsible for such activities in accordance with Royal Decree 1349/2003 and Law 24/2005. Quantification of the costs is based on the standard contract between Endesa and the electricity companies approved by the Ministry for the Economy in September 2001, which regulates the retirement and closing of nuclear power plants. The time horizon envisaged, three years, corresponds to the period from the termination of power generation to the transfer of plant management to Endesa (so-called post-operational costs) and takes account, among the various assumptions used to estimate the amount, the quantity of unused nuclear fuel expected at the date of closure of each of the Spanish nuclear plants on the basis of the provisions of the concession agreement.

Non-nuclear plant retirement and site restoration provision

The provision for non-nuclear plant retirement and site restoration represents the present value of the estimated cost for the retirement and removal of non-nuclear plants where there is a legal or constructive obligation to do so. The provision mainly regards the Endesa Group, Enel Produzione and the companies in Latin America. The increase in the provision in 2019 reflects the Group's decision to promote the halt in generation with coal-fired plants, which prompted an increase in provisions for plant retirement charges for the Bocamina I and Tarapacá plants in Chile and of a number of plants in Italy and Spain.

Litigation provision

The litigation provision covers contingent liabilities in respect of pending litigation and other disputes. It includes an estimate of the potential liability relating to disputes that arose during the period, as well as revised estimates of the potential costs associated with disputes initiated in prior periods. The balance for litigation mainly regards the companies in Spain (€144 million), Italy (€144 million) and Latin America (€723 million).

The decrease compared with the previous year, equal to €436 million, mainly reflects the change in the provision in Latin America and Iberia, attributable in particular to the resolution of the dispute of Enel Distribuição São Paulo with Electrobras and a number of disputes of Edistribución Redes Digitales SL (the former Endesa Distribución Eléctrica).

Provision for environmental certificates

The provision for environmental certificates covers costs in respect of shortfalls in the environmental certificates need for compliance with national or supranational environmental protection requirements and mainly regards Enel Energia.

Provision for charges in respect of taxes and duties

The provision for charges in respect of taxes and duties reports the estimated liability deriving from tax disputes concerning direct and indirect taxes. The balance of the provision also includes the provision for current and potential disputes concerning local property tax (whether the Imposta Comunale sugli Immobili ("ICI") or the new Imposta Municipale Unica ("IMU")) in Italy. The Group has taken due account of the criteria introduced with circular no. 6/2012 of the Public Land Agency (which resolved interpretive issues concerning the valuation methods for movable assets considered relevant for property registry purposes, including certain assets typical to generation plants, such as turbines) in estimating the liability for such taxes, both for the purposes of quantifying the probable risk associated with pending litigation and generating a reasonable valuation of probable future charges on positions that have not yet been assessed by Land Agency offices and municipalities.

The decrease compared with the previous year, equal to €96 million, mainly reflects uses, primarily in Spain and Italy.

Other provisions

Other provisions cover various risks and charges, mainly in connection with regulatory disputes and disputes with local authorities regarding various duties and fees or other charges. The decrease of €79 million for the year is mainly attributable to the reversal of part of the provision allocated by e-distribution to manage claims by self-generators following the expiry of the deadline for submitting claims, and the use of the provision following the agreement between Edesur and local authorities to settle reciprocal outstanding claims originated in 2006-2016, partly offset by an increase in provisions for environmental charges recognized by Enel Produzione.

The change in the scope of consolidation is attributable to the acquisition of YouSave SpA.

Provision for early retirement incentives

The provision for early retirement incentives includes the estimated charges related to binding agreements for the voluntary termination of employment contracts in response to or

ganizational needs. The reduction of €341 million for the year reflects, among other factors, uses for incentive provisions established in Spain and Italy in previous years.

In Italy, the latter is largely associated with the union-company agreements signed in September 2013 and December 2015, implementing, for a number of companies in Italy, the mechanism provided for under Article 4, paragraphs 1-7 *ter*, of Law 92/2012 (the Fornero Act). The latter agreement envisages the voluntary termination, in Italy, of about 6,100 employees in 2016-2020.

In Spain, the provisions regard the expansion, in 2015, of the *Acuerdo de Salida Voluntaria* (ASV) introduced in Spain in 2014. The ASV mechanism was agreed in Spain in connection with Endesa's restructuring and reorganization plan, which provides for the suspension of the employment contract with tacit annual renewal. With regard to that plan, on December 30, 2014, the company had signed an agreement with union representatives in which it undertook to not exercise the option to request a return to work at subsequent annual renewal dates for the employees participating in the mechanism.

38. Other non-current liabilities - €3,706 million

Millions of euro				
	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Accrued operating expenses and deferred income	552	484	68	14.0%
Other items	3,154	1,417	1,737	-
Total	3,706	1,901	1,805	95.0%

The increase in "Other items" of €1,737 million is essentially due to liabilities to customers in Brazil amounting to €1,278 million recognized against "other non-current assets" following the first-level ruling on disputes brought by distribution companies against local authorities to request the elimination of double taxation in the application of the PIS and COFINS taxes on ICMS (tax on the circulation of goods and servic-

es, similar to VAT). It also reflects the closure of the dispute between Enel Distribuição São Paulo and Eletrobras, which involved the use of the provision for risks and charges in respect of other non-current liabilities amounting to €297 million, as well as €73 million recognized under other current liabilities.

39. Trade payables - €12,960 million

The item amounted to €12,960 million (€13,387 million in 2018) and includes payables in respect of electricity supplies, fuel, materials, equipment associated with tenders, and other services.

More specifically, trade payables falling due in less than 12 months amounted to €12,322 million (€12,718 million in 2018), while those with falling due in more than 12 months amounted to €638 million (€669 million in 2018).

40. Other current financial liabilities - €754 million

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Deferred financial liabilities	607	654	(47)	-7.2%
Other items	147	134	13	9.7%
Total	754	788	(34)	-4.3%

The decrease in other current financial liabilities is attributable to the €47 million decrease in deferred financial liabilities as a result of a decrease in accrued liabilities on bonds.

The other items mainly refer to amounts due for accrued interest.

41. Net financial position and long-term financial receivables and securities - €45,175 million

The following table shows the net financial position and long-term financial receivables and securities on the basis of the items on the consolidated balance sheet.

Millions of euro

	Notes	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Long-term borrowings	43	54,174	48,983	5,191	10.6%
Short-term borrowings	43	3,917	3,616	301	8.3%
Other current financial payables ⁽¹⁾		47	28	19	67.9%
Current portion of long-term borrowings	43	3,409	3,367	42	1.2%
Other non-current financial assets included in net financial debt	26.1	(3,185)	(3,272)	87	-2.7%
Other current financial assets included in net financial debt	30.1	(4,158)	(5,003)	845	-16.9%
Cash and cash equivalents	32	(9,029)	(6,630)	(2,399)	36.2%
Total		45,175	41,089	4,086	9.9%

(1) Includes current financial payables included under other current financial liabilities.

Pursuant to CONSOB instructions of July 28, 2006, the following table reports the net financial position at December 31, 2019, and December 31, 2018, reconciled with net finan-

cial debt as provided for in the presentation methods of the Enel Group.

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Cash and equivalents on hand	87	328	(241)	-73.5%
Bank and post office deposits	7,910	5,531	2,379	43.0%
Other investments of liquidity	1,032	771	261	33.9%
Securities	51	63	(12)	-19.0%
Liquidity	9,080	6,693	2,387	35.7%
Short-term financial receivables	2,522	3,418	(896)	-26.2%
Short-term portion of long-term financial receivables	1,585	1,522	63	4.1%
Current financial receivables	4,107	4,940	(833)	-16.9%
Short-term bank debt	(579)	(512)	(67)	-13.1%
Commercial paper	(2,284)	(2,393)	109	4.6%
Short-term portion of long-term bank debt	(1,121)	(1,830)	709	38.7%
Bonds issued (short-term portion)	(1,906)	(1,341)	(565)	-42.1%
Other borrowings (short-term portion)	(382)	(196)	(186)	-94.9%
Other short-term financial payables ⁽¹⁾	(1,101)	(739)	(362)	-49.0%
Total short-term financial debt	(7,373)	(7,011)	(362)	-5.2%
Net short-term financial position	5,814	4,622	1,192	25.8%
Debt to banks and financing entities	(8,407)	(8,819)	412	4.7%
Bonds	(43,294)	(38,633)	(4,661)	-12.1%
Other borrowings	(2,473)	(1,531)	(942)	-61.5%
Long-term financial position	(54,174)	(48,983)	(5,191)	-10.6%
NET FINANCIAL POSITION as per CONSOB Communication	(48,360)	(44,361)	(3,999)	-9.0%
Long-term financial receivables and securities	3,185	3,272	(87)	-2.7%
NET FINANCIAL DEBT	(45,175)	(41,089)	(4,086)	-9.9%

(1) Includes current financial payables included under other current financial liabilities.

42. Other current liabilities - €13,161 million

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change	
Payables due to customers	1,670	1,773	(103)	-5.8%
Payables due to institutional market operators	4,507	3,945	562	14.2%
Payables due to employees	496	472	24	5.1%
Other tax payables	1,082	1,093	(11)	-1.0%
Payables due to social security institutions	212	212	-	-
Contingent considerations	116	109	7	6.4%
Payables for put options granted to minority shareholders	3	-	3	-
Current accrued expenses and deferred income	372	459	(87)	-19.0%
Payables for dividends	2,143	1,913	230	12.0%
Other	2,560	2,131	429	20.1%
Total	13,161	12,107	1,054	8.7%

Payables due to customers include €880 million (€936 million at December 31, 2018) in security deposits related to amounts received from customers in Italy as part of electricity and gas supply contracts. Following the finalization of the

contract, deposits for electricity sales, the use of which is not restricted in any way, are classified as current liabilities given that the Company does not have an unconditional right to defer repayment beyond 12 months.

Payables due to institutional market operators include payables arising from the application of equalization mechanisms to electricity purchases on the Italian market amounting to €3,064 million (€2,546 million at December 31, 2018) and on the Spanish market amounting to €1,267 million (€1,131 million at December 31, 2018), and on the Latin American market amounting to €176 million (€268 million at December 31, 2018).

The change in payables for dividends mainly refers the recognition of the interim dividend of Enel SpA, which under the rules is settled in January of the following year. In 2019, the

total interim dividend amounted to €1,627 million, compared with €1,423 million the previous year.

The increase in other payables mainly reflects the settlement of a dispute between Enel Distribuição São Paulo and Eletrobras, which includes €73 million under current items but also includes a non-current portion (readers are invited to consult the appropriate note for more on that item). It also reflects the recognition of the liability connected with the acquisition through financial intermediaries (using share swaps) of additional equity stakes in Enel Américas and Enel Chile. The overall amount of that debt at December 31, 2019 was €358 million.

43. Financial instruments

This note provides disclosures necessary for users to assess the significance of financial instruments for the Company's financial position and performance.

43.1 Financial assets by category

The following table reports the carrying amount for each category of financial asset provided for under IFRS 9, broken

down into current and non-current financial assets, showing hedging derivatives and derivatives measured at fair value through profit or loss separately.

Millions of euro	Notes	Non-current		Current	
		at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Financial assets at amortized cost	43.1.1	4,258	4,292	26,377	25,268
Financial assets at FVOCI	43.1.2	480	413	61	72
Financial assets at fair value through profit or loss					
Derivative financial assets at FVTPL	43.1.3	29	31	3,086	3,163
Other financial assets at FVTPL	43.1.3	2,370	2,080	-	-
Financial assets designated upon initial recognition (fair value option)	43.1.3	-	-	-	-
Total financial assets at fair value through profit or loss		2,399	2,111	3,086	3,163
Derivative financial assets designated as hedging instruments					
Fair value hedge derivatives	43.1.4	32	25	-	4
Cash flow hedge derivatives	43.1.4	1,322	949	979	747
Total derivative financial assets designated as hedging instruments		1,354	974	979	751
TOTAL		8,491	7,790	30,503	29,254

For more information on fair value measurement, see note 47 "Assets measured at fair value".

43.1.1 Financial assets measured at amortized cost

The following table reports financial assets measured at amortized cost by nature, broken down into current and non-current financial assets.

Millions of euro	Notes	Non-current			Current	
		at Dec. 31, 2019	at Dec. 31, 2018	Notes	at Dec. 31, 2019	at Dec. 31, 2018
Cash and cash equivalents		-	-	32	9,029	6,630
Trade receivables	29	917	835	29	12,166	12,752
Short-term portion of long-term financial receivables		-	-	30.1	1,585	1,522
Cash collateral		-	-	30.1	2,153	2,559
Other financial receivables	26.1	2,769	2,912	30.1	370	859
Financial assets from service concession arrangements at amortized cost	26	340	345	30	13	12
Other financial assets at amortized cost	26, 27	232	200	30, 31	1,061	934
Total		4,258	4,292		26,377	25,268

Impairment of financial assets at amortized cost

Financial assets measured at amortized cost at December 31, 2019 amounted to €3,370 million (€3,083 million at December 31, 2018) and are recognized net of allowances for expected credit losses.

The Group mainly has the following types of financial assets measured at amortized cost subject to impairment testing:

- > cash and cash equivalents;
- > trade receivables and contract assets;
- > financial receivables; and
- > other financial assets.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The expected credit loss (ECL), determined using probability of default (PD), loss given default (LGD) and exposure at default (EAD), is the difference between all contractual cash flows that are due in accordance with the contract and all cash flows that are expected to be received (i.e., all shortfalls) discounted at the original effective interest rate (EIR).

For calculating ECL, the Group applies two different approaches:

- > the general approach, for financial assets other than trade receivables, contract assets and lease receivables. This approach, based on an assessment of any significant increase in credit risk since initial recognition, is performed comparing the PD at origination with PD at the reporting date, at each reporting date.

Then, based on the results of the assessment, a loss al-

lowance is recognized based on 12-month ECL or lifetime ECL (i.e., staging):

- 12-month ECL, for financial assets for which there has not been a significant increase in credit risk since initial recognition;
 - lifetime ECL, for financial assets for which there has been a significant increase in credit risk or which are credit impaired (i.e., defaulted based on past due information).
- > the simplified approach, for trade receivables, contract assets and lease receivables with or without a significant financing component, based on lifetime ECL without tracking changes in credit risk.

For more information on assets deriving from contracts with customers, please see note 25 "Current/Non-current assets/(liabilities) from contracts with customers".

A forward-looking adjustment can be applied considering qualitative and quantitative information in order to reflect future events and macroeconomic developments that could impact the risk associated with the portfolio or financial instrument.

Depending on the nature of the financial assets and the credit risk information available, the assessment of the increase in credit risk can be performed on:

- > an individual basis, if the receivables are individually significant and for all receivables which have been individually identified for impairment based on reasonable and supportable information;

- > a collective basis, if no reasonable and supportable information is available without undue cost or effort to measure expected credit losses on an individual instrument basis.

When there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof, the gross carrying amount of the financial asset shall be reduced.

A write-off represents a derecognition event (e.g. the right to

cash flows is legally or contractually extinguished, transferred or expired).

The following table reports expected credit losses on financial assets measured at amortized cost on the basis of the general simplified approach.

Millions of euro	at Dec. 31, 2019			at Dec. 31, 2018		
	Gross amount	Allowance for expected losses	Total	Gross amount	Allowance for expected losses	Total
Cash and cash equivalents	9,029	-	9,029	6,632	2	6,630
Trade receivables	16,063	2,980	13,083	16,415	2,828	13,587
Financial receivables	7,108	231	6,877	8,081	229	7,852
Other financial assets at amortized cost	1,805	159	1,646	1,515	24	1,491
Total	34,005	3,370	30,635	32,643	3,083	29,560

To measure expected losses, the Group assesses trade receivables and contract assets with the simplified approach, both on an individual basis (e.g. government entities, authorities, financial counterparties, wholesale sellers, traders and large companies, etc.) and a collective basis (e.g. retail customers).

In the case of individual assessments, PD is generally obtained from external providers.

Otherwise, in the case of collective assessments, trade receivables are grouped on the basis of their shared credit risk characteristics and information on past due positions, considering a specific definition of default.

Based on each business and local regulatory framework, as well as differences between customer portfolios, including their default and recovery rates (comprising expectations for recovery beyond 90 days):

- > the Group mainly defines a defaulted position as one that

is 180 days past due. Accordingly, beyond this time limit, trade receivables are presumed to be credit impaired); and

- > specific clusters are defined on the basis of specific markets, business and risk characteristics.

Contract assets substantially have the same risk characteristics as trade receivables for the same types of contracts.

In order to measure the ECL for trade credits on a collective basis, as well as for contract assets, the Group uses the following assumptions regarding the ECL parameters:

- > PD, assumed equal to the average default rate, is calculated by cluster and considering historical data from at least 24 months;
- > LGD is a function of the recovery rates for each cluster, discounted using the effective interest rate; and
- > EAD is estimated as equal to the carrying amount at the reporting date net of cash deposits, including invoices issued but not past due and invoices to be issued.

The following table reports changes in the allowance for expected credit losses on financial receivables in accordance with the general simplified approach.

Millions of euro	ECL 12-month	ECL lifetime
Opening balance at Jan. 1, 2018	7	23
Provisions	-	4
Uses	-	-
Reversals to profit or loss	(188)	(2)
Other changes	268	117
Closing balance at Dec. 31, 2018	87	142
Opening balance at Jan. 1, 2019	87	142
Provisions	-	26
Uses	-	-
Reversals to profit or loss	(1)	(3)
Other changes	(8)	(12)
Closing balance at Dec. 31, 2019	78	153

The following table reports changes in the allowance for expected credit losses on trade receivables.

Millions of euro	
Opening balance at Jan. 1, 2018	2,609
Provisions	1,367
Uses	(897)
Reversals to profit or loss	(281)
Other changes	30
Closing balance at Dec. 31, 2018	2,828
Opening balance at Jan. 1, 2019	2,828
Provisions	1,239
Uses	(834)
Reversals to profit or loss	(202)
Other changes	(51)
Closing balance at Dec. 31, 2019	2,980

The following table reports changes in the allowance for expected credit losses on other financial assets at amortized cost.

Millions of euro	ECL lifetime
Opening balance at Jan. 1, 2018	15
Provisions	3
Uses	-
Reversals to profit or loss	(3)
Other changes	(9)
Closing balance at Dec. 31, 2018	24
Opening balance at Jan. 1, 2019	24
Provisions	105
Uses	-
Reversals to profit or loss	(7)
Other changes	37
Closing balance at Dec. 31, 2019	159

Note 44 "Risk management" provides additional information on the exposure to credit risk and expected losses.

The following table shows financial assets at fair value through other comprehensive income by nature, broken down into current and non-current financial assets.

Changes in financial assets at FVOCI

Millions of euro	Non-current			Current		
	Notes	at Dec. 31, 2019	at Dec. 31, 2018	Notes	at Dec. 31, 2019	at Dec. 31, 2018
Equity investments in other entities at FVOCI	26	64	53		-	-
Securities	26.1	416	360	30.1	61	72
Total		480	413		61	72

43.1.2 Financial assets at fair value through other comprehensive income

Equity investments in other entities

Millions of euro	Non-current	Current
Opening balance at Jan. 1, 2019	53	-
Purchases	87	-
Sales	-	-
Changes in fair value through OCI	-	-
Other changes	(76)	-
Closing balance at Dec. 31, 2019	64	-

Securities at FVOCI

Millions of euro	Non-current	Current
Opening balance at Jan. 1, 2019	360	72
Purchases	160	-
Sales	(53)	-
Changes in fair value through OCI	10	-
Reclassifications	(61)	61
Other changes	-	(72)
Closing balance at Dec. 31, 2019	416	61

43.1.3 Financial assets at fair value through profit or loss

The following table shows financial assets at fair value through profit or loss by nature, broken down into current and non-current financial assets.

Millions of euro	Notes	Non-current		Current	
		at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Derivatives at FVTPL	46	29	31	3,086	3,163
Equity investments in other entities at FVTPL	26	8	10	-	-
Financial assets from service concession arrangements at FVTPL	26	2,362	2,070	-	-
Total		2,399	2,111	3,086	3,163

43.1.4 Derivative financial assets designated as hedging instruments

For more information on derivative financial assets, please see note 46 "Derivatives and hedge accounting".

43.2 Financial liabilities by category

The following table shows the carrying amount for each category of financial liability provided for under IFRS 9, broken

down into current and non-current financial liabilities, showing hedging derivatives and derivatives measured at fair value through profit or loss separately.

Millions of euro	Notes	Non-current		Current	
		at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Financial liabilities measured at amortized cost	43.2.1	54,931	49,824	28,261	27,567
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities at FVTPL	43.4	20	34	2,981	3,135
Total financial liabilities at fair value through profit or loss		20	34	2,981	3,135
Derivative financial liabilities designated as hedging instruments					
Fair value hedge derivatives	43.4	1	-	-	-
Cash flow hedge derivatives	43.4	2,386	2,575	573	1,208
Total derivative financial liabilities designated as hedging instruments		2,387	2,575	573	1,208
TOTAL		57,338	52,433	31,815	31,910

For more information on fair value measurement, please see note 48 "Liabilities measured at fair value".

43.2.1 Financial liabilities measured at amortized cost

The following table shows financial liabilities at amortized cost by nature, broken down into current and non-current financial liabilities.

Millions of euro	Non-current			Current		
	Notes	at Dec. 31, 2019	at Dec. 31, 2018	Notes	at Dec. 31, 2019	at Dec. 31, 2018
Long-term borrowings	43.3	54,174	48,983	43.3	3,409	3,367
Short-term borrowings		-	-	43.3	3,917	3,616
Trade payables	39	638	669	39	12,322	12,718
Other financial liabilities	38	119	172	42	8,613	7,866
Total		54,931	49,824		28,261	27,567

43.3 Borrowings

43.3.1 Long-term borrowings (including the portion falling due within 12 months) - €57,583 million

The following table reports the carrying amount and fair value for each category of debt, including the portion falling due within 12 months. For listed debt instruments, the fair value

is given by official prices, while for unlisted debt instruments, fair value is determined using valuation techniques appropriate for each category of financial instrument and the associated market data for the reporting date, including the credit spreads of Enel SpA.

The table reports the situation of long-term borrowings and repayment schedules at December 31, 2019, broken down by type of borrowing and interest rate.

Millions of euro	at Dec. 31, 2019					at Dec. 31, 2018					Changes in carrying amount
	Nominal value	Carrying amount	Current portion	Portion due in more than 12 months	Fair value	Nominal value	Carrying amount	Current portion	Portion due in more than 12 months	Fair value	
Bonds:											
- listed, fixed rate	27,312	26,593	1,621	24,972	31,073	23,811	23,099	845	22,254	25,944	3,494
- listed, floating rate	3,515	3,488	258	3,230	3,655	3,187	3,166	305	2,861	3,288	322
- unlisted, fixed rate	14,458	14,359	-	14,359	15,794	12,860	12,758	-	12,758	12,563	1,601
- unlisted, floating rate	760	760	27	733	753	951	951	191	760	932	(191)
Total bonds	46,045	45,200	1,906	43,294	51,275	40,809	39,974	1,341	38,633	42,727	5,226
Bank borrowings:											
- fixed rate	896	893	279	614	947	1,495	1,486	477	1,009	1,539	(593)
- floating rate	8,610	8,565	842	7,723	8,642	8,987	8,954	1,353	7,601	8,817	(389)
- use of revolving credit lines	70	70	-	70	70	209	209	-	209	210	(139)
Total bank borrowings	9,576	9,528	1,121	8,407	9,659	10,691	10,649	1,830	8,819	10,566	(1,121)
Leases:											
- fixed rate	1,856	1,856	257	1,599	1,856	561	561	49	512	561	1,295
- floating rate	108	108	18	90	108	96	96	16	80	96	12
Total leases	1,964	1,964	275	1,689	1,964	657	657	65	592	657	1,307
Other non-bank borrowings:											
- fixed rate	792	822	92	730	811	1,008	988	115	873	1,024	(166)
- floating rate	86	69	15	54	75	101	82	16	66	86	(13)
Total other non-bank borrowings	878	891	107	784	886	1,109	1,070	131	939	1,110	(179)
Total fixed-rate borrowings	45,314	44,523	2,249	42,274	50,481	39,735	38,892	1,486	37,406	41,631	5,631
Total floating-rate borrowings	13,149	13,060	1,160	11,900	13,303	13,531	13,458	1,881	11,577	13,429	(398)
TOTAL	58,463	57,583	3,409	54,174	63,784	53,266	52,350	3,367	48,983	55,060	5,233

The table below reports long-term financial debt by currency and interest rate.

Long-term financial debt by currency and interest rate

Millions of euro	Carrying amount		Nominal value		Current average nominal interest rate	Current effective interest rate
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018		
Euro	27,272	27,915	23,388	24,025	2.4%	2.9%
US dollar	20,103	20,239	18,541	18,720	4.8%	5.0%
Pound sterling	4,354	4,394	4,750	4,794	6.1%	6.2%
Colombian peso	1,381	1,381	1,543	1,543	7.6%	7.6%
Brazilian real	2,412	2,458	2,074	2,114	7.4%	7.5%
Swiss franc	419	419	403	403	2.1%	2.1%
Chilean peso/UF	414	421	700	710	6.9%	7.0%
Peruvian sol	426	426	404	404	6.1%	6.1%
Russian ruble	225	227	247	247	8.5%	8.5%
Japanese yen	-	-	-	-	-	-
Other currencies	577	583	300	306		
Total non-euro currencies	30,311	30,548	28,962	29,241		
TOTAL	57,583	58,463	52,350	53,266		

Long-term financial debt denominated in currencies other than the euro increased by €1,349 million. The change is largely attributable to new borrowing in US dollars and Brazilian reals.

Change in the nominal value of long-term debt

Millions of euro	Nominal value	IFRS 16 effects	Repayments	New financing	Other changes	Exchange differences	Nominal value
	at Dec. 31, 2018	at Jan. 01, 2019					at Dec. 31, 2019
Bonds	40,809	-	(1,652)	6,349	-	539	46,045
Borrowings	12,457	1,370	(3,859)	2,550	(88)	(12)	12,418
- of which leases	657	1,370	(211)	224	(88)	12	1,964
Total financial debt	53,266	1,370	(5,511)	8,899	(88)	527	58,463

Compared with December 31, 2019, the nominal value of long-term debt at December 31, 2019 increased by €5,197 million, the net effect of €8,899 million in new borrowings, the increase in financial debt under leases of €1,370 million due to the application of the new IFRS 16, and the impact of adverse exchange rate developments in the amount of €527 million, only partly offset by repayments of €5,511 million and other changes in debt of €(88) million.

Repayments in 2019 concerned bonds in the amount of €1,652 million and borrowings totaling €3,859 million.

More specifically, the main bonds maturing in 2019 included:

- > a fixed-rate bond (equivalent to €617 million) issued by

Enel SpA, maturing in June 2019;

- > a fixed-rate bond (€125 million) issued by Enel Finance International, maturing in November 2019;
- > two bonds (equivalent to €331 million) issued by Enel Distribuição São Paulo repaid in advance as part of a liability management operations carried out by the company in June 2019.

The main repayments of borrowings in the year included the following:

- > €500 million in respect of loans of Enel SpA repaid in advance;
- > €200 million in respect of bank borrowings of Endesa, of which €46 million in subsidized loans;

- > the equivalent of €459 million in respect of bank borrowings of Enel Russia, of which €73 million in sustainable loans;
- > €285 million in respect of sustainable loans of the Italian companies;
- > the equivalent of €1,782 million in respect of loans of com-

panies in South America, of which €248 million in sustainable financing.

The main new borrowing carried out in 2019 involved bonds in the amount of €6,349 million and borrowings of €2,550 million. The table below shows the main characteristics of financial transactions carried out in 2019.

Issuer/Borrower	Issue/Grant date	Amount in millions of euro	Currency	Interest rate	Interest rate type	Maturity
Bonds						
Enel Finance International	21.01.2019	1,000	EUR	1.50%	Fixed rate	21.07.2025
Enel Finance International	10.09.2019	1,336	USD	2.65%	Fixed rate	10.09.2024
Enel Finance International	17.10.2019	1,000	EUR	0.00%	Fixed rate	17.06.2024
Enel Finance International	17.10.2019	1,000	EUR	0.375%	Fixed rate	17.06.2027
Enel Finance International	17.10.2019	500	EUR	1.125%	Fixed rate	17.10.2034
Codensa	07.03.2019	54	COP	CPI + 3.56%	Floating rate	07.03.2029
Codensa	07.03.2019	76	COP	6.30%	Fixed rate	07.03.2023
Enel Distribuição Ceará	07.03.2019	77	BRL	CDI + 0.50% p.a.	Floating rate	15.03.2023
Enel Distribuição Ceará	07.03.2019	66	BRL	IPCA + 4.50% p.a.	Floating rate	15.03.2024
Enel Distribuição Rio	12.04.2019	221	BRL	108% CDI	Floating rate	15.03.2024
Enel Distribuição São Paulo	28.06.2019	155	BRL	CDI + 0.80% p.a.	Floating rate	15.05.2025
Enel Distribuição São Paulo	28.06.2019	177	BRL	IPCA + 4.01% p.a.	Floating rate	15.05.2026
Enel Green Power Volta Grande	05.11.2019	116	BRL	IPCA + 3.70% p.a.	Floating rate	15.10.2029
Enel Green Power Volta Grande	05.11.2019	63	BRL	IPCA + 3.70% p.a.	Floating rate	15.10.2029
Total bonds		5,840				
Bank borrowings:						
Enel Distribuição Goiás	24.01.2019	129	USD	Libor 3M + 0.10%	Floating rate	29.01.2021
Enel Distribuição Rio	04.02.2019	89	BRL	8.40%	Fixed rate	07.02.2022
Endesa	19.03.2019	335	EUR	Euribor 6M + 0.45%	Floating rate	19.03.2034
Endesa	20.05.2019	300	EUR	Euribor 6M + 0.54%	Floating rate	10.05.2031
e-distribuzione	20.06.2019	250	EUR	Euribor 6M + 0.41%	Floating rate	20.06.2034
Enel Russia	24.07.2019	71	RUB	7.67%	Fixed rate	24.07.2020
Total bank borrowings		1,174				

The Group's main long-term financial liabilities are governed by covenants that are commonly adopted in international business practice. These liabilities primarily regard the bond issues carried out within the framework of the Global/Euro Medi-

um-Term Notes program, issues of subordinated unconvertible hybrid bonds (so-called "hybrid bonds") and loans granted by banks and other financial institutions (including the European Investment Bank and Cassa Depositi e Prestiti SpA).

The main covenants regarding bond issues carried out within the framework of the Global/Euro Medium-Term Notes program of (i) Enel and Enel Finance International NV (including the green bonds of Enel Finance International NV guaranteed by Enel SpA, which are used to finance the Group's so-called eligible green projects) and those regarding bonds issued by Enel Finance International NV on the US market guaranteed by Enel SpA can be summarized as follows:

- > negative pledge clauses under which the issuer and the guarantor may not establish or maintain mortgages, liens or other encumbrances on all or part of its assets or revenue to secure certain financial liabilities, unless the same encumbrances are extended equally or pro rata to the bonds in question;
- > *pari passu* clauses, under which the bonds and the associated security constitute a direct, unconditional and unsecured obligation of the issuer and the guarantor and are issued without preferential rights among them and have at least the same seniority as other present and future unsubordinated and unsecured bonds of the issuer and the guarantor;
- > cross-default clauses, under which the occurrence of a default event in respect of a specified financial liability (above a threshold level) of the issuer, the guarantor or, in some cases, "significant" subsidiaries constitutes a default in respect of the liabilities in question, which become immediately repayable.

During 2019, Enel Finance International NV issued two "sustainable" bonds on the European market (as part of the Euro Medium Term Notes - EMTN bond issue program) and on the American market, both guaranteed by Enel SpA, linked to the achievement of a number of the Sustainable Development Goals (SDGs) of the United Nations that contain the same covenants as other bonds of the same type.

The main covenants covering Enel's hybrid bonds can be summarized as follows:

- > subordination clauses, under which each hybrid bond is subordinate to all other bonds issued by the company and has the same seniority with all other hybrid financial instruments issued, being senior only to equity instruments;
- > prohibition on mergers with other companies, the sale or leasing of all or a substantial part of the company's assets to another company, unless the latter succeeds in all obligations of the issuer.

The main covenants envisaged in the loan contracts of Enel and Enel Finance International NV and the other Group companies can be summarized as follows:

- > negative pledge clauses, under which the borrower and, in some cases, the guarantor are subject to limitations on the establishment of mortgages, liens or other encumbrances on all or part of their respective assets, with the exception of expressly permitted encumbrances;
- > disposals clauses, under which the borrower and, in some cases, the guarantor may not dispose of their assets or operations, with the exception of expressly permitted disposals;
- > *pari passu* clauses, under which the payment undertakings of the borrower have the same seniority as its other unsecured and unsubordinated payment obligations;
- > change of control clauses, under which the borrower and, in some cases, the guarantor could be required to renegotiate the terms and conditions of the financing or make compulsory early repayment of the loans granted;
- > rating clauses, which provide for the borrower or the guarantor to maintain their rating above a certain specified level;
- > cross-default clauses, under which the occurrence of a default event in respect of a specified financial liability (above a threshold level) of the issuer or, in some cases, the guarantor constitutes a default in respect of the liabilities in question, which become immediately repayable.

In some cases the covenants are also binding for the significant companies or subsidiaries of the obligated parties. All the financial borrowings considered specify "events of default" typical of international business practice, such as, for example, insolvency, bankruptcy proceedings or the entity ceases trading.

In addition, the guarantees issued by Enel in the interest of e-distribuzione SpA for certain loans to e-distribuzione SpA from Cassa Depositi e Prestiti SpA require that at the end of each six-month measurement period that Enel's net consolidated financial debt shall not exceed 4.5 times annual consolidated EBITDA.

Finally, the debt of Enel Américas SA, Enel Chile SA and the other Latin American subsidiaries (notably Enel Generación Chile SA) contain covenants and events of default typical of international business practice, which had all been complied with as at December 31, 2019.

The following table reports the impact on gross long-term debt of hedges to mitigate exchange risk.

Long-term financial debt by currency after hedging

Millions of euro	at Dec. 31, 2019					
	Initial debt structure			Impact of hedge	Debt structure after hedging	
	Carrying amount	Nominal amount	%			
Euro	27,272	27,915	47.8%	20,218	48,133	82.3%
US dollar	20,103	20,239	34.6%	(16,445)	3,794	6.5%
Pound sterling	4,354	4,394	7.5%	(4,394)	-	-
Colombian peso	1,381	1,381	2.4%	-	1,381	2.4%
Brazilian real	2,412	2,458	4.2%	968	3,426	5.9%
Swiss franc	419	419	0.7%	(419)	-	-
Chilean peso/UF	414	421	0.7%	-	421	0.7%
Peruvian sol	426	426	0.7%	-	426	0.7%
Russian ruble	225	227	0.4%	-	227	0.4%
Other currencies	577	583	1.0%	72	655	1.1%
Total non-euro currencies	30,311	30,548	52.2%	(20,218)	10,330	17.7%
TOTAL	57,583	58,463	100.0%	-	58,463	100.0%

The amount of floating-rate debt that is not hedged against interest rate risk is the main risk factor that could impact the

income statement (raising borrowing costs) in the event of an increase in market interest rates.

Millions of euro	2019				2018			
	Pre-hedge	%	Post-hedge	%	Pre-hedge	%	Post-hedge	%
Floating rate	17,113	27.4%	12,208	19.6%	17,175	30.2%	12,983	22.8%
Fixed rate	45,314	72.6%	50,219	80.4%	39,735	69.8%	43,927	77.2%
Total	62,427		62,427		56,910		56,910	

At December 31, 2019, 27.4% of financial debt was floating rate (30.2% at December 31, 2018). Taking account of hedges of interest rates considered effective pursuant to the IFRS-EU, 19.6% of net financial debt at December 31, 2019 (22.8% at December 31, 2018) was exposed to interest rate risk. Including interest rate derivatives treated as hedges for mana-

gement purposes but ineligible for hedge accounting, 80% of net financial debt was hedged (77% hedged at December 31, 2018).

These results are in line with the limits established in the risk management policy.

at Dec. 31, 2018

Initial debt structure		Impact of hedge		Debt structure after hedging	
Carrying amount	Nominal amount	%			
23,388	24,025	45.0%	18,901	42,926	80.6%
18,541	18,720	35.1%	(15,064)	3,656	6.9%
4,750	4,794	9.0%	(4,794)	-	-
1,543	1,543	2.9%	-	1,543	2.9%
2,074	2,114	4.0%	1,207	3,321	6.2%
403	403	0.8%	(403)	-	-
700	710	1.3%	-	710	1.3%
404	404	0.8%	-	404	0.8%
247	247	0.5%	73	320	0.6%
300	306	0.6%	80	386	0.7%
28,962	29,241	55.0%	(18,901)	10,340	19.4%
52,350	53,266	100.0%	-	53,266	100.0%

43.3.2 Short-term borrowings - €3,917 million

At December 31, 2019 short-term borrowings amounted to €3,917 million, an increase of €301 million on December 31, 2018. They break down as follows.

Millions of euro	at Dec. 31, 2019	at Dec. 31, 2018	Change
Short-term bank borrowings	579	512	67
Commercial paper	2,284	2,393	(109)
Cash collateral and other financing on derivatives	750	301	449
Other short-term borrowings ⁽¹⁾	304	410	(106)
Short-term borrowings	3,917	3,616	301

(1) Does not include current financial debt included in other current financial liabilities.

Short-term bank borrowings amounted to €579 million.
Commercial paper amounted to €2,284 million, issued by Enel Finance International, Enel Finance America, Endesa and a number of South American companies.
The main commercial paper programs include:

- > €6,000 million of Enel Finance International guaranteed by Enel SpA;
- > €3,000 million of Endesa;
- > \$3,000 million (equivalent to €2,671 million at December 31, 2019) of Enel Finance America.

43.4 Derivative financial liabilities

For more information on derivative financial liabilities, please see note 46 "Derivatives and hedge accounting".

43.5 Net gains and losses

The following table shows net gains and losses by category of financial instruments, excluding derivatives.

Millions of euro	2019		2018	
	Net gains/ (losses)	Of which impairment/ reversal of impairment	Net gains/ (losses)	Of which impairment/ reversal of impairment
Financial assets at amortized cost	(525)	(1,137)	(409)	(1,101)
Financial assets at FVOCI				
Equity investments at FVOCI	1	-	10	-
Other financial assets at FVOCI	5	-	4	-
Total financial assets at FVOCI	6	-	14	-
Financial assets at FVTPL				
Financial assets at FVTPL	177	(23)	385	188
Financial assets designated upon initial recognition (fair value option)	-	-	-	-
Total financial assets at FVTPL	177	(23)	385	188
Financial liabilities measured at amortized cost	(3,514)	-	(3,545)	-
Financial liabilities at FVTPL				
Financial liabilities held for trading	-	-	-	-
Financial liabilities designated upon initial recognition (fair value option)	-	-	-	-
Total financial liabilities at FVTPL	-	-	-	-

For more details on net gains and losses on derivatives, please see note 11 "Net financial income/(expense) from derivatives".

44. Risk management

Financial risk management governance and objectives

As part of its operations, the Enel Group is exposed to a variety of financial risks, notably interest rate risk, exchange risk and commodity risk, credit risk and liquidity risk.

As noted in the section "Risk management" in the Report on Operations, the Group's governance arrangements for financial risks include internal committees and the establishment of specific policies and operational limits. Enel's primary objective is to mitigate financial risks appropriately so that they do not give rise to unexpected changes in results.

The Group's policies for managing financial risks provide for the mitigation of the effects on performance of changes in interest rates and exchange rates with the exclusion of translation risk (connected with consolidation of the accounts). This objective is achieved at the source of the risk, through the diversification of both the nature of the financial instruments and the sources of revenue, and by modifying the risk profile of specific exposures with derivatives entered into on over-the-counter markets or with specific commercial agreements.

As part of its governance of financial risks, Enel regularly monitors the size of the OTC derivatives portfolio in relation to the threshold values set by regulators for the activation of clearing obligations (EMIR - European Market Infrastructure Regulation no. 648/2012 of the European Parliament and of the Council). During 2019, no overshoot of those threshold values was detected.

There were no changes in the sources of exposure to such risks compared with the previous year.

Interest rate risk

Interest rate risk derives primarily from the use of financial instruments and manifests itself as unexpected changes in charges on financial liabilities, if indexed to floating rates and/or exposed to the uncertainty of financial terms and conditions in negotiating new debt instruments, or as an unexpected change in the value of financial instruments measured at fair value (such as fixed-rate debt).

The main financial liabilities held by the Group include bonds, bank borrowings, payables to other lenders, commercial paper, derivatives, cash deposits received to secure commercial or derivative contracts (guarantees, cash collateral).

The Enel Group mainly manages interest rate risk through the definition of an optimal financial structure, with the dual

goal of stabilizing borrowing costs and containing the cost of funds.

This goal is pursued through the diversification of the portfolio of financial liabilities by contract type, maturity and interest rate, and modifying the risk profile of specific exposures using OTC derivatives, mainly interest rate swaps and interest rate options. The term of such derivatives does not exceed the maturity of the underlying financial liability, so that any change in the fair value and/or expected cash flows of such contracts is offset by a corresponding change in the fair value and/or cash flows of the hedged position.

Proxy hedging techniques can be used in a number of residual circumstances, when the hedging instruments for the risk factors are not available on the market or are not sufficiently liquid.

For the purpose of EMIR compliance, in order to test the actual effectiveness of the hedging techniques adopted, the Group subjects its hedge portfolios to periodic statistical assessment.

Using interest rate swaps, the Enel Group agrees with the counterparty to periodically exchange floating-rate interest flows with fixed-rate flows, both calculated on the same notional principal amount.

Floating-to-fixed interest rate swaps transform floating-rate financial liabilities into fixed rate liabilities, thereby neutralizing the exposure of cash flows to changes in interest rates.

Fixed-to-floating interest rate swaps transform fixed rate financial liabilities into floating-rate liabilities, thereby neutralizing the exposure of their fair value to changes in interest rates.

Floating-to-floating interest rate swaps transform the indexing criteria for floating-rate financial liabilities.

Some structured borrowings have multi-stage cash flows hedged by interest rate swaps that at the reporting date, and for a limited time, provide for the exchange of fixed-rate interest flows.

Interest rate options involve the exchange of interest differences calculated on a notional principal amount once certain thresholds (strike prices) are reached. These thresholds specify the effective maximum rate (cap) or the minimum rate (floor) to which the synthetic financial instrument will be indexed as a result of the hedge. Certain hedging strategies provide for the use of combinations of options (collars) that establish the minimum and maximum rates at the same time. In this case, the strike prices are normally set so that no premium is

paid on the contract (zero cost collars).

Such contracts are normally used when the fixed interest rate that can be obtained in an interest rate swap is considered too high with respect to market expectations for future interest rate developments. In addition, interest rate options are also considered most appropriate in periods of greater

uncertainty about future interest rate developments because they make it possible to benefit from any decrease in interest rates.

The following table reports the notional amount of interest rate derivatives at December 31, 2019 and December 31, 2018 broken down by type of contract.

Millions of euro	Notional amount	
	2019	2018
Floating-to-fixed interest rate swaps	7,932	10,032
Fixed-to-floating interest rate swaps	152	154
Fixed-to-fixed interest rate swaps	-	-
Floating-to-floating interest rate swaps	327	165
Interest rate options	50	50
Total	8,461	10,401

For more details on interest rate derivatives, please see note 46 "Derivatives and hedge accounting".

Interest rate risk sensitivity analysis

Enel analyzes the sensitivity of its exposure by estimating the effects of a change in interest rates on the portfolio of financial instruments.

More specifically, sensitivity analysis measures the potential impact on profit or loss and on equity of market scenarios that would cause a change in the fair value of derivatives or in the

financial expense associated with unhedged gross debt.

These market scenarios are obtained by simulating parallel increases and decreases in the yield curve as at the reporting date. There were no changes introduced in the methods and assumptions used in the sensitivity analysis compared with the previous year.

With all other variables held constant, the Group's profit before tax would be affected by a change in the level of interest rates as follows.

Millions of euro	Basis points	2019			
		Pre-tax impact on profit or loss		Pre-tax impact on equity	
		Increase	Decrease	Increase	Decrease
Change in financial expense on gross long-term floating-rate debt after hedging	25	21	(21)	-	-
Change in fair value of derivatives classified as non-hedging instruments	25	6	(6)	-	-
Change in fair value of derivatives designated as hedging instruments					
Cash flow hedges	25	-	-	166	(166)
Fair value hedges	25	-	-	-	-

At December 31, 2019, 22.5% (25.4% at December 31, 2018) of gross long-term financial debt was floating rate. Taking account of effective cash flow hedges of interest rate risk (in accordance with the provisions of the IFRS-EU), 85.9% of gross long-term financial debt was hedged at December 31, 2019 (82.5% at December 31, 2018).

Exchange risk

Exchange risk mainly manifests itself as unexpected changes in the financial statement items associated with transactions

denominated in a currency other than the currency of account. The Group's consolidated financial statements are also exposed to translation risk as a result of the conversion of the financial statements of foreign subsidiaries, which are denominated in local currencies, into euros as the Group's currency of account. The Group's exposure to exchange risk is connected with the purchase or sale of fuels and power, investments (cash flows for capitalized costs), dividends and the purchase or sale of equity investments, commercial transactions and financial assets and liabilities.

The Group policies for managing exchange risk provide for the mitigation of the effects on profit or loss of changes in the level of exchange rates, with the exception of the translation effects connected with consolidation.

In order to minimize the exposure to exchange risk, Enel implements diversified revenue and cost sources geographically, and uses indexing mechanisms in commercial contracts. Enel also uses various types of derivative, typically on the OTC market.

The derivatives in the Group's portfolio of financial instruments include cross currency interest rate swaps, currency forwards and currency swaps. The term of such contracts does not exceed the maturity of the underlying instrument, so that any change in the fair value and/or expected cash flows of such instruments offsets the corresponding change in the fair value and/or cash flows of the hedged position.

Cross currency interest rate swaps are used to transform a long-term financial liability denominated in currency other than the currency of account into an equivalent liability in the currency of account.

Currency forwards are contracts in which the counterparties agree to exchange principal amounts denominated in different currencies at a specified future date and exchange rate (the strike). Such contracts may call for the actual exchange of the two principal amounts (deliverable forwards) or payment of the difference generated by differences between the strike exchange rate and the prevailing exchange rate at maturity (non-deliverable forwards). In the latter case, the strike rate and/or the spot rate can be determined as averages of the rates observed in a given period.

Currency swaps are contracts in which the counterparties enter into two transactions of the opposite sign at different future dates (normally one spot, the other forward) that provide for the exchange of principal denominated in different currencies.

The following table reports the notional amount of transactions outstanding at December 31, 2019 and December 31, 2018, broken down by type of hedged item.

Millions of euro	Notional amount	
	2019	2018
Cross currency interest rate swaps (CCIRSs) hedging debt denominated in currencies other than the euro	22,756	24,712
Currency forwards hedging exchange risk on commodities	4,291	4,924
Currency forwards hedging future cash flows in currencies other than the euro	4,760	5,386
Other currency forwards	1,488	1,584
Total	33,294	36,606

More specifically, these include:

- > CCIRSs with a notional amount of €22,756 million to hedge the exchange risk on debt denominated in currencies other than the euro (€24,712 million at December 31, 2018);
- > currency forwards with a total notional amount of €9,051 million used to hedge the exchange risk associated with purchases and sales of natural gas, purchases of fuel and expected cash flows in currencies other than the euro (€10,310 million at December 31, 2018);
- > other currency forwards include OTC derivatives transactions carried out to mitigate exchange risk on expected cash flows in currencies other than the currency of account connected with the purchase of investment goods in the renewables and infrastructure and networks sectors (new generation digital meters), on operating expenses for the supply of cloud services and on revenue from the sale of renewable energy.

At December 31, 2019, 52% (55% at December 31, 2018) of Group long-term debt was denominated in currencies other than the euro.

Taking account of hedges of exchange risk, the percentage of debt not hedged against that risk amounted to 18% at December 31, 2019 (19% at December 31, 2018).

Exchange risk sensitivity analysis

The Group analyses the sensitivity of its exposure by estimating the effects of a change in exchange rates on the portfolio of financial instruments.

More specifically, sensitivity analysis measures the potential impact on profit or loss and equity of market scenarios that would cause a change in the fair value of derivatives or in the financial expense associated with unhedged gross medium/long-term debt. These scenarios are obtained by simulating the appreciation/depreciation of the euro against all of the currencies compared with the value observed as at the reporting date.

There were no changes in the methods or assumptions used in the sensitivity analysis compared with the previous year.

With all other variables held constant, the profit before tax would be affected by changes in exchange rates as follows.

Millions of euro		2019			
		Pre-tax impact on profit or loss		Pre-tax impact on equity	
	Exchange rate	Increase	Decrease	Increase	Decrease
Change in fair value of derivatives classified as non-hedging instruments	10%	525	(640)	-	-
Change in fair value of derivatives designated as hedging instruments					
Cash flow hedges	10%	-	-	(2,929)	3,580
Fair value hedges	10%	7	(9)	-	-

Commodity risk

The risk of fluctuations in the price of energy commodities is generated by the volatility of prices and structural correlations between them, which create uncertainty in the margin on purchases and sales of electricity and fuels at variable prices (e.g. indexed bilateral contracts, transactions on the spot market, etc.).

The exposures on indexed contracts are quantified by breaking down the contracts that generate exposure into the underlying risk factors.

To contain the effects of fluctuations and stabilize margins, in accordance with the policies and operating limits determined by the Group's governance, Enel develops and plans strategies that impact the various phases of the industrial process linked to the production and sale of electricity and gas (such as forward procurement and long-term commercial agreements), as well as risk mitigation plans and techniques using derivative contracts (hedging).

As regards electricity sold by the Group, Enel mainly uses fixed-price contracts in the form of bilateral physical contracts (PPAs) and financial contracts (e.g. contracts for differences, VPP contracts, etc.) in which differences are paid to the counterparty if the market electricity price exceeds the strike price and to Enel in the opposite case. The residual exposure in

respect of the sale of energy on the spot market not hedged with such contracts is aggregated by uniform risk factors that can be managed with hedging transactions on the market. Proxy hedging techniques can be used for the industrial portfolios when the hedging instruments for the specific risk factors generating the exposure are not available on the market or are not sufficiently liquid. In addition, Enel uses portfolio hedging techniques to assess opportunities for netting inter-company exposures.

The Group mainly uses plain vanilla derivatives for hedging (more specifically, forwards, swaps, options on commodities, futures, contracts for differences).

Enel also engages in proprietary trading in order to maintain a presence in the Group's reference energy commodity markets. These operations consist in taking on exposures in energy commodities (oil products, gas, coal, CO₂ certificates and electricity) using financial derivatives and physical contracts traded on regulated and over-the-counter markets, optimizing profits through transactions carried out on the basis of expected market developments.

The following table reports the notional amount of outstanding transactions at December 31, 2019 and December 31, 2018, broken down by type of instrument.

Millions of euro	Notional amount	
	2019	2018
Forward and futures contracts	35,824	41,157
Swaps	5,706	6,346
Options	654	549
Embedded	68	-
Total	42,252	48,052

For more details, please see note 46 "Derivatives and hedge accounting"

Sensitivity analysis of commodity risk

The following table presents the results of the analysis of sensitivity to a reasonably possible change in the commodity prices underlying the valuation model used in the scenario at the same date, with all other variables held constant.

The impact on pre-tax profit of shifts of +15% and -15% in the price curve for the main commodities that make up the

fuel scenario and the basket of formulas used in the contracts is mainly attributable to the change in the price of electricity, gas and petroleum products and, to a lesser extent, of CO₂. The impact on equity of the same shifts in the price curve is primarily due to changes in the price of electricity, petroleum products and, to a lesser extent, CO₂. The Group's exposure to changes in the prices of other commodities is not material.

Millions of euro		2019			
		Pre-tax impact on profit or loss		Pre-tax impact on equity	
	Commodity price	Increase	Decrease	Increase	Decrease
Change in the fair value of trading derivatives on commodities	15%	(18)	79	-	-
Change in the fair value of derivatives on commodities designated as hedging instruments	15%	-	-	32	(29)

Credit risk

The Group's commercial, commodity and financial operations expose it to credit risk, i.e. the possibility that a deterioration in the creditworthiness of a counterparty that has an adverse impact on the expected value of the creditor position or, for trade payables only, increase average collection times.

Accordingly, the exposure to credit risk is attributable to the following types of operations:

- > the sale and distribution of electricity and gas in free and regulated markets and the supply of goods and services (trade receivables);
- > trading activities that involve the physical exchange of assets or transactions in financial instruments (the commodity portfolio);
- > trading in derivatives, bank deposits and, more generally, financial instruments (the financial portfolio).

In order to minimize credit risk, credit exposures are managed at the Region/Country/Global Business Line level by different units, thereby ensuring the necessary segregation of risk management and control activities. Monitoring the consolidated exposure is carried out by Enel SpA.

In addition, at the Group level the policy provides for the use

of uniform criteria – in all the main Regions/Countries/Global Business Lines and at the consolidated level – in measuring commercial credit exposures in order to promptly identify any deterioration in the quality of outstanding receivables and any mitigation actions to be taken.

The policy for managing credit risk associated with commercial activities provides for a preliminary assessment of the creditworthiness of counterparties and the adoption of mitigation instruments, such as obtaining collateral or unsecured guarantees.

In addition, the Group undertakes transactions to assign receivables without recourse, which results in the complete derecognition of the corresponding assets involved in the assignment, as the risks and rewards associated with them have been transferred.

Finally, with regard to financial and commodity transactions, risk mitigation is pursued with a uniform system for assessing counterparties at the Group level, including implementation at the level of Regions/Countries/Global Business Lines, as well as with the adoption of specific standardized contractual frameworks that contain risk mitigation clauses (e.g. netting arrangements) and possibly the exchange of cash collateral.

Financial receivables

Millions of euro

	at Dec. 31, 2019				
Staging	Basis for recognition of expected loss allowance	Avg loss rate (PD*LGD)	Gross carrying amount	Expected loss allowance	Net value
Performing	12 m ECL	1.2%	6,691	78	6,613
Underperforming	Lifetime ECL	41.8%	110	46	64
Non-performing	Lifetime ECL	34.9%	307	107	200
Total			7,108	231	6,877

Contract assets, trade receivables and other receivables: individual measurement

Millions of euro

	at Dec. 31, 2019			
	Avg loss rate (PD*LGD)	Gross carrying amount	Expected loss allowance	Net value
Contract assets	0.2%	640	1	639
Trade receivables				
Trade receivables not past due	1.2%	4,872	58	4,814
Trade receivables past due:				
- 1-30 days	1.5%	410	6	404
- 31-60 days	1.4%	218	3	215
- 61-90 days	3.1%	130	4	126
- 91-120 days	11.5%	52	6	46
- 121-150 days	7.4%	54	4	50
- 151-180 days	22.1%	398	88	310
- more than 180 days (credit impaired)	65.2%	1,177	767	410
Total trade receivables		7,311	936	6,375
Other receivables				
Other receivables not past due	20.6%	228	47	181
Other receivables past due:				
- 1-30 days	100.0%	97	97	-
- 31-60 days	-	-	-	-
- 61-90 days	-	-	-	-
- 91-120 days	-	-	-	-
- 121-150 days	-	-	-	-
- 151-180 days	-	3	3	-
- more than 180 days (credit impaired)	-	4	4	-
Total other receivables		332	151	181
TOTAL		8,283	1,088	7,195

Contract assets, trade receivables and other receivables: collective measurement

Millions of euro

	at Dec. 31, 2019			
	Avg loss rate (PD*LGD)	Gross carrying amount	Expected loss allowance	Net value
Contract assets	6.7%	15	1	14
Trade receivables				
Trade receivables not past due	0.8%	3,455	29	3,426
Trade receivables past due:				
- 1-30 days	2.2%	1,660	36	1,624
- 31-60 days	11.7%	197	23	174
- 61-90 days	18.7%	139	26	113
- 91-120 days	24.5%	98	24	74
- 121-150 days	28.8%	80	23	57
- 151-180 days	37.9%	103	39	64
- more than 180 days (credit impaired)	61.1%	3,020	1,844	1,176
Total trade receivables		8,752	2,044	6,708
Other receivables				
Other receivables not past due	1.5%	521	8	513
Other receivables past due:				
- 1-30 days	-	911	-	911
- 31-60 days	-	3	-	3
- 61-90 days	-	21	-	21
- 91-120 days	-	2	-	2
- 121-150 days	-	5	-	5
- 151-180 days	-	8	-	8
- more than 180 days (credit impaired)	-	2	-	2
Total other receivables		1,473	8	1,465
TOTAL		10,240	2,053	8,187

Liquidity risk

Liquidity risk manifests itself as uncertainty about the Group's ability to discharge its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Enel manages liquidity risk by implementing measures to ensure an appropriate level of liquid financial resources, minimizing the associated opportunity cost and maintaining a balanced debt structure in terms of its maturity profile and funding sources.

In the short term, liquidity risk is mitigated by maintaining an appropriate level of unconditionally available resources, inclu-

ding liquidity on hand and short-term deposits, available committed credit lines and a portfolio of highly liquid assets.

In the long term, liquidity risk is mitigated by maintaining a balanced maturity profile for our debt, access to a range of sources of funding on different markets, in different currencies and with diverse counterparties.

The mitigation of liquidity risk enables the Group to maintain a credit rating that ensures access to the capital market and limits the cost of funds, with a positive impact on its performance and financial position.

The Group holds the following undrawn lines of credit:

Millions of euro	at Dec. 31, 2019		at Dec. 31, 2018	
	Expiring within one year	Expiring beyond one year	Expiring within one year	Expiring beyond one year
Committed credit lines	215	15,461	750	13,758
Uncommitted credit lines	927	-	355	-
Commercial paper	9,627	-	6,990	-
Total	10,769	15,461	8,095	13,758

Maturity analysis

The table below summarizes the maturity profile of the Group's long-term debt.

Millions of euro	Maturing in						
	Less than 3 months	From 3 months to 1 year	2021	2022	2023	2024	Beyond
Bonds:							
- listed, fixed rate	992	629	1,385	2,283	2,911	4,919	13,474
- listed, floating rate	-	258	329	518	703	486	1,194
- unlisted, fixed rate	-	-	-	1,825	2,217	1,328	8,989
- unlisted, floating rate	-	27	111	97	97	97	331
Total bonds	992	914	1,825	4,723	5,928	6,830	23,988
Bank borrowings:							
- fixed rate	3	276	149	197	33	35	200
- floating rate	82	760	1,285	637	702	722	4,377
- use of revolving credit lines	-	-	-	68	-	-	2
Total bank borrowings	85	1,036	1,434	902	735	757	4,579
Leases:							
- fixed rate	67	190	229	430	126	99	715
- floating rate	6	12	18	15	14	14	29
Total leases	73	202	247	445	140	113	744
Other non-bank borrowings:							
- fixed rate	27	65	71	117	137	30	375
- floating rate	3	12	23	15	8	-	8
Total other non-bank borrowings	30	77	94	132	145	30	383
TOTAL	1,180	2,229	3,600	6,202	6,948	7,730	29,694

Commitments to purchase commodities

In conducting its business, the Enel Group has entered into contracts to purchase specified quantities of commodities at

a certain future date for its own use, which qualify for the own use exemption provided for under IFRS 9.

The following table reports the undiscounted cash flows associated with outstanding commitments at December 31, 2019.

Millions of euro	at Dec. 31, 2019	2016-2020	2021-2025	2026-2030	Beyond
Commitments to purchase commodities:					
- electricity	97,472	26,667	22,603	17,041	31,161
- fuels	48,016	26,986	13,010	6,119	1,901
Total	145,488	53,653	35,613	23,160	33,062

45. Offsetting financial assets and financial liabilities

At December 31, 2019, the Group did not hold offset positions in assets and liabilities, as it is not the Enel Group's policy to settle financial assets and liabilities on a net basis.

46. Derivatives and hedge accounting

The following tables show the notional amount and the fair value of derivative financial assets and derivative financial liabilities eligible for hedge accounting or measured at FVTPL, classified on the basis of the type of hedge relationship and the hedged risk, broken down into current and non-current instruments.

The notional amount of a derivative contract is the amount on the basis of which cash flows are exchanged. This amount can be expressed as a value or a quantity (for example tons, converted into euros by multiplying the notional amount by the agreed price). Amounts denominated in currencies other than the euro are converted at the official end-year exchange rates provided by the World Markets Reuters (WMR) Company.

	Non-current				Current			
	Notional		Fair value		Notional		Fair value	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
DERIVATIVE ASSETS								
Fair value hedge derivatives:								
- on interest rates	12	12	7	6	-	15	-	1
- on exchange rates	166	171	25	19	-	66	-	3
- on commodities	-	-	-	-	-	-	-	-
Total	178	183	32	25	-	81	-	4
Cash flow hedge derivatives:								
- on interest rates	335	404	26	12	133	427	-	1
- on exchange rates	11,705	8,318	1,081	675	2,717	4,689	132	252
- on commodities	1,628	1,126	215	262	3,081	1,428	847	494
Total	13,668	9,848	1,322	949	5,931	6,544	979	747
Trading derivatives:								
- on interest rates	50	50	2	2	-	-	-	-
- on exchange rates	-	197	-	4	3,399	4,057	34	51
- on commodities	322	261	27	25	17,203	20,553	3,052	3,112
Total	372	508	29	31	20,602	24,610	3,086	3,163
TOTAL DERIVATIVE ASSETS	14,218	10,539	1,383	1,005	26,533	31,235	4,065	3,914

	Non-current				Current			
	Notional		Fair value		Notional		Fair value	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
DERIVATIVE LIABILITIES								
Fair value hedge derivatives:								
- on exchange rates	5	-	1	-	-	-	-	-
Total	5	-	1	-	-	-	-	-
Cash flow hedge derivatives:								
- on interest rates	7,704	8,605	779	605	65	272	1	1
- on exchange rates	11,049	13,025	1,560	1,803	2,573	2,791	115	348
- on commodities	601	656	47	167	1,613	2,050	457	859
Total	19,354	22,286	2,386	2,575	4,251	5,113	573	1,208
Trading derivatives:								
- on interest rates	62	478	6	17	100	138	79	66
- on exchange rates	2	191	-	3	1,679	3,101	38	33
- on commodities	154	133	14	14	17,650	21,845	2,864	3,036
Total	218	802	20	34	19,429	25,084	2,981	3,135
TOTAL DERIVATIVE LIABILITIES	19,577	23,088	2,407	2,609	23,680	30,197	3,554	4,343

46.1 Derivatives designated as hedging instruments

Derivatives are initially recognized at fair value, on the trade date of the contract and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Hedge accounting is applied to derivatives entered into in order to reduce risks such as interest rate risk, foreign exchange rate risk, commodity price risk and net investments in foreign operations when all the criteria provided by IFRS 9 are met.

At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether hedging instruments are highly effective in offsetting changes in fair values or cash flows of hedged items.

For cash flow hedges of forecast transactions designated as hedged items, the Group assesses and documents that they are highly probable and present an exposure to changes in cash flows that affect profit or loss.

Depending on the nature of the risks exposure, the Group designates derivatives as either:

- > fair value hedges; or
- > cash flow hedges.

For more details about the nature and the extent of risks arising from financial instruments to which the Group is exposed, please refer the note 44 "Risk management".

To be effective a hedging relationship shall meet all of the following criteria:

- > existence of an economic relationship between hedging instrument and hedged item;
- > the effect of credit risk does not dominate the value changes resulting from the economic relationship;
- > the hedge ratio defined at initial designation shall be equal to the one used for risk management purposes (i.e. same quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge the quantity of the hedged item).

Based on the IFRS 9 requirements, the existence of an economic relationship is evaluated by the Group through a qualitative assessment or a quantitative computation, depending of the following circumstances:

- > if the underlying risk of the hedging instrument and the hedged item is the same, the existence of an economic

- relationship will be provided through a qualitative analysis;
- > on the other hand, if the underlying risk of the hedging instrument and the hedged item is not the same, the existence of the economic relationship will be demonstrated through a quantitative method in addition to a qualitative analysis of the nature of the economic relationship (i.e., linear regression).

In order to demonstrate that the behavior of the hedging instrument is in line with those of the hedged item, different scenarios will be analyzed.

For hedging of commodity price risk, the existence of an economic relationship is deduced from a ranking matrix that defines, for each possible risk component a set of all standard derivatives available in the market whose ranking is based on their effectiveness in hedging the considered risk.

In order to evaluate the credit risk effects, the Group considers the existence of risk mitigating measures (collateral, mutual break-up clauses, netting agreements, etc.).

The Group has established a hedge ratio of 1:1 for all the hedging relationships (including commodity price risk hedging) as the underlying risk of the hedging derivative is identical to the hedged risk, in order to minimize hedging ineffectiveness.

The hedge ineffectiveness will be evaluated through a qualitative assessment or a quantitative computation, depending on the following circumstances:

- > if the critical terms of the hedged item and hedging instrument match and there aren't other sources of ineffectiveness included the credit risk adjustment on the hedging derivative, the hedge relationship will be considered fully effective on the basis of a qualitative assessment;
- > if the critical terms of the hedged item and hedging instrument do not match or there is at least one source of ineffectiveness, the hedge ineffectiveness will be quantified applying the dollar offset cumulative method with hypothetical derivative. This method compares changes in fair values of the hedging instrument and the hypothetical derivative between the reporting date and the inception date.

The main causes of hedge ineffectiveness can be the followings:

- > basis differences (i.e. the fair value or cash flows of the hedged item depend on a variable that is different from the variable that causes the fair value or cash flows of the hedging instrument to change);
- > timing differences (i.e. the hedged item and hedging in-

- strument occur or are settled at different dates);
- > quantity or notional amount differences (i.e. the hedged item and hedging instrument are based on different quantities or notional amounts);
- > other risks (i.e. changes in the fair value or cash flows of a derivative hedging instrument or hedged item relate to risks other than the specific risk being hedged);
- > credit risk (i.e. the counterparty credit risk differently impact the fair value movements of the hedging instruments and hedge items).

Fair value hedges

Fair value hedges are used to protect the Group against exposures to changes in the fair value of assets, liabilities or firm commitment attributable to a particular risk that could affect profit or loss.

Changes in fair value of derivatives that qualify and are designated as hedging instruments are recognized in the income statement, together with changes in the fair value of the hedged item that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortized to profit or loss over the period to maturity.

Cash flow hedges

Cash flow hedges are applied in order to hedge the Group exposure to changes in future cash flows that are attributable to a particular risk associated with a recognized asset or liability or a highly probable transaction that could affect profit or loss.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the hedged forecast sale takes place).

If the hedged item results in the recognition of a non-financial asset (i.e., property, plant and equipment or inventories, etc.) or a non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the amount accumulated in equity (i.e., cash flow reserve) shall be removed and included in the initial value (cost or other carrying amount) of the asset or the liability hedged

(i.e., "basis adjustment").

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

For hedging relationships using forward as hedging instrument, where only the change in the value of the spot element is designated as the hedging instrument, accounting for the forward element (profit or loss vs OCI) is defined case by case. This approach is actually applied by the Group for hedging of foreign currency risk on renewables assets.

Conversely, hedging relationships using cross currency interest rate swaps as hedging instruments, the Group separates foreign currency basis spread, in designating the hedging derivative, and present them in other comprehensive income (OCI) as hedging costs.

With specific regard to cash flow hedges of commodity risk, in order to improve their consistency with the risk management strategy, the Enel Group applies a dynamic hedge accounting approach based on specific liquidity requirements (the so-called liquidity-based approach).

This approach requires the designation of hedges through the use of the most liquid derivatives available on the market and replacing them with others that are more effective in covering the risk in question.

Consistent with the risk management strategy, the liquidity-based approach allows the roll-over of a derivative by replacing it with a new derivative, not only in the event of expiry but also during the hedging relationship, if and only if the new derivative meets both of the following requirements:

- > it represents a best proxy of the old derivative in terms of ranking;
- > it meets specific liquidity requirements.

Satisfaction of these requirements is verified quarterly.

At the roll-over date, the hedging relationship is not discontinued. Accordingly, starting from that date, changes in the effective fair value of the new derivative will be recognized in shareholders' equity (the cash flow hedge reserve), while changes in the fair value of the old derivative are recognized through profit or loss.

46.1.1 Hedge relationships by type of risk hedged

Interest rate risk

The following table shows the notional amount and the average interest rate of instruments hedging the interest rate risk on transactions outstanding at December 31, 2019 and December 31, 2018, broken down by maturity.

Millions of euro	Maturity					
	2020	2021	2022	2023	2024	Beyond
At Dec. 31, 2019						
Interest rate swaps						
Total notional amount	199	140	499	187	170	7,054
Notional amount related to IRS in euro	47	-	143	187	170	6,042
Average IRS rate in euro	3.1825		4.9699	4.0516	4.1629	1.8298
Notional amount related to IRS in US dollars	134	134	356	-	-	665
Average IRS rate in US dollars	1.574	2.035	3.523			2.967
<hr/>						
	2019	2020	2021	2022	2023	Beyond
At Dec. 31, 2018						
Interest rate swaps						
Total notional amount	714	199	131	396	697	7,598
Notional amount related to IRS in euro	18	68	-	396	697	7,298
Average IRS rate in euro	0.5444	2.7151		2.7098	1.8872	1.9491
Notional amount related to IRS in US dollars	87	131	131	-	-	229
Average IRS rate in US dollars	1.6208	1.5745	2.0359			2.7943

The following table shows the notional amount and the fair value of the hedging instruments on the interest rate risk of transactions outstanding as at December 31, 2019 and December 31, 2018, broken down by type of hedged item.

Millions of euro	Hedging instrument	Hedged item	Fair value		Notional amount	Fair value		Notional amount
			Assets	Liabilities	at Dec. 31, 2019	Assets	Liabilities	at Dec. 31, 2018
Fair value hedges								
Interest rate swaps		Fixed-rate bank borrowings	7		12	7		12
Cash flow hedges								
Interest rate swaps		Floating-rate bonds	11	(499)	3,953	1	(406)	6,105
Interest rate swaps		Floating-rate financial receivables	15	-	140	7		142
Interest rate swaps		Floating-rate non-bank borrowings	-	(281)	4,144	5	(200)	3,476
Total			33	(780)	8,249	20	(606)	9,735

The following table shows the notional amount and the fair value of hedging derivatives on interest rate risk as at Decem-

ber 31, 2019 and December 31, 2018, broken down by type of hedge.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Derivatives								
Fair value hedges								
Interest rate swaps	12	27	7	7	-	-	-	-
Total	12	27	7	7	-	-	-	-
Cash flow hedges								
Interest rate swaps	468	831	26	13	7,769	8,877	780	606
Total	468	831	26	13	7,769	8,877	780	606
TOTAL INTEREST RATE DERIVATIVES	480	858	33	20	7,769	8,877	780	606

The notional amount of derivatives classified as hedging instruments at December 31, 2019, came to €8,249 million, with a corresponding negative fair value of €747 million.

Compared with December 31, 2018, the notional amount decreased by €1,486 million, mainly reflecting:

- > the early termination of pre-hedge interest rate swaps amounting to €750 million in respect of Enel SpA's "exchange offer" for the repurchase of hybrid bonds expiring January 15, 2075 and January 10, 2074;
- > the early termination of pre-hedge interest rate swaps amounting to €2,000 million in respect of "sustainable" bond issues during the year;
- > the expiry of interest rate swaps amounting to €714 million;
- > new interest rate swaps amounting to €1,745 million.

The value also reflects the reduction of €203 million in the

notional amount of amortizing interest rate swaps.

The deterioration in the fair value of €161 million mainly reflects developments in the yield curve.

Fair value hedge derivatives

Net gains and losses recognized through profit or loss, reflecting changes in the fair value of fair value hedge derivatives and the changes in the fair value of the hedged item that are attributable to interest rate risk demonstrated that these hedging relationships were totally effective both in 2019 and the previous year.

The following table shows the impact of fair value hedges of interest rate risk in the balance sheet at December 31, 2019 and December 31, 2018.

Millions of euro	2019			2018		
	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in period	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in period
Interest rate swaps	12	7	7	27	7	7

The following table shows the impact of the hedged item of fair value hedges in the balance sheet at December 31, 2019 and December 31, 2018.

Millions of euro	2019			2018		
	Carrying amount	Cumulative adjustment of fair value of hedged item	Fair value used to measure ineffectiveness in period	Carrying amount	Cumulative adjustment of fair value of hedged item	Fair value used to measure ineffectiveness in period
Fixed-rate borrowings	20	7	(7)	35	7	(7)

Cash flow hedge derivatives

The following table shows the cash flows expected in coming years from cash flow hedge derivatives on interest rate risk.

Millions of euro	Fair value at Dec. 31, 2019	Distribution of expected cash flows					
		2020	2021	2022	2023	2024	Beyond
Cash flow hedge derivatives on interest rates							
Positive fair value	26	1	(1)	(2)	(2)	2	32
Negative fair value	(780)	(102)	(121)	(110)	(110)	(94)	(284)

The following table shows the impact of cash flow hedges of interest rate risk in the balance sheet at December 31, 2019 and December 31, 2018.

Millions of euro	2019			2018		
	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in period	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in period
Interest rate swaps	8,237	(754)	(754)	9,723	(593)	(593)

The following table shows the impact of the hedged item of cash flow hedges in the balance sheet at December 31, 2019 and December 31, 2018.

Millions of euro	2019				2018			
	Fair value used to measure ineffectiveness in period	Cash flow hedge reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives	Fair value used to measure ineffectiveness in period	Cash flow hedge reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives
Floating-rate bonds	486	(486)	-	(2)	395	(395)	-	(10)
Floating-rate financial receivables	(15)	15	-	-	(7)	7	-	-
Floating-rate non-bank borrowings	275	(275)	-	(6)	190	(190)	-	(5)
Total	746	(746)	-	(8)	578	(578)	-	(15)

The following table shows the impact of cash flow hedges of interest rate risk through profit or loss and other comprehensive income in the period, gross of tax effects:

Millions of euro	at Dec. 31, 2019				
	Gross changes in fair value through OCI	Net gain/(loss) effects through loss for ineffectiveness	gross of tax through profit or loss	Hedging costs through OCI	Net gain/(loss) gross of tax effects through profit or loss for reclassification from OCI
Interest rate hedges	(121)		7	-	47

Exchange risk

The following table reports the maturity profile of the notional amount and associated average contractual exchange rate for the instruments hedging exchange risk on transactions outstanding at December 31, 2019 and December 31, 2018.

Millions of euro	2020	2021	2022	2023	2024	Beyond	Total
At Dec. 31, 2019							
Cross currency interest rate swaps (CCIRS)							
Notional amount	831	1,115	1,781	3,339	3,146	12,511	22,723
Notional amount for CCIRS EUR-USD	-	202	1,781	3,339	1,336	8,904	15,562
Average exchange rate EUR/USD		1.1348	1.1213	1.2184	1.1039	1.2067	
Notional amount for CCIRS EUR-GBP	470	587	-	-	999	3,041	5,097
Average exchange rate EUR/GBP	0.8466	0.8245	-	-	0.8765	0.8062	
Notional amount for CCIRS EUR-CHF	92	-	-	-	207	120	419
Average exchange rate EUR/CHF	1.2169	-	-	-	1.0642	1.2100	
Notional amount for CCIRS USD-BRL	269	326	-	-	-	288	883
Average exchange rate USD/BRL	3.9273	3.4742	-	-	-	3.5655	
Currency forwards							
Notional amount	4,459	1,015	18	-	-	-	5,492
Notional amount - currency forward EUR/USD	2,899	958	18	-	-	-	3,875
Average currency forward rate - EUR/USD	1.1774	1.1803	1.1609	-	-	-	
Notional amount - currency forward USD/CLP	527	44	-	-	-	-	571
Average currency forward rate - USD/CLP	678.0443	680.0000	-	-	-	-	
Notional amount - currency forward USD/BRL	313	14	-	-	-	-	327
Average currency forward rate - USD/BRL	4.1274	4.1330	-	-	-	-	
Notional amount - currency forward EUR/ZAR	221	-	-	-	-	-	221
Average currency forward rate - EUR/ZAR	17.7856	-	-	-	-	-	
Notional amount - currency forward EUR/RUB	181	-	-	-	-	-	181
Average currency forward rate - EUR/RUB	74.1277	-	-	-	-	-	

Millions of euro

	2019	2020	2021	2022	2023	Beyond	Total
At Dec. 31, 2018							
Cross currency interest rate swaps (CCIRS)							
Notional amount	2,474	855	934	1,746	3,274	13,149	22,432
Notional amount for CCIRS EUR-USD	-	-	198	1,746	3,274	8,729	13,947
Average exchange rate EUR/USD	-	-	1.1348	1.1213	1.2184	1.1726	
Notional amount for CCIRS EUR-GBP	1,229	447	559	-	-	3,846	6,081
Average exchange rate EUR/GBP	0.6753	0.8466	0.8245	-	-	0.8261	
Notional amount for CCIRS EUR-CHF	-	89	-	-	-	315	404
Average exchange rate EUR/CHF	-	1.2170	-	-	-	1.1133	
Notional amount for CCIRS USD-BRL	528	319	177	-	-	94	1,118
Average exchange rate USD/BRL	3.5679	3.5508	3.2948	-	-	3.1037	
Currency forwards							
Notional amount	5,070	1,512	44	-	-	-	6,626
Notional amount - currency forward EUR/USD	3,071	1,343	44	-	-	-	4,458
Average currency forward rate - EUR/USD	1.2014	1.2199	1.2392	-	-	-	
Notional amount - currency forward USD/CLP	838	92	-	-	-	-	930
Average currency forward rate - USD/CLP	667.5891	667.5175	-	-	-	-	
Notional amount - currency forward USD/BRL	409	-	-	-	-	-	409
Average currency forward rate - USD/BRL	3.6958	-	-	-	-	-	
Notional amount - currency forward EUR/ZAR	220	77	-	-	-	-	297
Average currency forward rate - EUR/ZAR	16.7884	18.0229	-	-	-	-	
Notional amount - currency forward EUR/RUB	139	-	-	-	-	-	139
Average currency forward rate - EUR/RUB	79.4094	-	-	-	-	-	

The following table shows the notional amount and the fair value of the hedging instruments on the exchange risk of tran-

sactions outstanding as at December 31, 2019 and December 31, 2018, broken down by type of hedged item.

Millions of euro		Fair value		Notional amount	Fair value		Notional amount
Hedging instrument	Hedged item	Assets	Liabilities	at Dec. 31, 2019	Assets	Liabilities	at Dec. 31, 2018
		Fair value hedges					
Cross currency interest rate swaps (CCIRS)	Fixed-rate borrowings in foreign currencies	24	(1)	171	7	-	87
Cross currency interest rate swaps (CCIRS)	Floating-rate borrowings in foreign currencies	-	-	-	15	-	150
Cash flow hedges							
Cross currency interest rate swaps (CCIRS)	Floating-rate borrowings in foreign currencies	55	(5)	999	37	(4)	525
Cross currency interest rate swaps (CCIRS)	Fixed-rate borrowings in foreign currencies	-	(4)	72	85	(2)	793
Cross currency interest rate swaps (CCIRS)	Floating-rate Bond in foreign currencies	6	(1)	302	47	-	346
Cross currency interest rate swaps (CCIRS)	Fixed-rate Bond in foreign currencies	1,022	(1,535)	20,877	598	(2,013)	20,234
Cross currency interest rate swaps (CCIRS)	Future cash flows denominated in foreign currencies	-	(17)	302	-	(71)	297
Currency forwards	Future cash flows denominated in foreign currencies	3	(63)	811	4	(33)	1,089
Currency forwards	Future commodity purchases denominated in foreign currencies	124	(7)	3,462	114	(15)	4,298
Currency forwards	Purchases of investment goods and other	3	(43)	1,219	42	(12)	1,241
Total		1,237	(1,676)	28,215	949	(2,150)	29,060

Cash flow hedges and fair value hedges include:

- > CCIRSs with a notional amount of €21,120 million used to hedge the exchange risk on fixed-rate debt denominated in currencies other than the euro, with a negative fair value of €495 million;
- > CCIRSs with a notional amount of €1,603 million used to hedge the exchange risk on floating-rate debt denominated in currencies other than the euro, with a positive fair value of €38 million;
- > currency forwards with a notional amount of €4,273 million used to hedge the exchange risk associated with purchases of natural gas, purchases of fuel and expected cash

flows in currencies other than the euro, with a positive fair value of €57 million;

- > currency forwards with a notional amount of €1,219 million and a negative fair value of €40 million in respect of OTC transactions to mitigate the exchange risk on expected cash flows in currencies other than the currency of account connected with the purchase of investment goods in the renewables and infrastructure and networks sectors (new generation digital meters), on operating expenses for the supply of cloud services and on revenue from the sale of renewable energy.

The following table reports the notional amount and fair value of foreign exchange derivatives at December 31, 2019 and December 31, 2018, broken down by type of hedge.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Derivatives								
Fair value hedges								
Currency forwards	-	-	-	-	-	-	-	-
CCIRS	166	237	25	22	5	-	(1)	-
Total	166	237	25	22	5	-	(1)	-
Cash flow hedges								
Currency forwards	3,253	4,302	130	160	2,238	2,326	(113)	(61)
CCIRS	11,169	8,705	1,083	767	11,384	13,490	(1,562)	(2,090)
Total	14,422	13,007	1,213	927	13,622	15,816	(1,675)	(2,151)
TOTAL EXCHANGE RATE DERIVATIVES	14,588	13,244	1,238	949	13,627	15,816	(1,676)	(2,151)

The notional amount of CCIRSs at December 31, 2019 amounted to €22,723 million (€22,432 million at December 31, 2018), an increase of €291 million. Cross currency interest rate swaps with a total value of €2,070 million expired, while new derivatives amounted to €2,510 million, of which €1,336 million in respect of bond issues denominated in US dollars in September 2019. The value also reflects developments in the exchange rate of the euro against the main other currencies, which caused their notional amount to increase by €466 million.

The notional amount of currency forwards at December 31, 2019 amounted to €5,491 million (€6,628 million at December 31, 2018), a decrease of €1,137 million. The exposure to

exchange risk, especially that associated with the US dollar, is mainly due to purchases of natural gas, purchase of fuel and cash flows in respect of investments. Changes in the notional amount are connected with normal developments in operations.

Fair value hedge derivatives

The following table reports net gains and losses recognized through profit or loss, reflecting changes in the fair value of fair value hedge derivatives and the changes in the fair value of the hedged item that are attributable to exchange risk for 2019 and the previous year.

Millions of euro	2019		2018
	Net gain/(loss)		Net gain/(loss)
Interest rate hedging instruments	1		6
Hedged item	(4)		(6)
Ineffective portion	(3)		-

The following table shows the impact of fair value hedges of interest rate risk in the balance sheet at December 31, 2019 and December 31, 2018:

Millions of euro	2019			2018		
	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in period	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in period
Cross currency interest rate swaps (CCIRS)	171	24	24	237	22	22

The following table shows the impact of the hedged item of fair value hedges in the balance sheet at December 31, 2019 and December 31, 2018.

Millions of euro	2019			2018		
	Carrying amount	Cumulative adjustment of fair value of hedged item	Fair value used to measure ineffectiveness in period	Carrying amount	Cumulative adjustment of fair value of hedged item	Fair value used to measure ineffectiveness in period
Cross currency interest rate swaps (CCIRS)	171	21	(22)	228	22	(22)

Cash flow hedge derivatives

The following table shows the cash flows expected in coming years from cash flow hedge derivatives on exchange risk.

Millions of euro	Fair value at Dec. 31, 2019	Distribution of expected cash flows					
		2020	2021	2022	2023	2024	Beyond
Cash flow hedge derivatives on exchange rates							
Positive fair value	1,213	357	272	219	471	141	1,667
Negative fair value	(1,675)	(43)	42	47	33	36	(66)

The following table shows the impact of cash flow hedges of exchange risk in the balance sheet at December 31, 2019 and December 31, 2018.

Millions of euro	2019			2018		
	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in period	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in period
Cross currency interest rate swaps (CCIRS)	22,552	(479)	(345)	22,195	(1,323)	(1,074)
Currency forwards	5,491	17	52	6,628	99	136
Total	28,043	(462)	(293)	28,823	(1,224)	(938)

The following table shows the impact of the hedged item of cash flow hedges in the balance sheet at December 31, 2019 and December 31, 2018.

Millions of euro	2019				2018			
	Fair value used to measure ineffectiveness in period	Cash flow hedge reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives	Fair value used to measure ineffectiveness in period	Cash flow hedge reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives
Floating-rate borrowings in foreign currencies	(49)	49	1	-	(32)	32	1	-
Fixed-rate borrowings in foreign currencies	3	(3)	(1)	-	(87)	87	(4)	-
Floating-rate bonds in foreign currencies	(5)	5	-	-	(47)	47	-	-
Fixed-rate bonds in foreign currencies	378	(378)	(135)	-	1,169	(1,169)	(246)	-
Future cash flows denominated in foreign currencies	17	(17)	-	-	71	(71)	-	-
Future cash flows denominated in foreign currencies	59	(59)	(1)	-	30	(30)	1	-
Future commodity purchases denominated in foreign currencies	(119)	119	-	(2)	(100)	100	-	(1)
Purchases of investment goods and other	9	(9)	(32)	1	(66)	66	(36)	(1)
Total	293	(293)	(168)	(1)	938	(938)	(284)	(2)

The following table shows the impact of cash flow hedges of exchange risk through profit or loss and other comprehensive income in the period, gross of tax effects.

Millions of euro	at Dec. 31, 2019			
	Gross changes in fair value through OCI	Net gain/(loss) gross of tax effects through profit or loss for ineffectiveness	Hedging costs through OCI	Net gain/(loss) gross of tax effects through profit or loss for reclassification from OCI
Exchange rate hedges	834	1	116	189

Commodity risk

The following table reports the notional amount and average price of instruments hedging commodity risk for transactions outstanding at December 31, 2019 and December 31, 2018, broken down by expiry.

Millions of euro	2019	2020	2021	2022	2023	Beyond	Total
At Dec. 31, 2019							
Commodity swaps							
Notional value on power	703	123	121	135	128	712	1,922
Average commodity swap price on power (€/MWh)	47.7	20.5	20.2	20.2	20.2	20.7	
Notional value on coal/shipping	253	-	-	-	-	-	253
Average commodity swap price on coal/shipping (\$/ton)	62.4	-	-	-	-	-	
Notional value on gas	13	13	13	13	41	66	159
Average commodity swap price on gas (€/MWh)	3.0	3.0	3.0	3.0	7.0	7.9	
Commodity forwards/futures							
Notional value on power	726	2	-	-	-	-	728
Average commodity forward/future price on power (€/MWh)	50.5	50.4	-	-	-	-	
Notional value on gas	1,869	662	1	-	-	-	2,532
Average commodity forward/future price on gas (€/MWh)	15.9	19.1	17.2	-	-	-	
Notional value on CO ₂	217	9	-	-	-	-	226
Average commodity forward/future price on CO ₂ (€/ton)	18.0	25.0	-	-	-	-	
Notional value on oil	988	115	-	-	-	-	1,103
Average commodity forward/future price on oil (\$/bbl)	64.8	59.7	-	-	-	-	

Millions of euro	2019	2020	2021	2022	2023	Beyond	Total
At Dec. 31, 2018							
Commodity swaps							
Notional value on power	765	234	90	82	96	494	1,761
Average commodity swap price on power (€/MWh)	52.8	44.2	19.4	19.0	19.0	19.0	
Notional value on coal/shipping	582	47	-	-	-	-	629
Average commodity swap price on coal/shipping (\$/ton)	85.0	78.9	-	-	-	-	
Commodity forwards/futures							
Notional value on power	436	16	-	-	-	-	452
Average commodity forward/future price on power (€/MWh)	61.1	54.4	-	-	-	-	
Notional value on gas	352	390	-	-	-	-	742
Average commodity forward/future price on gas (€/MWh)	24.1	20.0	-	-	-	-	
Notional value on CO ₂	213	67	-	-	-	-	280
Average commodity forward/future price on CO ₂ (€/ton)	13.4	7.8	-	-	-	-	
Notional value on oil	1,170	226	-	-	-	-	1,396
Average commodity forward/future price on oil (\$/bbl)	71.4	68.8	-	-	-	-	

The following table reports the notional amount and fair value of instruments hedging interest rate risk on transactions outstanding at December 31, 2019 and December 31, 2018, broken down by type of commodity.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Derivatives								
Cash flow hedges								
Derivatives on power:								
- swaps	1,301	1,249	234	139	621	512	(107)	(227)
- forwards/futures	280	293	34	20	448	159	(44)	(12)
- options	-	-	-	-	-	-	-	-
Total derivatives on power	1,581	1,542	268	159	1,069	671	(151)	(239)
Derivatives on coal/shipping:								
- swaps	-	10	7	74	253	619	(54)	(94)
- forwards/futures	-	-	-	-	-	-	-	-
- options	-	-	-	-	-	-	-	-
Total derivatives on coal/shipping	-	10	7	74	253	619	(54)	(94)
Derivatives on gas and oil:								
- swaps	79	-	9	-	80	-	(1)	-
- forwards/futures	2,823	723	694	222	812	1,415	(298)	(693)
- options	-	-	-	-	-	-	-	-
Total derivatives on gas and oil	2,902	723	703	222	892	1,415	(299)	(693)
Derivatives on CO₂:								
- swaps	-	-	-	-	-	-	-	-
- forwards/futures	226	279	84	301	-	1	-	-
- options	-	-	-	-	-	-	-	-
Total derivatives on CO₂	226	279	84	301	-	1	-	-
TOTAL DERIVATIVES ON COMMODITIES	4,709	2,554	1,062	756	2,214	2,706	(504)	(1,026)

The table reports the notional amount and fair value of derivatives hedging the price risk on commodities at December 31, 2019 and at December 31, 2018, broken down by type of hedge.

The positive fair value of cash flow hedge derivatives on commodities regards derivatives on gas and oil commodities in the amount of €703 million, derivatives on CO₂ (€84 million), derivatives on power (€268 million) and, to a lesser extent, hedges of coal purchases requested by the generation companies in the amount of €7 million. The first category primarily regards hedges of fluctuations in the price of natural gas, for

both purchases and sales, carried out for oil commodities and gas products with physical delivery (all-in-one hedges).

Cash flow hedge derivatives on commodities included in liabilities regard derivatives on gas and oil commodities in the amount of €299 million, derivatives on power in the amount of €151 million and derivatives on coal (€54 million).

Cash flow hedge derivatives

The following table shows the cash flows expected in coming years from cash flow hedge derivatives on commodity risk.

Millions of euro	Fair value	Distribution of expected cash flows					
		at Dec. 31, 2019	2020	2021	2022	2023	2024
Cash flow hedge derivatives on commodities							
Positive fair value	1,062	662	187	69	13	11	120
Negative fair value	(504)	(400)	(79)	(12)	(3)	(3)	(7)

The following table shows the impact of cash flow hedges of commodity risk in the balance sheet at December 31, 2019 and December 31, 2018.

Millions of euro	2019			2018		
	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in period	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in period
Power swaps	1,922	127	127	1,761	(88)	(88)
Coal/shipping swaps	253	(47)	(47)	629	(20)	(20)
Gas and oil swaps	159	8	8	-	-	-
Power forwards/futures	728	(10)	(10)	452	8	8
Coal/shipping forwards/futures	-	-	-	-	-	-
Gas and oil forwards/futures	3,635	396	396	2,138	(471)	(471)
CO ₂ forwards/futures	226	84	84	280	301	301
Total	6,923	558	558	5,260	(270)	(270)

The following table shows the impact of the hedged item of cash flow hedges in the balance sheet at December 31, 2019 and December 31, 2018.

Millions of euro	2019				2018			
	Fair value used to measure ineffectiveness in period	Cash flow hedge reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives	Fair value used to measure ineffectiveness in period	Cash flow hedge reserve	Hedging costs reserve	Ineffective portion of carrying amount of CFH derivatives
Future transactions in power	(110)	110	-	7	82	(82)	-	2
Future transactions in coal/shipping	47	(47)	-	-	20	(20)	-	-
Future transactions in gas and oil	(404)	404	-	-	471	(471)	-	-
Future transactions in CO ₂	(84)	84	-	-	(301)	301	-	-
Total	(551)	551	-	7	272	(272)	-	2

The following table shows the impact of cash flow hedges of commodity risk through profit or loss and other comprehensive income in the period, gross of tax effects.

Millions of euro	at Dec. 31, 2019			
	Gross changes in fair value through OCI	Net gain/(loss) gross of tax effects through profit or loss for ineffectiveness	Hedging costs through OCI	Net gain/(loss) gross of tax effects through profit or loss for reclassification from OCI
Commodity price hedges	914	5	-	91

46.2 Derivatives at fair value through profit or loss

The following table shows the notional amount and the fair value of derivatives at FVTPL as at December 31, 2019 and December 31, 2018.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018	at Dec. 31, 2019	at Dec. 31, 2018
Derivatives at FVTPL:								
- derivatives on interest rates:								
- interest rate swaps	50	50	2	2	112	566	(80)	(79)
- interest rate options	-	-	-	-	50	50	(5)	(5)
- derivatives on exchange rates:								
- currency forwards	3,399	4,092	34	54	1,648	1,175	(37)	(18)
- CCIRS	-	162	-	1	33	2,117	-	(18)
- derivatives on commodities								
-	-	-	-	-	-	-	-	-
Derivatives on power:								
- swaps	282	1,070	25	167	281	229	(28)	(28)
- forwards/futures	5,353	6,260	403	814	4,329	6,955	(155)	(1,016)
- options	3	15	2	28	27	20	(14)	(11)
Total derivatives on power	5,638	7,345	430	1,009	4,637	7,204	(197)	(1,055)
Derivatives on coal:								
- swaps	311	201	69	56	367	823	(80)	(48)
- forwards/futures	-	-	-	-	-	-	-	-
- options	-	-	-	-	-	-	-	-
Total derivatives on coal	311	201	69	56	367	823	(80)	(48)
Derivatives on gas and oil:								
- swaps	1,259	896	168	215	852	728	(97)	(186)
- forwards/futures	9,782	11,894	2,126	1,640	11,047	12,712	(2,190)	(1,531)
- options	315	225	247	147	309	289	(273)	(165)
Total derivatives on gas and oil	11,356	13,015	2,541	2,002	12,208	13,729	(2,560)	(1,882)
Derivatives on CO₂:								
- swaps	-	-	-	-	-	-	-	-
- forwards/futures	185	243	31	68	524	221	(32)	(65)
- options	-	-	-	-	-	-	-	-
Total derivatives on CO₂	185	243	31	68	524	221	(32)	(65)
Derivatives on other:								
- swaps	4	9	2	2	16	-	(1)	-
- forwards/futures	6	1	3	-	9	1	(4)	-
- options	-	-	-	-	-	-	-	-
Total derivatives on other	10	10	5	2	25	1	(5)	-
Embedded derivatives	25	-	3	-	43	-	(4)	-
TOTAL DERIVATIVES	20,974	25,118	3,115	3,194	19,647	25,886	(3,000)	(3,170)

At December 31, 2019 the notional amount of trading derivatives on interest rates came to €212 million. The fair value of a negative €83 million deteriorated by €1 million on the previous year, mainly due to developments in the yield curve.

At December 31, 2019, the notional amount of derivatives on exchange rates was €5,080 million. The overall decrease in their notional value and the decline in the associated net fair value of €3 million mainly reflected normal operations and de-

velopments in exchange rates.

At December 31, 2019, the notional amount of derivatives on commodities came to €35,329 million. The fair value of trading derivatives on commodities classified as assets mainly reflects the market valuation of hedges of gas and oil amounting to €2,541 million and derivatives on power amounting to €430 million.

The fair value of trading derivatives on commodities classified as liabilities mainly regards hedges of gas and oil amounting to €2,560 million and derivatives on power amounting to €197 million.

These values include transactions that, although established

for hedging purposes, did not meet the requirements for hedge accounting.

The "other" category includes hedges using weather derivatives. In addition to commodity risk, the Group companies are also exposed to changes in volumes associated with weather conditions (for example, temperature impacts the consumption of gas and power).

Embedded derivatives, which are held by Enel Green Power North America, regard supplementary financial clauses in more complex tax equity partnership agreements, which are used to finance investment in new renewable capacity.

47. Assets measured at fair value

The Group determines fair value in accordance with IFRS 13 whenever such measurement is required by the international accounting standards as a recognition or measurement criterion.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date (i.e., an exit price).

The best proxy of fair value is market price, i.e. the current publically available price actually used on a liquid and active market.

The fair value of assets and liabilities is classified in accordance with the three-level hierarchy described below, depending on the inputs and valuation techniques used in determining their fair value:

- > Level 1, where the fair value is determined on basis of quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- > Level 2, where the fair value is determined on basis of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (such as prices) or indirectly (derived from prices);
- > Level 3, where the fair value is determined on the basis of unobservable inputs.

This note also provides detailed disclosures concerning the valuation techniques and inputs used to perform these measurements.

To that end:

- > recurring fair value measurements of assets or liabilities are those required or permitted by the IFRS in the balance sheet at the close of each period;
- > non-recurring fair value measurements are those required or permitted by the IFRS in the balance sheet in particular circumstances.

For general information or specific disclosures on the accounting treatment of these circumstances, please see note 2 "Accounting policies and measurement criteria".

The following table shows, for each class of assets measured at fair value on a recurring or non-recurring basis in the financial statements, the fair value measurement at the end

of the reporting period and the level in the fair value hierarchy into which the fair value measurements of those assets are classified.

Millions of euro		Non-current assets					Current assets		
	Notes	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
Equity investments in other entities at FVOCI	26	64	4	11	49	-	-	-	-
Securities at FVOCI	26.1, 30.1	416	416	-	-	61	61	-	-
Equity investments in other entities at FVTPL	26	8	-	-	8	-	-	-	-
Financial assets from service concession arrangements at FVTPL	26	2,362	-	2,362	-	-	-	-	-
Loans and receivables measured at fair value	26	354	-	-	354	51	51	-	-
Fair value hedge derivatives:									
- on interest rates	46	7	-	7	-	-	-	-	-
- on exchange rates	46	25	-	25	-	-	-	-	-
Cash flow hedge derivatives:									
- on interest rates	46	26	-	26	-	-	-	-	-
- on exchange rates	46	1,081	-	1,081	-	132	-	132	-
- on commodities	46	215	29	186	-	847	288	559	-
Trading derivatives:									
- on interest rates	46	2	-	2	-	-	-	-	-
- on exchange rates	46	-	-	-	-	34	-	34	-
- on commodities	46	27	4	23	-	3,052	1,056	1,994	2
Inventories measured at fair value	28	-	-	-	-	42	40	2	-
Assets classified as available for sale	33	101	-	-	101	-	-	-	-
Contingent consideration	27, 31	96	-	69	27	51	-	38	13

The fair value of “equity investments in other entities at FVOCI” is determined for listed companies on the basis of the quoted price set on the closing date of the year, while that for unlisted companies is based on a reliable valuation of the relevant assets and liabilities.

“Financial service concession arrangements at FVOCI” concern electricity distribution operations in Brazil, mainly by Enel Distribuição Rio, Enel Distribuição Ceará and Enel Distribuição Goiás and are accounted for in accordance with IFRIC 12. Fair value was estimated as the net replacement cost based on the most recent rate information available and on the general price index for the Brazilian market.

“Loans and receivables measured at fair value” includes (recognized in level 3) the fair value of the receivable from the disposal of Slovak Power Holding of €354 million at December 31, 2019. The fair value is determined on the basis of the price formula specified in the contract.

The fair value of derivative contracts is determined using the official prices for instruments traded on regulated markets. The fair value of instruments not listed on a regulated market is determined using valuation methods appropriate for each type of financial instrument and market data as of the close of the period (such as interest rates, exchange rates, volatility), discounting expected future cash flows on the basis of the market yield curve and translating amounts in currencies other than the euro using exchange rates provided by the World Markets Reuters (WMR) Company. For contracts involving commodities, the measurement is conducted using prices, where available, for the same instruments on both regulated and unregulated markets.

In accordance with the new international accounting standards, in 2013 the Group included a measurement of credit risk, both of the counterparty (Credit Valuation Adjustment or CVA) and its own (Debit Valuation Adjustment or DVA), in order to adjust the fair value of financial instruments for the corresponding amount of counterparty risk. More specifically,

the Group measures CVA/DVA using a Potential Future Exposure valuation technique for the net exposure of the position and subsequently allocating the adjustment to the individual financial instruments that make up the overall portfolio. All of the inputs used in this technique are observable on the market.

The notional amount of a derivative contract is the amount on which cash flows are exchanged. This amount can be expressed as a value or a quantity (for example tons, converted into euros by multiplying the notional amount by the agreed price). Amounts denominated in currencies other than the euro are converted into euros at the year-end exchange rates provided by the World Markets Reuters (WMR) Company.

The notional amounts of derivatives reported here do not necessarily represent amounts exchanged between the parties and therefore are not a measure of the Group's credit risk exposure. For listed debt instruments, the fair value is given by official prices. For unlisted instruments the fair value is determined using appropriate valuation techniques for each category of financial instrument and market data at the closing

date of the year, including the credit spreads of Enel SpA.

The measurement of Enel's financial derivatives is always classified as level 1 or 2, as it is based on market inputs.

The only exception regards derivatives on weather indices (weather derivatives), which are measured using certified historical data on the underlying variables. For example, an HDD ("Heating Degree Days") derivative on a given measurement station indicated in the derivative contract is measured at fair value by calculating the difference between the agreed strike and the historical average of the same variable observed at the same station. The measurement of Enel's weather derivatives is classified as level 3.

47.1 Fair value of other assets

For each class of assets not measured at fair value on a recurring basis but whose fair value must be reported, the following table reports the fair value at the end of the period and the level in the fair value hierarchy into which the fair value measurements of those assets are classified.

Millions of euro	Notes	Fair value	Non-current assets			Fair value	Current assets		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans and receivables	26, 30	401	-	19	382	1,418	-	1,286	132
Investment property	19	154	22	-	132	-	-	-	-
Inventories	28	-	-	-	-	54	-	-	54

The table reports the fair value of investment property and inventories of real estate not used in the business in the amount of €154 million and €54 million respectively. The amounts were calculated with the assistance of appraisals conducted

by independent experts, who used different methods depending on the specific assets involved.

The most significant of the items is "loans and receivables," which essentially regards e-distribuzione and Enel SpA.

48. Liabilities measured at fair value

The following table reports for each class of liabilities measured at fair value on a recurring or non-recurring basis in the financial statements the fair value measurement at the end

of the reporting period and the level in the fair value hierarchy into which the fair value measurements are categorized.

Millions of euro		Non-current liabilities				Current liabilities			
	Notes	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
Fair value hedge derivatives:									
- on interest rates	46	-	-	-	-	-	-	-	-
- on exchange rates	46	1	-	1	-	-	-	-	-
- on commodities	46	-	-	-	-	-	-	-	-
Cash flow hedge derivatives:									
- on interest rates	46	779	-	779	-	1	-	1	-
- on exchange rates	46	1,560	-	1,560	-	115	-	115	-
- on commodities	46	47	7	40	-	457	229	228	-
Trading derivatives:									
- on interest rates	46	6	-	6	-	79	-	79	-
- on exchange rates	46	-	-	-	-	38	-	38	-
- on commodities	46	14	3	11	-	2,864	1,047	1,817	-
Contingent consideration	38, 42	53	-	5	48	116	-	103	13

Contingent consideration regards a number of equity investments held by the Group in North America, whose fair value

was determined on the basis of the contractual terms and conditions.

48.1 Fair value of other liabilities

For each class of liabilities not measured at fair value in the balance sheet but whose fair value must be reported, the following table reports the fair value at the end of the period and

the level in the fair value hierarchy into which the fair value measurements of those liabilities are classified.

Millions of euro		Notes	Fair value	Level 1	Level 2	Level 3
Bonds						
Fixed rate		43.3.1	46,867	43,126	3,741	-
Floating rate		43.3.1	4,408	165	4,243	-
Bank borrowings						
Fixed rate		43.3.1	947	-	947	-
Floating rate		43.3.1	8,712	-	8,712	-
Non-bank borrowings						
Fixed rate		43.3.1	2,667	-	2,667	-
Floating rate		43.3.1	183	-	183	-
Total			63,784	43,291	20,493	-

49. Related parties

As an operator in the field of generation, distribution, transport and sale of electricity and the sale of natural gas, Enel carries out transactions with a number of companies directly or indirectly controlled by the Italian State, the Group's controlling shareholder.

The table below summarizes the main types of transactions carried out with such counterparties.

Related party	Relationship	Nature of main transactions
Single Buyer	Fully controlled (indirectly) by the Ministry for the Economy and Finance	Purchase of electricity for the enhanced protection market
Cassa Depositi e Prestiti Group	Directly controlled by the Ministry for the Economy and Finance	Sale of electricity on the Ancillary Services Market (Terna) Sale of electricity transport services (Eni Group) Purchase of transport, dispatching and metering services (Terna) Purchase of postal services (Poste Italiane) Purchase of fuels for generation plants and natural gas storage and distribution services (Eni Group)
ESO - Energy Services Operator	Fully controlled (directly) by the Ministry for the Economy and Finance	Sale of subsidized electricity Payment of A3 component for renewable resource incentives
EMO - Energy Markets Operator	Fully controlled (indirectly) by the Ministry for the Economy and Finance	Sale of electricity on the Power Exchange (EMO) Purchase of electricity on the Power Exchange for pumping and plant planning (EMO)
Leonardo Group	Directly controlled by the Ministry for the Economy and Finance	Purchase of IT services and supply of goods

In addition, the Group conducts essentially commercial transactions with associated companies or companies in which it holds minority interests.

Finally, Enel also maintains relationships with the pension funds FOPEN and FONDENEL, as well as Fondazione Enel and Enel Cuore, an Enel non-profit company devoted to providing social and healthcare assistance.

All transactions with related parties were carried out on normal market terms and conditions, which in some cases are

determined by the Regulatory Authority for Energy, Networks and the Environment.

Finally, note that within the framework of the Corporate Governance rules that the Enel Group has adopted, which are discussed in detail in the report on corporate governance and ownership structure available on the Company's website (www.enel.com), procedures have been implemented to ensure the transparency and procedural and substantive propriety of transactions with related parties.

The following tables summarize transactions with related parties, associated companies and joint arrangements out-

standing at December 31, 2019 and December 31, 2018 and carried out during the period.

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Income statement					
Revenue from sales and services	-	1,320	2,733	255	183
Other revenue and income	-	-	1	5	-
Financial income	-	-	1	-	-
Purchases of electricity, gas and fuel	2,661	3,009	1,372	4	-
Costs for services and other materials	-	54	2,338	4	70
Other operating expenses	3	182	4	1	-
Net income/(expense) from commodity risk management	-	-	11	-	-
Financial expense	-	-	14	1	-

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Balance sheet					
Non-current derivative assets	-	-	-	-	-
Trade receivables	-	45	573	15	13
Current derivative assets	-	-	-	-	-
Other current financial assets	-	-	-	-	-
Other current assets	-	23	69	89	1
Long-term borrowings	-	-	715	-	-
Non-current contract liabilities	-	-	2	-	6
Current portion of long-term borrowings	-	-	89	-	-
Trade payables	601	92	726	793	18
Current derivative liabilities	-	-	-	-	-
Current contract liabilities	-	-	-	-	1
Other current liabilities	-	-	16	-	9
Other information					
Guarantees issued	-	250	354	-	164
Guarantees received	-	-	125	-	35
Commitments	-	-	9	-	4

Key management personnel	Total 2019	Associates and joint arrangements	Overall total 2019	Total in financial statements	% of total
-	4,491	313	4,804	77,366	6.2%
-	6	10	16	2,961	0.5%
-	1	87	88	1,637	5.4%
-	7,046	143	7,189	33,755	21.3%
-	2,466	151	2,617	18,580	14.1%
-	190	45	235	7,276	3.2%
-	11	-	11	(733)	-1.5%
-	15	31	46	4,518	1.0%

Key management personnel	Total at Dec. 31, 2019	Associates and joint arrangements	Overall total at Dec. 31, 2019	Total in financial statements	% of total
-	-	15	15	1,383	1.1%
-	646	250	896	13,083	6.8%
-	-	8	8	4,065	0.2%
-	-	27	27	4,305	0.6%
-	182	1	183	3,115	5.9%
-	715	-	715	54,174	1.3%
-	8	143	151	6,301	2.4%
-	89	-	89	3,409	2.6%
-	2,230	61	2,291	12,960	17.7%
-	-	8	8	3,554	0.2%
-	1	38	39	1,328	2.9%
-	25	5	30	13,161	0.2%
-	768	-	768		
-	160	-	160		
-	13	-	13		

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Income statement					
Revenue from sales and services	-	1,952	2,622	389	222
Other revenue and income	-	-	6	7	3
Other financial income	-	-	1	-	-
Purchases of electricity, gas and fuel	3,228	3,234	1,136	-	-
Costs for services and other materials	-	52	2,299	3	163
Other operating expenses	6	262	4	-	-
Net income/(expense) from commodity risk management	-	-	1	-	-
Financial expense	-	-	16	8	-

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Balance sheet					
Trade receivables	-	120	717	20	36
Derivative assets	-	-	-	-	-
Other current financial assets	-	-	-	-	-
Other current assets	-	8	10	146	-
Long-term borrowings	-	-	804	-	-
Other non-current liabilities	-	-	-	-	6
Current portion of long-term borrowings	-	-	89	-	-
Trade payables	871	160	983	833	19
Current derivative liabilities	-	-	-	-	-
Current contract liabilities	-	-	11	-	14
Other current liabilities	-	2	7	-	-
Other information					
Guarantees issued	-	250	354	-	132
Guarantees received	-	-	135	-	16
Commitments	-	-	29	-	7

In November 2010, the Board of Directors of Enel SpA approved a procedure governing the approval and execution of transactions with related parties carried out by Enel SpA directly or through subsidiaries. The procedure (available at <https://www.enel.com/investors/bylaws-rules-and-policies/transactions-with-related-parties/>) sets out rules designed to ensure the transparency and procedural and substantive propriety of transactions with related parties. It was adopted in

implementation of the provisions of Article 2391-bis of the Italian Civil Code and the implementing regulations issued by CONSOB. In 2019, no transactions were carried out for which it was necessary to make the disclosures required in the rules on transactions with related parties adopted with CONSOB Resolution no. 17221 of March 12, 2010, as amended.

Key management personnel	Total 2018	Associates and joint arrangements	Overall total 2018	Total in financial statements	% of total
-	5,185	202	5,387	73,037	7.4%
-	16	22	38	2,538	1.5%
-	1	58	59	1,715	3.4%
-	7,598	139	7,737	37,264	20.8%
-	2,517	127	2,644	18,406	14.4%
-	272	-	272	1,769	15.4%
-	1	9	10	532	1.9%
-	24	31	55	4,392	1.3%

Key management personnel	Total at Dec. 31, 2018	Associates and joint arrangements	Overall total at Dec. 31, 2018	Total in financial statements	% of total
-	893	192	1,085	13,587	8.0%
-	-	52	52	3,914	1.3%
-	-	21	21	5,160	0.4%
-	164	1	165	2,983	5.5%
-	804	-	804	48,983	1.6%
-	6	80	86	1,901	4.5%
-	89	-	89	3,367	2.6%
-	2,866	58	2,924	13,387	21.8%
-	-	35	35	4,343	0.8%
-	25	-	25	1,095	2.3%
-	9	60	69	12,107	0.6%
-	736	-	736	-	-
-	151	-	151	-	-
-	36	-	36	-	-

50. Government grants - Disclosure pursuant to Article 1, paragraphs 125-129, of Law 124/2017

Pursuant to Article 1, paragraphs 125-129, of Law 124/2017 as amended, the following provides information on grants received from Italian public agencies and bodies, as well as donations by Enel SpA and the fully consolidated subsidiaries to companies, individuals and public and private entities. The disclosure comprises: (i) grants received from Italian public entities/State entities; and (ii) donations made by Enel SpA and Group subsidiaries to public or private parties resident or established in Italy.

Grants received in millions of euro

Financial institution/ Grantor	Beneficiary	Amount	Note
EU - DG Research	Enel X Srl	0.06	Balance of grant for Flexiciency innovation project funded by H2020
EC	Enel X Srl	0.28	Advance on grant at signing of contract for 5G Solution research and innovation project funded by the EU
Emilia-Romagna Region	e-distribuzione SpA	1.07	Grant received under Decree Law 74/2012 - Funding for urgent measures for population affected by earthquakes of 20 and May 29, 2012 in Emilia-Romagna
Min. Education, Universities & Research (MIUR)	e-distribuzione SpA	0.18	Instalment of grant received for Internet of Energy project, funded under the Artemis - Joint Undertaking call.
Puglia Region	e-distribuzione SpA	0.02	Instalment of grant received for UCCSM-CLUSTER TECNOLOGICI project, funded under the DCF 2007-2013 "Cluster Tecnologici Regionali" - support for regional technology clusters
Marche Region	e-distribuzione SpA	0.09	Grant received under OCDPC no. 437/2017 funding for urgent civil protection measures in response to exceptional weather events affecting the regions of Lazio, Marche and Umbria in the 2nd Half of January 2017
SIMEST SpA	Enel Green Power SpA	0.3	Interest rate subsidy on loans for investments in foreign companies in which SIMEST holds an interest. Project Chucas (Costa Rica), funded under Article 4 of Law 100/1990
SIMEST SpA	Enel Green Power SpA	0.42	Interest rate subsidy on loans for investments in foreign companies in which SIMEST holds an interest. Project Talinay (Chile), funded under Article 4 of Law 100/1990
		2.42	Total

The following disclosure includes payments in excess of €10,000 made by the same grantor/donor during 2019, even if made through multiple financial transactions. They are recognized on a cash basis.

Pursuant to the provisions of Article 3-*quater* of Decree Law 135 of December 14, 2018, ratified with Law 12 of February 11, 2019, for grants received, please refer to the information contained in the National Register of State Aid referred to in Article 52 of Law 234 of December 24, 2012.

Donations made in millions of euro

Donor	Beneficiary	Amount	Notes
Enel SpA	Ashoka Italy Onlus	0.08	Donation to support sustainable growth
Enel SpA	European University Institute	0.1	Donation to support research
Enel SpA	Fondazione Centro Studi Enel	0.05	Donation to support research and advanced training
Enel SpA	Fondazione Teatro del Maggio Musicale	0.4	2019 donation for cultural projects
Enel SpA	Fondazione MAXXI	0.6	2019 donation for cultural projects
Enel SpA	Fondazione Accademia Nazionale "Santa Cecilia"	0.65	2019 donation for cultural projects
Enel SpA	Elettrici senza frontiere Onlus	0.04	Donation for development energy
Enel SpA	Fondazione Teatro alla Scala	0.6	2019 donation for cultural projects
Enel SpA	Stichting Global Reporting Initiative	0.11	2019 donation
Enel SpA	Fondazione Opes Onlus	0.04	2019 donation
Enel SpA	Enel Cuore Onlus	0.04	2019 donation
Enel Global Trading SpA	Enel Cuore Onlus	0.04	2019 donation
Enel Italia SpA	Enel Cuore Onlus	0.04	2019 donation
Enel Italia SpA	Enel Cuore Onlus	0.08	Balance of special 2018 donation
Enel Italia SpA	Fondazione Centro Studi Enel	0.04	Balance of 2018 donation
Enel Italia SpA	Fondazione Centro Studi Enel	0.03	2019 donation
Enel X Srl	Enel Cuore Onlus	0.04	2019 donation
Enel X Srl	Joint Research Lab per la mobilità urbana	0.1	2019 donation for participation in JRL for urban electric mobility
Enel Produzione SpA	Enel Cuore Onlus	0.06	Enel Cuore: 20% of 2019 special donation
Enel Produzione SpA	Enel Cuore Onlus	0.04	Enel Cuore: balance of 2018 special donation
Enel Produzione SpA	Fondazione Centro Studi Enel	0.16	50% of 2019 donation
Enel Produzione SpA	Fondazione Centro Studi Enel	0.03	Balance of 2018 donation
Enel Produzione SpA	Ente Zona Industria di Porto Marghera	0.02	2019 association dues
Enel Produzione SpA	ARTES 4.0	0.01	2019 association dues ARTES 4.0
Enel Produzione SpA	Autorità di Sistema Portuale del Mare Adriatico Meridionale - Porto di Brindisi (Faro Porto)	0.03	Enel Produzione contribution to upgrade safety in Port of Brindisi, thereby supporting the city with an initiative with clear social and economic benefits
Enel Produzione SpA	Parrocchia Maria Ss. Addolorata di Tutturano	0.02	Renovation of football field of the Parish of Tutturano (in the municipality of Brindisi)
Enel Energia SpA	Fondazione Centro studi Enel	0.86	50% advance on 2019 donation
Enel Energia SpA	Fondazione Centro studi Enel	0.8	Balance on special 2018 donation
Enel Energia SpA	Enel Cuore Onlus	0.2	2019 donation for "Fare Scuola Nel Cuore del Punto Enel"
Enel Energia SpA	Enel Cuore Onlus	0.12	Donation for Enelpremia 3.0 ed. 2017/2018 Loyalty
Enel Energia SpA	Enel Cuore Onlus	0.04	2019 donation
e-distribuzione SpA	E.DSO - European Distribution System Operators	0.11	2019 association dues
e-distribuzione SpA	Enel Cuore Onlus	0.61	20% of 2019 donation
e-distribuzione SpA	Enel Cuore Onlus	2.6	80% balance of 2018 donation
e-distribuzione SpA	Fondazione Centro Studi Enel	1.66	50% 2019 donation
e-distribuzione SpA	Fondazione Centro Studi Enel	1.59	50% balance of 2018 donation
Enel Green Power SpA	Town of Patanna (TP)	0.01	Donation for restoration of artworks
		12.05	Total

51. Contractual commitments and guarantees

The commitments entered into by the Enel Group and the guarantees given to third parties are shown below.

Millions of euro

	at Dec. 31, 2019	at Dec. 31, 2018	Change
Guarantees given:			
- sureties and other guarantees granted to third parties	11,078	10,310	768
Commitments to suppliers for:			
- electricity purchases	97,472	109,638	(12,166)
- fuel purchases	48,016	43,668	4,348
- various supplies	1,034	3,122	(2,088)
- tenders	3,522	3,133	389
- other	3,391	3,270	121
Total	153,435	162,831	(9,396)
TOTAL	164,513	173,141	(8,628)

For more details on the expiry of commitments and guarantees, please see the section “Commitments to purchase commodities” in note 44.

52. Contingent assets and liabilities

The following reports the main contingent assets and liabilities at December 31, 2019, which are not recognized in the financial statements as they do not meet the requirements provided for in IAS 37.

Brindisi Sud thermal generation plant - Criminal proceedings against Enel employees

A criminal proceeding was held before the Court of Brindisi concerning the Brindisi Sud thermal plant. A number of employees of Enel Produzione – cited as a liable party in civil litigation – have been accused of causing criminal damage and dumping of hazardous substances with regard to the alleged contamination of land adjacent to the plant with coal dust as a result of actions between 1999 and 2011. At the end of 2013, the accusations were extended to cover 2012 and 2013. As part of the proceeding, injured parties, including the Province and City of Brindisi, have submitted claims for total damages of about €1.4 billion. In its decision of October 26, 2016, the Court of Brindisi: (i) acquitted nine of the thirteen defendants (employees/managers of Enel Produzione) for not having committed the offense; (ii) ruled that it did not have to proceed as the offense was time-barred for two of the defendants;

(and iii) convicted the remaining two defendants, sentencing them with all the allowances provided for by law to nine months’ imprisonment. With regard to payment of damages, the Court’s ruling also: (i) denied all claims of public parties and associations acting in the criminal proceeding to recover damages; and (ii) granted most of the claims filed by the private parties acting to recover damages, referring the latter to the civil courts for quantification without granting a provisional award. The convicted employees and the civil defendant, Enel Produzione, as well as by the employee for whom the expiry of period of limitations had been declared, appealed the conviction. On February 8, 2019, the Lecce Court of Appeal: (i) confirmed the trial court ruling regarding the criminal convictions of two Enel Produzione executives; (ii) denied the claims for damages of some private appellants; (iii) granted some claims for damages, which had been denied in the trial court, referring the parties, like the others – whose claims had been granted by the trial court – to the civil courts for quantification, without granting a provisional award; (iv) confirmed for the rest the ruling of the Court of Brindisi except for extending litigation costs to the Province of Brindisi, which had not been awarded damages at either the trial court or on appeal. With a subsequent ruling, the Court of Appeal of Lecce granted the appeal lodged by the Province of Brindisi against the ruling, acknowledging that a material error had been made

and therefore recognizing the generic entitlement of the Province to damages. The defendants filed an appeal against ruling with the Court of Cassation on June 22, 2019.

Criminal proceedings are also under way before the Courts of Reggio Calabria and Vibo Valentia against a number of employees of Enel Produzione for the offense of illegal waste disposal in connection with alleged violations concerning the disposal of waste from the Brindisi plant. Enel Produzione has not been cited as a liable party for civil damages.

The criminal proceedings before the Court of Reggio Calabria ended with the hearing of June 23, 2016. The court acquitted nearly all of the Enel defendants of the main charges because no crime was committed. Just one case was dismissed under the statute of limitations. Similarly, all of the remaining charges involving minor offenses were dismissed under the statute of limitations. The proceedings before the Court of Vibo Valentia are still pending and are currently in the testimony phase, as the court ruled that the offenses could not be dismissed under the statute of limitations. At a hearing on February 24, 2020, the Prosecution's expert witness testified and the proceedings will continue on April 27, 2020.

Enel Energia and Servizio Elettrico Nazionale antitrust proceeding

On May 11, 2017, the Competition Authority announced the beginning proceedings for alleged abuse of a dominant position under Article 102 of the Treaty on the Functioning of the European Union (TFEU) against Enel SpA (Enel), Enel Energia SpA (EE) and Servizio Elettrico Nazionale SpA (SEN), alleging, inter alia, that they had engaged in an exclusionary strategy, using a series of non-replicable commercial stratagems capable of hindering their non-integrated competitors to the benefit of the Group's company operating on the free market (EE).

On December 20, 2018 the Competition Authority adopted its final ruling, subsequently notified to the parties on January 8, 2019, with which it levied a fine on Enel SpA, SEN and EE of €93,084,790.50, for abuse of a dominant position in violation of Article 102 of the TFEU.

The disputed conduct consisted in the adoption of an exclusionary strategy through the illegitimate use of the data on regulated market customers acquired as part of the privacy consent mechanism for commercial purposes.

With regard to other allegations made with the measure to initiate the proceeding, concerning the organization and performance of sales activities at physical locations (Enel Points and Enel Point Partner Shops) and winback policies, the Com-

petition Authority reached the conclusion that the preliminary findings did not provide sufficient evidence of any abusive conduct on the part of Enel Group companies.

SEN, EE and Enel appealed the ruling before the Lazio Regional Administrative Court. With judgments issued on October 17, 2019, the Lazio Regional Administrative Court: (i) partially granted the appeals of EE and SEN concerning the illegitimacy of the determination of the penalty, which it has, as a result, voided, ordering the Competition Authority to recalculate of the sanction on the basis of specific parameters which were defined by the Lazio Regional Administrative Court in the final rulings, with particular regard to the substantial reduction in the period over which the alleged offense was said to have occurred; and (ii) denied Enel's appeal relating only to the parental liability attributed to it as the parent company. The three companies filed an appeal before the Council of State, with EE and SEN, in particular, arguing that the reduction in the period of the alleged abuse referred to in the judgments of the Lazio Regional Administrative Court partially granting the appeals was not appropriate, while Enel argued that its petition should be granted in full. The Competition Authority also filed a cross appeal against the rulings of the Lazio Regional Administrative Court, asking for restoration of the original situation.

Pending the preparation and notification of the appeals, on December 6, 2019, the Competition Authority, with its own measure notified on December 13, 2019, recalculated the penalty, reducing it to €27,529,786.46.

SEN, EE and Enel therefore notified the Competition Authority and filed with the Council of State a petition to suspend enforcement of the penalty, even in its restated amount, requesting the suspension of the related payment until the appeal was decided. At the pre-trial hearing, held on February 20, 2020, this petition was not discussed in consideration of the supervening action of the Council of State to set a date for the hearing of the arguments in the dispute and the consequent final decision for May 21, 2020.

BEG litigation

Following an arbitration proceeding initiated by BEG SpA in Italy, Enelpower obtained a ruling in its favor in 2002, which was upheld by the Court of Cassation in 2010, which entirely rejected the complaint with regard to alleged breach by Enelpower of an agreement concerning the construction of a hydroelectric power station in Albania. Subsequently, BEG, acting through its subsidiary Albania BEG Ambient, filed suit against Enelpower and Enel SpA in Albania concerning the

matter, obtaining a ruling from the District Court of Tirana, upheld by the Albanian Court of Cassation, ordering Enelpower and Enel to pay tortious damages of about €25 million for 2004 as well as an unspecified amount of tortious damages for subsequent years. Following the ruling, Albania BEG Ambient demanded payment of more than €430 million from Enel.

With a ruling of June 16, 2015, the first level was completed in the additional suit lodged by Enelpower SpA and Enel SpA with the Court of Rome asking the Court to ascertain the liability of BEG SpA for having evaded compliance with the arbitration ruling issued in Italy in favor of Enelpower SpA through the legal action taken by Albania BEG Ambient Shpk. With this action, Enelpower SpA and Enel SpA asked the Court to find BEG liable and order it to pay damages in the amount that the other could be required to pay to Albania BEG Ambient Shpk in the event of the enforcement of the sentence issued by the Albanian courts. With the ruling, the Court of Rome found that BEG SpA did not have standing to be sued, or alternatively, that the request was not admissible for lack of an interest for Enel SpA and Enelpower SpA to sue, as the Albanian ruling had not yet been declared enforceable in any court. The Court ordered the setting off of court costs. Enel SpA and Enelpower SpA appealed the ruling before the Rome Court of Appeal, asking that it be overturned in full. The next hearing, scheduled for November 13, 2019, was postponed until May 7, 2020.

On November 5, 2016, Enel SpA and Enelpower SpA filed a petition with the Albanian Court of Cassation, asking for the ruling issued by the District Court of Tirana on March 24, 2009 to be voided. The proceeding is still pending.

Proceedings undertaken by Albania BEG Ambient Shpk to obtain enforcement of the ruling of the District Court of Tirana of March 24, 2009

Albania BEG Ambient Shpk had initiated two proceedings requesting execution of the Albanian sentence before the courts of the State of New York and Ireland, which both ruled in favor of Enel SpA and Enelpower SpA, respectively, on February 23 and February 26, 2018. Accordingly, there are no lawsuits pending in Ireland or New York State.

France

In February 2012, Albania BEG Ambient filed suit against Enel SpA and Enelpower SpA with the *Tribunal de Grande Instance* in

Paris in order to render the ruling of the Albanian court enforceable in France. Enel SpA and Enelpower SpA challenged the suit. Following the beginning of the case before the *Tribunal de Grande Instance*, again at the initiative of BEG Ambient, between 2012 and 2013 Enel France was served with two “*Saise Conservatoire de Créances*” (orders for the precautionary attachment of receivables) to conserve any receivables of Enel SpA in respect of Enel France.

On January 29, 2018, the *Tribunal de Grande Instance* issued a ruling in favor of Enel and Enelpower, denying Albania BEG Ambient Shpk the recognition and enforcement of the Tirana court’s ruling in France for lack of the requirements under French law for the purposes of granting *exequatur*. Among other issues, the *Tribunal de Grande Instance* ruled that: (i) the Albanian ruling conflicted with an existing decision, in this case the arbitration ruling of 2002 and that (ii) the fact that BEG sought to obtain in Albania what it was not able to obtain in the Italian arbitration proceeding, resubmitting the same claim through Albania BEG Ambient Shpk, represented fraud. Albania BEG Ambient Shpk appealed the ruling. The hearing before the Paris Court of Appeal is scheduled for June 9, 2020 and briefs are being exchanged between the parties.

The Netherlands

At the end of July 2014, Albania BEG Ambient Shpk filed suit with the Court of Amsterdam to render the ruling of the Albanian court enforceable in the Netherlands. On June 29, 2016, the court filed its judgment, which: (i) ruled that the Albanian ruling meet the requirements for recognition and enforcement in the Netherlands; (ii) ordered Enel and Enelpower to pay €433,091,870.00 to Albania BEG Ambient Shpk, in addition to costs and ancillary charges of €60,673.78; and (iii) denied Albania BEG Ambient Shpk’s request to declare the ruling provisionally enforceable.

On June 29, 2016, Enel and Enelpower filed appeals against the ruling of the Court of Amsterdam issued on the same date. On September 27, 2016, Albania BEG Ambient also appealed the court’s ruling of June 29, 2016, to request the reversal of its partial loss on the merits. On April 11, 2017, the Amsterdam Court of Appeal granted the request of Enel and Enelpower to join to two pending appeals.

In a ruling of July 17, 2018, the Amsterdam Court of Appeal upheld the appeal advanced by Enel and Enelpower, ruling that the Albanian judgment cannot be recognized and enforced in the Netherlands. The Court of Appeal found that the Albanian decision was arbitrary and manifestly unreasonable and therefore contrary to Dutch public order. For these reasons, the court did not consider it necessary to analyze the

additional arguments of Enel and Enelpower.

The proceeding before the Court of Appeal continued with regard to the subordinate question raised by Albania BEG Ambient Shpk in the appeal proceedings, with which it is asking the court to rule on the merits of the dispute in Albania and in particular the alleged non-contractual liability of Enel and Enelpower in the failure to build the plant in Albania. On December 3, 2019, the Amsterdam Court of Appeal issued a ruling in which it quashed the trial court judgment of June 29, 2016, rejecting any claim made by Albania BEG Ambient Shpk. The Court came to this conclusion after affirming its jurisdiction over Albania BEG Ambient Shpk's subordinate claim and re-analyzing the merits of the case under Albanian law. Enel and Enelpower are therefore not liable to pay any amount to Albania BEG Ambient Shpk, which was in fact ordered by the Court of Appeal to reimburse the appellant companies for the losses incurred in illegitimate conservative seizures, to be quantified as part of a specific procedure, and the costs of the trial and appeal proceedings. On March 3, 2020, it was learned that Albania BEG Ambient Shpk had filed an appeal with the Supreme Court of the Netherlands.

Luxembourg

In Luxembourg, again at the initiative of Albania BEG Ambient Shpk, J.P. Morgan Bank Luxembourg SA was also served with an order for the precautionary attachment of any receivables of Enel SpA. In parallel Albania BEG Ambient Shpk filed a claim to obtain enforcement of the ruling of the Court of Tirana in that country. The proceeding is still under way and briefs are being exchanged between the parties. No ruling has been issued.

Violations of Legislative Decree 231/2001

On August 10, 2018, a direct summons for judgment was notified to e-distribuzione to appear before the Court of Milan on May 23, 2019. In addition to e-distribuzione SpA, the proceeding involves one of its employees, as well as a number of third-party companies and their representatives, concerning alleged violations of Legislative Decree 231/2001 on the administrative liability of legal persons. The proceeding was initiated for the alleged commission of the crime of unauthorized handling of waste (Article 256 of the Uniform Environmental Code) and for the violation of the provisions of the Code of Cultural Heritage (Legislative Decree 42/2004) in relation to works to remove a power line. On January 16, 2020, the last hearing was held, in which the Milan prosecutor's office ar-

gued for the acquittal of the employee of e-distribuzione SpA (and, consequently, of the company pursuant to Legislative Decree 231/2001), which was then confirmed by the acquittal ruling issued by the Court of Milan on January 23, 2020.

Environmental incentives - Spain

Following the Decision of the European Commission of November 27, 2017 on the issue of environmental incentives for thermal power plants, the European Commission's Directorate-General for Competition opened an investigation pursuant to Article 108, paragraph 2, of the Treaty on the Functioning of the European Union (TFEU) in order to assess whether the environmental incentive for coal power plants provided for in Order ITC/3860/2007 represents State aid compatible with the internal market. According to a literal interpretation of that Decision, the Commission reached the preliminary conclusion that the incentive in question would constitute State aid pursuant to Article 107, paragraph 1, of the TFEU, expressing doubts about the compatibility of the incentive with the internal market while recognizing that the incentives are in line with the European Union's environmental policy. On April 13, 2018, Endesa Generación SA, acting as an interested third party, submitted comments contesting this interpretation, while on July 30, 2018, it was learned that Gas Natural had appealed the decision of the Commission.

Bono Social - Spain

With the rulings of October 24 and 25, 2016 and November 2, 2016, the Spanish Supreme Court declared Article 45.4 of the Electricity Industry Law no. 24 of December 26, 2013 void for incompatibility with Directive 2009/72/EC of the European Parliament and of the Council of July 13, 2009, granting the appeals filed by Endesa against the obligation to finance the "Bono Social" (Social Bonus) mechanism. The Supreme Court recognized Endesa's right to receive all amounts that had been paid to users, in addition to legal interest (equal to about €214 million), under the "Bono Social" system, provided for in the law declared void by the Supreme Court. The government challenged these rulings of the Supreme Court, requesting that they be overturned, but the related appeals were denied. Subsequently, the government initiated two proceedings before the Constitutional Court requesting the reopening of the Supreme Court proceedings so that the latter may ask for a preliminary ruling from the European Court of Justice. The Constitutional Court granted the appeals and a preliminary ruling on the petition before the European Court

of Justice is pending. The government has not requested the repayment of any sum so far.

Furnas-Tractebel litigation - Brazil

In 1998 the Brazilian company CIEN (now Enel CIEN) signed an agreement with Tractebel for the delivery of electricity from Argentina through its Argentina-Brazil interconnection line. As a result of Argentine regulatory changes introduced as a consequence of the economic crisis in 2002, CIEN was unable to make the electricity available to Tractebel. In October 2009, Tractebel sued CIEN, which submitted its defense. CIEN cited force majeure as a result of the Argentine crisis as the main argument in its defense. Out of court, the Tractebel has indicated that it plans to acquire 30% of the interconnection line involved in the dispute. In March 2014, the court had granted CIEN's motion to suspend the proceedings in view of the existence of other litigation pending between the parties. On February 14, 2019, CIEN received notice of an order reopening the proceeding, with the beginning of expert witness operations. The amount involved in the dispute is estimated at about R\$118 million (about €28 million), plus unspecified damages.

For analogous reasons, in May 2010 Furnas had also filed suit against CIEN for failure to deliver electricity, requesting payment of about R\$520 million (about €124 million), in addition to unspecified damages, seeking to acquire ownership (in this case 70%) of the interconnection line. The proceeding was decided in CIEN's favor with a ruling of the Tribunal de Justiça with a definitive ruling of October 18, 2019, which denied all of the claims of Furnas.

Cibrán litigation - Brazil

Companhia Brasileira de Antibióticos (Cibrán) has filed six suits against Ampla Energia e Serviços SA (Ampla) to obtain damages for alleged losses incurred as a result of the interruption of electricity service by the Brazilian distribution company between 1987 and 2002, in addition to non-pecuniary damages. The Court ordered a unified technical appraisal for those cases, the findings of which were partly unfavorable to Ampla. The latter challenged the findings, asking for a new study, which led to the denial of part of Cibrán's petitions. Cibrán subsequently appealed the decision and the ruling was in favor of Ampla.

The first suit, filed in 1999 and regarding the years from 1994 to 1999, was adjudicated in September 2014 when the court of first instance issued a ruling against Ampla, levying a fine

of about R\$200,000 (about €46,000) as well as other damages to be quantified at a later stage. Ampla appealed the ruling and the appeal was upheld by the *Tribunal de Justiça*. In response, on December 16, 2016, Cibrán filed an appeal (recurso especial) before the *Superior Tribunal de Justiça*, and the proceeding is under way.

With regard to the second case, filed in 2006 and regarding the years from 1987 to 2002, on June 1, 2015, the courts issued a ruling ordering Ampla to pay R\$80,000 Brazilian (about €19,000) in non-pecuniary damages as well as R\$96,465,103 (about €23 million) in pecuniary damages, plus interest. On July 8, 2015 Ampla appealed the decision with the *Tribunal de Justiça* of Rio de Janeiro, which on November 6, 2019 issued a ruling granting Ampla's petition and denying all of Cibrán's claims. On November 25, 2019, Cibrán appealed the ruling of the *Tribunal de Justiça* of Rio de Janeiro and the proceeding is pending. Decisions at first instance are still pending with regard to the remaining four suits. The value of all the disputes is estimated at about R\$524 million (about €116 million).

Coperva litigation - Brazil

As part of the project to expand the grid in rural areas of Brazil, in 1982 Companhia Energética do Ceará SA (Coelce), then owned by the Brazilian government and now an Enel Group company, had entered into contracts for the use of the grids of a number of cooperatives established specifically to pursue the expansion project. The contracts provided for the payment of a monthly fee by Coelce, which was also required to maintain the networks.

Those contracts, between cooperatives established in special circumstances and the then public-sector company, do not specifically identify the grids governed by the agreements, which has prompted a number of the cooperatives to sue Coelce asking for, among other things, a revision of the fees agreed in the contracts. These actions include the suit filed by Cooperativa de Eletrificação Rural do V do Acaraú Ltda (Coperva) with a value of about R\$268 million (about €59 million). Coelce was granted rulings in its favor from the trial court and the court of appeal, but Coperva filed a further appeal (*Embargo de Declaração*), which was denied in a ruling of January 11, 2016. Coperva lodged an extraordinary appeal before the *Superior Tribunal de Justiça* on February 3, 2016, which was granted on November 5, 2018 for the ruling issued in the previous appeal (*Embargo de Declaração*). On December 3, 2018, Enel filed an appeal (*Agravo Interno*) against this ruling of the *Superior Tribunal de Justiça*. The proceedings are currently pending.

AGM litigation - Brazil

In 1993, Celg Distribuição SA - Celg-D (today Enel Distribuição Goiás), the Association of Municipalities of Goiás (AGM), the State of Goiás and the Banca de Goiás reached an agreement (*convenio*) for the payment of municipal debts to Celg-D through the transfer of the portion of ICMS - *Imposto sobre Circulação de Mercadorias e Serviços* (VAT) that the State would have transferred to those governments. In 2001 the parties to the agreement were sued by the individual municipal governments to obtain a ruling that the agreement was invalid, a position then upheld by the Supreme Federal Court on the grounds of the non-participation of the local governments themselves in the agreement process. In September 2004, Celg-D reached a settlement with 23 municipalities. Between 2007 and 2008, Celg-D was again sued on numerous occasions (there are currently 90 pending suits) seeking the restitution of amounts paid under the agreement. Despite the ruling that the agreement was void, Celg-D argues that the payment of the debts on the part of the local governments is legitimate, as electricity was supplied in accordance with the supply contracts and, accordingly, the claims for restitution of amounts paid should be denied.

The proceedings pending before the Goiás State Court include: (i) a suit filed by the Município de Aparecida de Goiânia, which is pending at the preliminary stage at first instance, for an amount of approximately R\$565 million (approximately €125 million); (ii) a suit filed by the Município de Quirinópolis, also pending at first instance for an amount of about R\$303 million (about €67 million); (iii) a suit filed by the Município de Anápolis, submitted to the court of first instance after a failed attempt at conciliation between the parties, for an amount of approximately R\$294 million (about €64 million).

The total value of the suits is equal to about R\$4 billion (about €894 million). It is important to emphasize that the contingent liability deriving from this dispute is covered by the "Funac" provision established during the privatization of Celg-D.

ANEEL litigation - Brazil

In 2014, Eletropaulo (today Enel Distribuição São Paulo) initiated an action before the federal courts seeking to void the administrative measure of ANEEL (the National Electricity Agency), which in 2012 retroactively introduced a negative coefficient to be applied in determining rates for the following regulatory period (2011-2015). With this provision, the Authority ordered the restitution of the value of some components of the network previously included in rates because they were

considered non-existent and denied Eletropaulo's request to include additional components in rates. On September 9, 2014, the administrative measure of ANEEL was suspended on a precautionary basis. The first-instance proceeding is in its preliminary stages and the value of the suit is R\$888 million (about €196 million).

Neoenergia arbitration - Brazil

On June 18, 2018, Neoenergia brought an arbitration action against Eletropaulo (today Enel Distribuição São Paulo) before the *Câmara de Arbitragem do Mercado* (CAM) concerning the investment agreement signed by the two companies on April 16, 2018. Neoenergia alleged unequal treatment of the participants in the procedure for the acquisition of Eletropaulo. On September 3, 2018, Neoenergia modified its claim, abandoning its request for specific execution of the obligation contained in the contract. The current claim is a request for damages for losses caused by alleged non-performance of the investment agreement. A ruling is pending. On February 27, an arbitration ruling was issued denying all of the claims of Neoenergia and ordering it to pay Eletropaulo's arbitration costs.

Fortaleza - Brazil

Petroleo Brasileiro SA - Petrobras, as gas supplier for the Fortaleza plant (Central Geradora Termelétrica Fortaleza - CGTF) in Brazil, announced its intention to terminate the contract between the parties on the grounds that the agreement was allegedly imbalanced financially in consideration of current market conditions. The contract was signed in 2003 as part of the "Priority Thermal Generation Program" established by the Brazilian government in order to increase thermoelectric generation and the security of supply in the country. The program established that the Brazilian government would act as the guarantor of the supply of gas at regulated prices defined by the Brazil's Ministry of Finance, Mines and Energy.

In order to guarantee the security of electricity supply in Brazil, CGTF initiated legal action in the ordinary courts against Petrobras with a request for precautionary protection, obtaining, at the end of 2017, a court injunction suspending the termination of the contract, which was declared still in force. Subsequently, on February 27, 2018, the court decided to extinguish the action initiated by CGTF before the ordinary courts and, consequently, to revoke the precautionary measure that had permitted the supply of gas. CGTF filed appeals against these latest decisions on both a precautionary

and ordinary basis, obtaining a second favorable ruling that enabled the plant to operate for some time but which was subsequently revoked. CGTF has challenged this decision, confident that the courts will recognize Petrobras' obligation to perform the contract. The proceeding is still pending.

At the end of January 2018, CGTF received an arbitration request from Petrobras in relation to the disputes described above and no decision has yet been issued.

Subsequently, a precautionary measure was obtained in favor of CGTF, ordering the suspension of the payment of certain amounts by CGTF to Enel Ceará (the purchaser of the electricity).

On October 25, 2018, another precautionary measure was obtained in favor of CGTF, ordering the restoration of Petrobras' obligation to supply gas. The latter filed an appeal against this decision, which was denied. Petrobras then challenged this decision with a further appeal (*Embargo de Declaração*), which was also denied on December 5, 2019. On January 27, 2020, Petrobras filed two different types of extraordinary appeal before the Supreme Court and the Federal Court of Brasilia, respectively, to contest this decision. The proceedings are currently pending.

El Quimbo - Colombia

A number of legal actions ("*acciones de grupo*" and "*acciones populares*") brought by residents and fishermen in the affected area are pending with regard to the El Quimbo project for the construction of a 400 MW hydroelectric plant in the region of Huila (Colombia). More specifically, the first *acción de grupo*, currently in the preliminary stage, was brought by around 1,140 residents of the municipality of Garzón, who claim that the construction of the plant would reduce their business revenue by 30%. A second action was brought, between August 2011 and December 2012, by residents and businesses/associations of five municipalities of Huila claiming damages related to the closing of a bridge (Paso El Colegio). With regard to *acciones populares*, or class action lawsuits, in 2008 a suit was filed by a number of residents of the area demanding, among other things, that the environmental permit be suspended. Another *acción popular* was brought by a number of fish farming companies over the alleged impact that filling the Quimbo basin would have on fishing in the Betania basin downstream from Quimbo. After a number of precautionary rulings, on February 22, 2016, the Huila court issued a ruling allowing generation to continue for six months. The court ordered Emgesa to prepare a technical design that would ensure compliance with oxygen level requirements and to provide collateral of about 20,000,000,000 Colombian pesos (about €5.5 million). The Huila court sub-

sequently extended the six-month time limit, and therefore, in the absence of contrary court rulings the Quimbo plant is continuing to generate electricity as the oxygenation system installed by Emgesa has so far demonstrated that it can maintain the oxygen levels required by the court.

On March 22, 2018, ANLA and CAM jointly presented the final report on the monitoring of water quality downstream of the dam of the El Quimbo hydroelectric plant. Both authorities confirmed the compliance of Emgesa with the oxygen level requirements. On June 15, 2018, Emgesa filed its final pleadings and is waiting for the court to issue its ruling.

Nivel de Tensión Uno proceedings - Colombia

This dispute involves an "*acción de grupo*" brought by Centro Médico de la Sabana hospital and other parties against Codensa seeking restitution of allegedly excess rates. The action is based upon the alleged failure of Codensa to apply a subsidized rate that they claim the users should have paid as *Tensión Uno* category users (voltage of less than 1 kV) and owners of infrastructure, as established in Resolution no. 82/2002, as amended by Resolution no. 97/2008. The suit is at a preliminary stage. The estimated value of the proceeding is about 337 billion Colombian pesos (about €96 million).

Arbitration proceedings in Colombia

On October 8, 2018 the Grupo Energía de Bogotá (GEB) (which holds about 51.5% of Emgesa and Codensa) announced that it had started arbitration proceedings before the *Centro de Arbitraje y Conciliación de la Cámara de Comercio de Bogotá* against Enel Américas SA for an alleged breach of contract in relation to the non-distribution of dividends in the 2016, 2017 and 2018 financial years for the companies Emgesa and Codensa and for the failure to comply with certain provisions of the shareholders' agreement. The GEB is claiming damages of about €514 million plus interest. The procedure is in the preliminary phase.

In parallel, GEB also initiated, respectively, 17 arbitration proceedings against Codensa and 20 against Emgesa, for a total of 37 pending disputes (now joined into two separate proceedings for each company), in an attempt to void the decisions of the *Junta Directiva* and shareholders' meetings of the defendant companies for alleged violation of mandatory rules, defect of absolute nullity for illegality of motive and subject

matter and alleged violation of shareholders' agreements. The value of the disputes is undetermined and the proceedings are both in the preliminary phase.

Gabčíkovo dispute - Slovakia

Slovenské elektrárne ("SE") is involved in a number of cases before the national courts concerning the 720 MW Gabčíkovo hydroelectric plant, which is administered by Vodohospodárska Výstavba Štátny Podnik ("VV") and whose operation and maintenance, as part of the privatization of SE in 2006, had been entrusted to SE for a period of 30 years under a management agreement (the VEG Operating Agreement).

Immediately after the closing of the privatization, the Public Procurement Office (PPO) filed suit with the Court of Bratislava seeking to void the VEG Operating Agreement on the basis of alleged violations of the regulations governing public tenders, qualifying the contract as a service contract and as such governed by those regulations. In November 2011 the trial court ruled in favor of SE, whereupon the PPO immediately appealed the decision.

In parallel with the PPO action, VV also filed a number of suits, asking in particular for the voidance of the VEG Operating Agreement.

On December 12, 2014, VV withdrew unilaterally from the VEG Operating Agreement, notifying its termination on March 9, 2015, for breach of contract. On March 9, 2015, the decision of the appeals court overturned the ruling of the trial court and voided the contract as part of the action pursued by the PPO. SE lodged an extraordinary appeal against that decision before the Supreme Court. At a hearing of June 29, 2016, the Supreme Court denied the appeal. SE then appealed the ruling to the Constitutional Court, which denied the appeal on January 18, 2017.

In addition, SE lodged a request for arbitration with the Vienna International Arbitral Centre (VIAC) under the VEG Indemnity Agreement. Under that accord, which had been signed as part of the privatization between the National Property Fund (now MH Manazment) of the Slovak Republic and SE, the latter is entitled to an indemnity in the event of the early termination of the VEG Operating Agreement for reasons not attributable to SE. The arbitration court rejected the objection that it did not have jurisdiction and the arbitration proceeding continued to examine the merits of the case, with a ruling on the amount involved being deferred to any subsequent proceeding. On June 30, 2017, the arbitration court issued its ruling denying the request of SE.

In parallel with the arbitration proceeding launched by SE,

both VV and MH Manazment filed two suits in the Slovakian courts to void the VEG Indemnity Agreement owing to the alleged connection of the latter with the VEG Operating Agreement. These proceedings were joined and, on September 27, 2017, a hearing was held before the Court of Bratislava in which the judge denied the request of the plaintiffs for procedural reasons. Both VV and MH Manazment appealed that decision. A decision is pending in the first proceeding initiated by VV, while the appeal filed by MH Manazment was denied by the Bratislava Court of Appeal on June 8, 2019, upholding the decision of the court of first instance in favor of SE. At the local level, SE was sued by VV for alleged unjustified enrichment (estimated at about €360 million plus interest) for the period from 2006 to 2015. SE filed counter-claims for all of the proceedings under way and, in particular: (i) for 2006, 2007 and 2008, at the hearing of June 26, 2019, the Court of Bratislava denied the claims of both parties for procedural reasons. The ruling in first instance was appealed by both VV and SE and briefs are being exchanged; (ii) for the proceeding regarding 2011, a date for the hearing has yet to be set; (iii) with regard to the proceeding involving 2012, at the hearing of April 24, 2019, the Court denied the petition of VV, which filed an appeal on June 21, 2019 and the appeal is under way; (iv) for the proceedings concerning 2010 and 2013, the hearing of the court of first instance has been set for March 10, 2020. Finally, in another proceeding before the Court of Bratislava, VV asked for SE to return the fee for the transfer from SE to VV of the technology assets of the Gabčíkovo plant as part of the privatization, with a value of about €43 million plus interest. The parties exchanged briefs. At the hearing on November 19, 2019, the court issued a preliminary decision on the case in which it noted the lack of standing of VV. The hearing was adjourned until March 12, 2020 and deadlines have been set for a further exchange of briefs by the parties.

Precautionary administrative proceeding and Chucas arbitration

PH Chucas SA (Chucas) is a special purpose entity established by Enel Green Power Costa Rica SA after it won a tender organized in 2007 by the *Instituto Costarricense de Electricidad* (ICE) for the construction of a 50 MW hydroelectric plant and the sale of the power generated by the plant to ICE under a build, operate and transfer contract (BOT).

On May 27, 2015, under the provisions of the BOT contract, Chucas initiated an arbitration proceeding before the *Cám-*

ara Costarricense-Norteamericana de Comercio (AMCHAM CICA) seeking reimbursement of the additional costs incurred to build the plant and as a result of the delays in completing the project as well as avoidance of the fine levied by ICE for alleged delays in finalizing the works. In a decision issued in December 2017, the arbitration board ruled in Chucas' favor, granting recognition of the additional costs in the amount of about \$113 million (about €91 million) and legal costs and ruling that the fines should not be paid. ICE appealed the arbitration ruling in the local courts and on September 5, 2019 Chucas was notified of the ruling upholding the ICE's appeal to void the arbitration ruling for a number of formal procedural reasons. On September 11, 2019, Chucas filed a "*recurso de aclaración y adición*" with the same court and is awaiting a decision.

GasAtacama Chile - Chile

On August 4, 2016, the *Superintendencia de Electricidad y Combustibles* (SEC) fined GasAtacama Chile \$8.3 million (about 5.8 billion Chilean pesos) for information provided by the latter to the CDEC-SING (*Centro de Despacho Económico de Carga*) between January 1, 2011 and October 29, 2015, relating to the Minimum Technical and Minimum Operating Time variables at the Atacama plant.

GasAtacama Chile appealed this measure with the SEC, which denied the appeal on November 2, 2016. GasAtacama Chile appealed this decision before the Santiago Court of Appeal, which on April 9, 2019, issued a ruling reducing the fine to about \$432,000 (about 290 million Chilean pesos). Both GasAtacama Chile and the SEC have appealed this decision before the Supreme Court of Chile. On June 28, 2019, a hearing was held for both parties to submit arguments and on January 15, 2020 the Supreme Court upheld the ruling of the Santiago Court of Appeal, leaving unchanged the reduction in the fine established by that court.

In parallel, GasAtacama Chile also filed an appeal before the Constitutional Court, claiming that the legal provisions under which the SEC imposed the fine had been repealed at the time the penalty was issued. On July 17, 2018, the Constitutional Court rejected GasAtacama Chile's appeal.

In relation to this issue, some operators of the *Sistema Interconectado del Norte Grande* (SING), including Aes Gener SA, Eléctrica Angamos SA and Engie Energía Chile SA, have initiated actions in order to obtain damages in an amount of about €58 million (the former) and about €141 million (the latter two). The disputes were joindered in part in a single proceeding and are currently in the preliminary phase.

Tax litigation in Brazil

Withholding tax - Ampla

In 1998, Ampla Energia e Serviços SA (Ampla) financed the acquisition of Coelce with the issue of bonds in the amount of \$350 million ("*Fixed Rate Notes*" - FRN) subscribed by its Panamanian subsidiary, which had been established to raise funds abroad. Under the special rules then in force, subject to maintaining the bond until 2008, the interest paid by Ampla to its subsidiary was not subject to withholding tax in Brazil. However, the financial crisis of 1998 forced the Panamanian company to refinance itself with its Brazilian parent, which for that purpose obtained loans from local banks. The tax authorities considered this financing to be the equivalent of the early extinguishment of the bond, with the consequent loss of entitlement to the exemption from withholding tax.

In December 2005, Ampla carried out a spin-off that involved the transfer of the residual FRN debt and the associated rights and obligations to Ampla Investimentos e Serviços SA. On November 6, 2012, the *Câmara Superior de Recursos Fiscais* (the highest level of administrative courts) issued a ruling against Ampla, for which the company promptly asked that body for clarifications. On October 15, 2013, Ampla was notified of the denial of the request for clarification (*Embargo de Declaração*), thereby upholding the previous adverse decision. The company provided security for the debt and on June 27, 2014 continued litigation before the ordinary courts (*Tribunal de Justiça*).

In December 2017, the court appointed an expert to examine the issue in greater detail in support of the future ruling. In September 2018, the expert submitted a report, requesting additional documentation.

In December 2018, the company provided the additional documentation and is awaiting the court's assessment of the arguments and documents presented.

The amount involved in the dispute at December 31, 2019 was about €288 million.

PIS - Eletropaulo

In July 2000, Eletropaulo filed suit seeking a tax credit for PIS (*Programa Integração Social*) paid in application of regulations (Decree Laws 2.445/1988 and 2.449/1988) that were subsequently declared unconstitutional by the *Supremo Tribunal Federal* (STF). In May 2012, the *Superior Tribunal de Justiça* (STJ) issued a final ruling in favor of the company that recognized the right to the credit.

In 2002, before the issue of that favorable final ruling, the

company had offset its credit against other federal taxes. This behavior was contested by the federal tax authorities but the company, claiming it had acted correctly, challenged in court the assessments issued by the federal tax authorities. Following defeat at the initial level of adjudication, the company appealed.

The amount involved in the dispute at December 31, 2019 was about €145 million.

ICMS - Ampla, Coelce and Eletropaulo

The States of Rio de Janeiro, Ceará and São Paulo issued a number of tax assessments against Ampla Energia e Serviços SA (for the years 1996-1999 and 2007-2017), Companhia Energética do Ceará (2003, 2004 and 2006-2012) and Eletropaulo (2008-2018), challenging the deduction of ICMS (*Imposto sobre Circulação de Mercadorias e Serviços*) in relation to the purchase of certain non-current assets. The companies challenged the assessments, arguing that they correctly deducted the tax and asserting that the assets, the purchase of which generated the ICMS, are intended for use in their electricity distribution activities.

The companies are continuing to defend their actions at the various levels of adjudication.

The amount involved in the disputes totaled approximately €98 million at December 31, 2019.

Withholding tax - Endesa Brasil

On November 4, 2014, the Brazilian tax authorities issued an assessment against Endesa Brasil SA (now Enel Brasil SA) alleging the failure to apply withholding tax to payments of allegedly higher dividends to non-resident recipients.

More specifically, in 2009, Endesa Brasil, as a result of the first-time application of the IFRS-IAS, had cancelled goodwill, recognizing the effects in equity, on the basis of the correct application of the accounting standards it had adopted. The Brazilian tax authorities, however, asserted – during an audit – that the accounting treatment was incorrect and that the effects of the cancellation should have been recognized through profit or loss. As a result, the corresponding value (about €202 million) was reclassified as a payment of income to non-residents and, therefore, subject to withholding tax of 15%.

It should be noted that the accounting treatment adopted by the company was agreed with the external auditor and also confirmed by a specific legal opinion issued by a local firm.

The first two levels of the administrative courts ruled for the tax authorities. At the third level of jurisdiction the company's appeal was denied for formal reasons, a ruling that the company opposed and will continue its defend its actions in court and

the appropriateness of the accounting treatment.

The overall amount involved in the dispute at December 31, 2019 was about €71 million.

Tax litigation - PIS - Eletropaulo

In December 1995, the Brazilian government increased the rate of the federal PIS (*Programa Integração Social*) tax from 0.50% to 0.65% with the issue of a provisional measure (Executive Provisional Order).

Subsequently, the provisional measure was re-issued five times before its definitive ratification into law in 1998. Under Brazilian legislation, an increase in the tax rate (or the establishment of a new tax) can only be ordered by law and take effect 90 days after its publication.

Eletropaulo therefore filed suit arguing that an increase in the tax rate would only have been effective 90 days after the last Provisional Order, claiming that the effects of the first four provisional measures should be considered void (since they were never ratified into law). This dispute ended in April 2008 with recognition of the validity of the increase in the PIS rate starting from the first provisional measure.

In May 2008, the Brazilian tax authorities filed a suit against Eletropaulo to request payment of taxes corresponding to the rate increase from March 1996 to December 1998. Eletropaulo has fought the request at the various levels of adjudication, arguing that the time limit for the issue of the notice of assessment had lapsed. In particular, since more than five years have passed since the taxable event (December 1995, the date of the first provisional measure) without issuing any formal instrument, the right of the tax authorities to request the payment of additional taxes and the authority to undertake legal action to obtain payment have been challenged.

In 2017, following the unfavorable decisions issued in previous rulings, Eletropaulo filed an appeal in defense of its rights and its actions with the *Superior Tribunal de Justiça* (STJ) and the *Supremo Tribunal Federal* (STF). The proceedings are still pending while the amounts subject to dispute have been covered by a bank guarantee.

With regard to the request of the Office of the Attorney General of the Brazilian National Treasury Department to replace the bank guarantee with a deposit in court, the court of second instance granted the petition. The company therefore replaced the bank guarantee with a cash deposit and filed a clarification motion against the related decision, which is currently awaiting a decision.

The total value of the suit at December 31, 2019 was about €54 million.

ICMS - Coelce

The State of Ceará has filed various tax assessments against Companhia Energética do Ceará SA over the years (for tax periods from 2005 to 2014), contesting the determination of the deductible portion of the ICMS (*Imposto sobre Circulação de Mercadorias e Serviços*) and in particular the method of calculation of the pro-rata deduction with reference to the revenue deriving from the application of a special rate envisaged by the Brazilian government for the sale of electricity to low-income households (*Baixa Renda*).

The company has appealed the individual assessments, arguing that the tax deduction was calculated correctly. The company is defending its actions in the various levels of jurisdiction. The total value of the suits at December 31, 2019 was about €50 million.

FINSOCIAL - Eletropaulo

Following a final ruling issued by the Federal Regional Court on September 11, 2011, Eletropaulo was recognized the right to compensation for certain FINSOCIAL credits (social contributions) relating to sums paid from September 1989 to March 1992.

Despite the expiration of the relative statute of limitations, the Federal Tax Authority contested the determination of some credits and rejected the corresponding offsetting, issuing tax assessments that the company promptly challenged in the administrative courts, defending the legitimacy of its calculations and actions.

After an unfavorable ruling at first instance, the company filed an appeal before the administrative court of second instance.

The total value of the suits at December 31, 2019 was about €49 million.

Tax litigation in Spain

Income tax - Enel Iberia, Endesa and subsidiaries

In 2018, the Spanish tax authorities completed a general audit involving the companies of the Group participating in the Spanish tax consolidation mechanism. This audit, which began in 2016, involved corporate income tax, value added tax and withholding taxes (mainly for the years 2012 to 2014).

With reference to the main claims, the companies involved have challenged the related assessments at the first administrative level (*Tribunal Económico-Administrativo Central - TEAC*), defending the correctness of their actions.

With regard to the disputes concerning corporate income tax,

the issues for which an unfavorable outcome is considered possible amounted to about €149 million at December 31, 2019: (i) Enel Iberia is defending the appropriateness of the criterion adopted for determining the deductibility of capital losses deriving from stock sales (around €103 million) and certain financial charges (around €17 million); (ii) Endesa and its subsidiaries are mainly defending the appropriateness of the criteria adopted for the deductibility of certain financial charges (about €23 million) and costs for decommissioning nuclear power plants (about €6 million).

Income taxes - Enel Green Power España SL

On June 7, 2017, the Spanish tax authorities issued a notice of assessment to Enel Green Power España SL, contesting the treatment of the merger of Enel Unión Fenosa Renovables SA ("EUFER") into Enel Green Power España SL in 2011 as a tax neutral transaction, asserting that the transaction had no valid economic reason.

On July 6, 2017, the company appealed the assessment at the first administrative level (*Tribunal Económico-Administrativo Central - TEAC*), defending the appropriateness of the tax treatment applied to the merger. The company has provided the supporting documentation demonstrating the synergies achieved as a result of the merger in order to prove the existence of a valid economic reason for the transaction. On December 10, 2019, the TEAC denied the appeal and the company will continue to defend its actions in court (*Audiencia Nacional*), asking for the suspension of collection to be continued through the current bank guarantee. The total value of the suit at December 31, 2019 was about €93 million.

53. Future accounting standards

The following provides a list of accounting standards, amendments and interpretations that will take effect for the Group after December 31, 2019:

- > “IFRS 17 - Insurance Contracts”, issued in May 2017. The standard will take effect, subject to endorsement, for annual periods beginning on or after January 1, 2021, with earlier application permitted.
- > “Amendments to References to the Conceptual Framework in IFRS Standards”, issued in March 2018. The document sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. These amendments accompany the latest version of the “Revised Conceptual Framework for Financial Reporting”, issued in March 2018, which includes some new concepts, provides updated definitions and recognition criteria and clarifies some important concepts. The revised Conceptual Framework and the above amendments will take effect for annual reporting periods beginning on or after January 1, 2020.
- > “Amendments to IFRS 3 - Definition of a Business”, issued in October 2018, is intended to assist companies in determining whether a set of activities and assets is a business. The amendments will take effect, subject to endorsement, for annual periods beginning on or after January 1, 2020.
- > “Amendments to IAS 1 and IAS 8 - Definition of Material”, issued in October 2018, to align the definition of “material” across accounting standards and clarify a number of aspects. The definition of material is as follows: “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments will take effect for annual periods beginning on or after January 1, 2020.
- > “Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform”, issued in September 2019, which amend provisions concerning hedge accounting and certain additional disclosure requirements during the transition period (i.e. until the determination of an official alternative interest rate benchmark). The reform will impact fair value measurement, the effects of hedge accounting and net financial position when the alternative rates are established.
- > “Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”, issued in September 2014. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in IFRS 3). The IASB has deferred the effective date of these amendments indefinitely, but if the amendments are applied early, they must be applied prospectively.
- > “Amendments to IAS 1 - Classification of Liabilities as Current or Non-current”, issued in January 2020. The amendments regard the provisions of IAS 1 concerning the presentation of liabilities. More specifically, the changes clarify:
 - the criteria to adopt in classifying a liability as current or non-current, specifying that the right of an entity to defer settlement must exist at the end of the reporting period;
 - the classification is unaffected by the intentions or expectations of management about when the entity will exercise its right to defer settlement of a liability;
 - how the terms of a loan affect classification; and
 - that settlement regards the transfer to the counterparty of cash, equity instruments, other assets or services.
 The amendments will take effect, subject to endorsement, for annual periods beginning on or after January 1, 2022, with earlier application permitted.

The Group is assessing the potential impact of the future application of the new provisions.

54. Events after the reporting period

Fortaleza - Brazil

Petroleo Brasileiro SA - Petrobras, the gas supplier for the Fortaleza plant (Central Geradora Termelétrica Fortaleza or CGTF) in Brazil, has – as discussed in note 52 “Contingent assets and liabilities” – notified its intention to terminate the contract signed between those parties on the basis of an alleged financial imbalance in consideration of current market conditions. Accordingly, on January 27, 2020, Petrobras filed two different types of extraordinary appeal before the Supreme Court and the Federal Court of Brasilia, respectively, to contest this decision. The proceedings are currently pending.

Endesa arbitration award

Following numerous unsuccessful negotiations, on December 4, 2019, the most representative union within Endesa decided to voluntarily participate in an arbitration proceeding before the *Servicio Interconfederal de Mediación y Arbitraje* (SIMA) with the aim of resolving the main differences relating to 5th Endesa Collective Bargaining Agreement. As a prerequisite to the arbitration proceeding, in December 2019, Endesa’s largest union agreed to waive its appeal pending before the Supreme Court against the judgment of the court of first instance of March 26, 2019, which was favorable to Endesa, finding that the company’s interpretation of the appropriateness of the elimination of certain social benefits for retired staff as a consequence of the termination of 4th Endesa Collective Bargaining Agreement was legitimate. The other trade unions involved have refused to join the arbitration proceeding, electing to go ahead with the proceedings before the Supreme Court.

On January 21, 2020, the arbitration award was issued, with the amendment of the corresponding parts of the 5th Endesa Collective Bargaining Agreement, which was subsequently signed by the social partners. It entered force on January 23, 2020. On the same date, Endesa also signed two further collective bargaining agreements (a “framework guarantee contract” and an “agreement on voluntary measures to suspend or terminate employment contracts”) with all the unions present in the company.

At present, it is not possible to quantify the financial impact that the changes adopted will have on 2020, which are currently being evaluated by the company. The parties involved are working together in the transition process to determine and formalize the financial aspects of the accord.

Coronavirus pandemic (COVID-19)

The novel coronavirus (COVID-19) epidemic began in Wuhan, China, and was first reported by national authorities to the World Health Organization on December 30, 2019.

In the early weeks of 2020, despite the considerable concern expressed by international organizations, the epidemic appeared to be limited to certain areas of Southeast Asia and the Middle East, affecting only a number of regions in China, South Korea and Iran.

In the second half of February, the first sporadic full-blown cases of COVID-19 in Italy started a second phase of the epidemic, with a rapid escalation of its spread throughout Europe.

Recently, the World Health Organization confirmed that the health emergency linked to COVID-19 has risen to the level of a pandemic and, just over two months after its initial reporting, the number of cases identified outside China has now exceeded those reported within the country in which the epidemic first occurred. This is due to the growing spread of the virus in Europe, where Italy and Spain have the largest number of infections to date, the rapid rise in the United States, as well as the emergence of the first outbreaks in Latin America and Africa.

To contain the effects of the disease, pending medical trials to develop a vaccine that can be administered to humans, governments have adopted numerous containment measures, essentially aimed at restricting the free movement of people, which may be maintained, or made more stringent, based on the future spread of the virus.

The Group has issued guidelines aimed at ensuring compliance with the measures introduced at the local level and taken numerous steps to adopt the most suitable procedures to prevent and/or mitigate the effects of contagion in the workplace.

In particular, business continuity is being managed thanks above all to:

- > the use of smart working for all employees whose jobs can be done remotely in the countries where the Group has its largest presences, an approach introduced some years ago that, thanks to investments in digitalization, allows our people to work remotely at the same level of efficiency and effectiveness;
- > the use of digitalized infrastructures that ensure the normal operation of our generation assets, the continuity of elec-

tricity service and the remote management of all activities relating to the market and our relationship with customers. An Enel Global Task Force is also operational at the country level, which is charged with coordinating and directing the actions to be undertaken in the countries where the Group operates, in synergy with the global technological Business Lines.

In compliance with ESMA's recommendations of March 11, 2020, the Group has conducted internal analyzes to assess the real and potential impacts of COVID-19 on business activities, on the financial situation and on performance, which essentially concern the following dimensions:

- > forecasting the macroeconomic impacts on the main areas of interest and in the main countries in which the Group operates;
- > forecasting electricity and gas prices in energy and other commodity markets;
- > forecasting of the impacts on electricity demand in the countries in which the Group operates of the various

measures taken at the local level to contain the spread of the disease;

- > analyzing possible delays in supplies and tenders, at the single Business Line supply chain level, that could be caused by the restrictions imposed on economic activity in some countries.

On the basis of the current information available, in a constantly evolving scenario, we are constantly monitoring changes in macroeconomic and business variables in order to obtain the best estimate of the potential impacts on the Group in real time and enable their mitigation with response and contingency plans.

Thanks to the Group's geographical diversification, its integrated business model all along the value chain, a sound financial structure, as well as the level of digitalization achieved, which enables us guarantee the continuity of our operating activities with the same level of service, there is no evidence that COVID-19 will have a significant impact on the Group.

Declaration of the Chief Executive Officer and the officer responsible for the preparation of the consolidated financial report

Declaration of the Chief Executive Officer and the officer responsible for the preparation of the consolidated financial report of the Enel Group at December 31, 2019, pursuant to the provisions of Article 154-*bis*, paragraph 5, of Legislative Decree 58 of February 24, 1998 and Article 81-*ter* of CONSOB Regulation no. 11971 of May 14, 1999

1. The undersigned Francesco Starace and Alberto De Paoli, in their respective capacities as Chief Executive Officer and officer responsible for the preparation of the financial reports of Enel SpA, hereby certify, taking account of the provisions of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:
 - a. the appropriateness with respect to the characteristics of the Enel Group and
 - b. the effective adoption of the administrative and accounting procedures for the preparation of the consolidated financial statements of the Enel Group in the period between January 1, 2019 and December 31, 2019.

2. In this regard, we report that:
 - a. the appropriateness of the administrative and accounting procedures used in the preparation of the consolidated financial statements of the Enel Group has been verified in an assessment of the internal control system for financial reporting. The assessment was carried out on the basis of the guidelines set out in the "Internal Controls - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
 - b. the assessment of the internal control system for financial reporting did not identify any material issues.

3. In addition, we certify that the consolidated financial statements of the Enel Group at December 31, 2019:
 - a. have been prepared in compliance with the international accounting standards recognized in the European Union pursuant to Regulation 2002/1606/EC of the European Parliament and of the Council of July 19, 2002;
 - b. correspond to the information in the books and other accounting records;
 - c. provide a true and fair representation of the performance and financial position of the issuer and the companies included in the scope of consolidation.

4. Finally, we certify that the Report on Operations, accompanied by the consolidated financial statements of the Enel Group at December 31, 2019, contains a reliable analysis of operations and performance, as well as the situation of the issuer and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

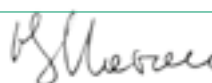
Rome, March 19, 2020

Francesco Starace

Alberto De Paoli

Chief Executive Officer of Enel SpA

Officer responsible for the preparation
of the financial reports of Enel SpA




Reports

Report of the Board of Statutory Auditors to the Shareholders' Meeting of Enel SpA

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS'
MEETING OF ENEL SpA CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR 2019
(pursuant to Article 153 of Legislative Decree 58/1998)

Shareholders,

During the year ended December 31, 2019 we performed the oversight activities envisaged by law at Enel SpA (hereinafter also "Enel" or the "Company"). In particular, pursuant to the provisions of Article 149, paragraph 1, of Legislative Decree 58 of February 24, 1998 (hereinafter the "Consolidated Law on Financial Intermediation") and Article 19, paragraph 1 of Legislative Decree 39 of January 27, 2010, as amended by Legislative Decree 135 of July 17, 2016 (hereinafter "Decree 39/2010"), we monitored:

- compliance with the law and the corporate bylaws as well as compliance with the principles of sound administration in the performance of the Company's business;
- the Company's financial reporting process and the adequacy of the administrative and accounting system, as well as the reliability of the latter in representing operational events;
- the statutory audit of the annual statutory and consolidated accounts and the selection process and independence of the Audit Firm;
- the adequacy and effectiveness of the internal control and risk management system;
- the adequacy of the organizational structure of the Company, within the scope of our responsibilities;
- the implementation of the corporate governance rules as provided for by the 2018 edition of the Corporate Governance Code for Listed Companies (hereinafter, the "Corporate Governance Code"), which the Company has adopted;
- the appropriateness of the instructions given by the Company to its subsidiaries to enable Enel to meet statutory public disclosure requirements.

In performing our checks and assessments of the above issues, we did not find any particular issues to report.

In compliance with the instructions issued by CONSOB with Communication no. DEM/1025564 of April 6, 2001, as amended, we report the following:

- we monitored compliance with the law and the bylaws and we have no issues to report;

- on a quarterly basis, we received adequate information from the Chief Executive Officer, as well as through our participation in the meetings of the Board of Directors of Enel, on activities performed, general developments in operations and the outlook, and on transactions with the most significant impact on performance or the financial position carried out by the Company and its subsidiaries. We report that the actions approved and implemented were in compliance with the law and the bylaws and were not manifestly imprudent, risky, in potential conflict of interest or in contrast with the resolutions of the Shareholders' Meeting or otherwise prejudicial to the integrity of the Company's assets. For a discussion of the features of the most significant transactions, please see the report on operations accompanying the separate financial statements of the Company and the consolidated financial statements of the Enel Group for 2019 (in the section "Significant events in 2019");
- we did not find any atypical or unusual transactions conducted with third parties, Group companies or other related parties;
- in the section "Related parties" of the notes to the separate 2019 financial statements of the Company, the directors describe the main transactions with related-parties – the latter being identified on the basis of international accounting standards and the instructions of CONSOB – carried out by the Company, to which readers may refer for details on the transactions and their financial impact. They also detail the procedures adopted to ensure that related-party transactions are carried out in accordance with the principles of transparency and procedural and substantive fairness. The transactions were carried out in compliance with the approval and execution processes set out in the related procedure – adopted in compliance with the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing regulations issued by CONSOB – described in the report on corporate governance and ownership structure for 2019. All transactions with related parties reported in the notes to the separate 2019 financial statements of the Company were executed as part of ordinary operations in the interest of the Company and settled on market terms and conditions;
- the Company declares that it has prepared its separate financial statements for 2019 on the basis of international accounting standards (IAS/IFRS) – and the interpretations issued by the IFRIC and the SIC – endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 and in force at the close of 2019, as well as the provisions of Legislative Decree 38 of February 28, 2005 and its related implementing measures, as it did the previous year. The Company's

separate financial statements for 2019 have been prepared on a going-concern basis using the cost method, with the exception of items that are measured at fair value under the IFRS-EU, as indicated in the accounting policies for the individual items of the financial statements. The notes to the separate financial statements give detailed information on the accounting standards and measurement criteria adopted. With regard to recently issued accounting standards, the notes to the separate financial statements report (i) standards applied for the first time in 2019, which as indicated in the notes did not have a significant impact in the year under review, and (ii) standards that will apply in the future. The separate financial statements for 2019 of the Company underwent the statutory audit by the Audit Firm, EY SpA, which issued an unqualified opinion, including with regard to the consistency of the report on operations and certain information in the report on corporate governance and ownership structure of the Company with the financial statements, as well as the compliance of the report on operations with the provisions of law, pursuant to Article 14 of Decree 39/2010 and Article 10 of Regulation (EU) no. 537/2014. The report of EY SpA also includes:

- a discussion of key aspects of the audit report on the separate financial statements; and
- the declaration provided pursuant to Article 14, paragraph 2(e) of Decree 39/2010 stating that the audit firm did not identify any significant errors in the contents of the report on operations;
- the Company declares that it has also prepared the consolidated financial statements of the Enel Group for 2019 on the basis of international accounting standards (IAS/IFRS) – and the interpretations issued by the IFRIC and the SIC – endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 and in force at the close of 2019, as well as the provisions of Legislative Decree 38 of February 28, 2005 and its related implementing measures, as it did the previous year. The 2019 consolidated financial statements of the Enel Group are also prepared on a going-concern basis using the cost method, with the exception of items that are measured at fair value under the IFRS-EU (as indicated in the discussion of measurement criteria for the individual items) and non-current assets (or disposal groups) classified as held for sale, which are measured at the lower of carrying amount and fair value less costs to sell. The notes to the consolidated financial statements provide a detailed discussion of the accounting standards and measurement criteria adopted. As regards recently issued accounting standards, the notes to the consolidated financial statements discuss (i) standards applied for the first time in 2019, in particular IFRS 16 Leases, with

a specific discussion of the associated impacts on the balance sheet and income statement, and (ii) standards that will apply in the future. The consolidated financial statements for 2019 of the Enel Group underwent statutory audit by the Audit Firm EY SpA, which issued an unqualified opinion, including with regard to the consistency of the consistency of the report on operations and certain information in the report on corporate governance and ownership structure with the consolidated financial statements, as well as the compliance of the report on operations with the provisions of law, pursuant to Article 14 of Decree 39/2010 and Article 10 of Regulation (EU) no. 537/2014. The report of EY SpA also includes:

- a discussion of key aspects of the audit report on the consolidated financial statements; and
- the declaration provided pursuant to Article 14, paragraph 2(e) of Decree 39/2010 and Article 4 of CONSOB Regulation no. 20267 (implementing Legislative Decree 254 of December 30, 2016) concerning, respectively, a statement that the Audit Firm did not identify any significant errors in the contents of the report on operations and that it verified that the Board of Directors had approved the consolidated non-financial statement.

Under the terms of its engagement, EY SpA also issued unqualified opinions on the financial statements for 2019 of the most significant Italian companies of the Enel Group. Moreover, during periodic meetings with the representatives of the Audit Firm, EY SpA, the latter did not raise any issues concerning the reporting packages of the main foreign companies of the Enel Group, selected by the auditors on the basis of the work plan established for the auditing of the consolidated financial statements of the Enel Group, that would have a sufficiently material impact to be reported in the opinion on those financial statements;

- taking due account of the recommendations of the European Securities and Markets Authority issued on January 21, 2013, and most recently confirmed with the Public Statement of October 27, 2015, to ensure greater transparency concerning the methods used by listed companies in testing goodwill for impairment, in line with the recommendations contained in the joint Bank of Italy – CONSOB – ISVAP document no. 4 of March 3, 2010, and in the light of indications of CONSOB in its Communication no. 7780 of January 28, 2016, the compliance of the impairment testing procedure with the provisions of IAS 36 was expressly approved by the Board of Directors of the Company, having obtained a favorable opinion in this regard from the Control and Risk Committee in February 2020, i.e. prior to the date of approval of the financial statements for 2019;

- we examined the Board of Directors' proposal for the allocation of net income for 2019 and have no comments in this regard;
- we note that the Board of Directors of the Company certified, following appropriate checks by the Control and Risk Committee and the Board of Statutory Auditors in March 2020, that as at the date on which the 2019 financial statements were approved, the Enel Group continued to meet the conditions established by CONSOB (set out in Article 15 of the Market Rules, approved with Resolution no. 20249 of December 28, 2017) concerning the accounting transparency and adequacy of the organizational structures and internal control systems that subsidiaries established and regulated under the law of non-EU countries must comply with so that Enel shares can continue to be listed on regulated markets in Italy;
- we monitored, within the scope of our responsibilities, the adequacy of the organizational structure of the Company (and the Enel Group as a whole), obtaining information from department heads and in meetings with the boards of auditors or equivalent bodies of a number of the main Enel Group companies in Italy and abroad, for the purpose of the reciprocal exchange of material information. As from the second half of 2014, the organizational structure of the Enel Group is based on a matrix of Global Business Lines and geographical areas. Taking account of the changes implemented most recently in 2019, it is organized into: (i) Global Business Lines, which are responsible for managing and developing assets, optimizing their performance and the return on capital employed in the various geographical areas in which the Group operates. The Global Business Lines are: Global Infrastructure and Networks, Global Power Generation, Global Trading and Enel-X; (ii) Regions and Countries, which are responsible for managing relationships with local institutional bodies, regulatory authorities, the media and other local stakeholders, as well as the development of the customer base with regard to the sale of electricity and gas, in each of the countries in which the Group is present, while also providing staff and other service support to the Global Business Lines and adopting appropriate security, safety and environmental standards. Regions and Countries comprise: Italy, Iberia, Europe and Euro-Mediterranean Affairs, Latin America, North America, and Africa, Asia and Oceania; (iii) Global Service Functions, which are responsible for managing information and communication technology activities (Global Digital Solutions) and procurement at the Group level (Global Procurement); and (iv) Holding Company Functions, which among other things are responsible for managing governance processes at the Group level. They include: Administration,

Finance and Control, Human Resources and Organization, Communications, Legal and Corporate Affairs, Audit and Innovation. The Board of Statutory Auditors feels that the organizational system described above is adequate to support the strategic development of the Company and the Enel Group and is also consistent with control requirements;

- during meetings with the boards of auditors or equivalent bodies of a number of the Group's main companies in Italy and abroad, no material issues emerged that would require reporting here;
- we monitored the independence of the Audit Firm EY SpA, having received from them specific written confirmation today that they met that requirement (pursuant to the provisions of Article 6, paragraph 2(a), of Regulation (EU) 537/2014) and having discussed the substance of that declaration with the audit partner. In this regard, we also monitored – as provided for under Article 19, paragraph 1(e), of Decree 39/2010 – the nature and the scale of non-audit services provided to the Company and other Enel Group companies by EY SpA and the entities belonging to its network, the fees for which are reported in the notes to the separate financial statements of the Company. Following our examinations, the Board of Statutory Auditors feels that there are no critical issues concerning the independence of the Audit Firm EY SpA. We held periodic meetings with the representatives of the Audit Firm, pursuant to Article 150, paragraph 3, of the Consolidated Law on Financial Intermediation, and no material issues emerged that would require mention in this report.

As regards the provisions of Article 11 of Regulation (EU) 537/2014, EY SpA today provided the Board of Statutory Auditors with the "additional report" for 2019 on the results of the statutory audit carried out, which indicates no significant difficulties encountered during the audit or any significant shortcomings in the internal control system for financial reporting or the Enel accounting system. The Board of Statutory Auditors will transmit that report to the Board of Directors promptly, accompanied by any comments it may have, in accordance with Article 19, paragraph 1(a), of Decree 39/2010.

The Audit Firm also reported that it did not prepare any management letter for 2019;

- with regard to the activities performed by the Board of Statutory Auditors in 2019 concerning the specific selection process for the engagement to perform the statutory audit of the accounts of Enel SpA for the 2020-2028 period, please see (i) the report referred to in Article 153 of the Consolidated Law on Financial Intermediation, approved by the Board of Statutory Auditors on April 17, 2019,

- submitted to the Ordinary Shareholders' Meeting of May 16, 2019, and (ii) the explanatory report on the sixth item of the agenda of that Shareholders' Meeting;
- we monitored the financial reporting process, the appropriateness of the administrative and accounting system and its reliability in representing operational events, as well as compliance with the principles of sound administration in the performance of the Company's business and we have no comments in that regard. We conducted our checks by obtaining information from the head of the Administration, Finance and Control department (taking due account of the head's role as the officer responsible for the preparation of the Company's financial reports), examining Company documentation and analyzing the findings of the examination performed by EY SpA. The Chief Executive Officer and the officer responsible for the preparation of the financial reports of Enel issued a statement (regarding the Company's 2019 separate financial statements) certifying (i) the appropriateness with respect to the characteristics of the Company and the effective adoption of the administrative and accounting procedures used in the preparation of the financial statements; (ii) the compliance of the content of the financial reports with international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002; (iii) the correspondence of the financial statements with the information in the books and other accounting records and their ability to provide a true and fair representation of the performance and financial position of the Company; and (iv) that the report on operations accompanying the financial statements contains a reliable analysis of operations and performance, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed. The statement also affirmed that the appropriateness of the administrative and accounting procedures used in the preparation of the separate financial statements of the Company had been verified in an assessment of the internal control system for financial reporting (supported by the findings of the independent testing performed by a qualified external advisor and the Company's Audit department, with each focusing on their respective areas of responsibility on the basis of the different nature of the various checks) and that the assessment of the internal control system did not identify any material issues. An analogous statement was prepared for the consolidated financial statements for 2019 of the Enel Group;
 - we monitored the adequacy and effectiveness of the internal control system, primarily through constant participation of the head of the Audit department of the Company in the meetings of the Board of Statutory Auditors and holding most

of the meetings jointly with the Control and Risk Committee, as well as through periodic meetings with the body charged with overseeing the operation of and compliance with the organizational and management model adopted by the Company pursuant to Legislative Decree 231/2001. In the light of our examination and in the absence of significant issues, the internal control and risk management system can be considered adequate and effective. In February 2020, the Board of Directors of the Company expressed an analogous assessment of the situation and also noted, in November 2019, that the main risks associated with the strategic targets set out in the 2020-2024 Business Plan were compatible with the management of the Company in a manner consistent with those targets;

- in 2019 we received one complaint concerning events deemed censurable pursuant to Article 2408 of the Italian Civil Code from a shareholder on the occasion of the Shareholders' Meeting of May 16, 2019. More specifically, the complaint regarded the allegedly arbitrary manner with which the Chairman of the Meeting determined the amount of time available to shareholders to request the floor and make their comments, in violation of the Rules of the Shareholders' meeting. The Board of Statutory Auditors, having conducted appropriate enquiries with the support of the Legal and Corporate Affairs department, found no irregularities to report and notified the shareholder involved of our findings. No petitions were received by the Board of Statutory Auditors during 2019;
- we monitored the effective implementation of the Corporate Governance Code, which the Company has adopted, verifying the compliance of Enel's governance arrangements with the recommendations of the Code. Detailed information on the Company's corporate governance system can be found in the report on corporate governance and ownership structure for 2019. In March 2019 and February 2020, the Board of Statutory Auditors verified that the Board of Directors, in evaluating the independence of non-executive directors, correctly applied the assessment criteria specified in the Corporate Governance Code and the principle of the priority of substance over form set out in that Code, adopting a transparent procedure, the details of which are discussed in the report on corporate governance and ownership structure for 2019.

With regard to the so-called "self-assessment" of the independence of its members, the Board of Statutory Auditors – in May 2019 and in February 2020 – ascertained that all standing statutory auditors met the relevant requirements set out in the Consolidated Law on Financial Intermediation and in the Corporate Governance Code.

In the final part of 2019 and during the first two months of 2020, the Board of Statutory Auditors, with the support of an independent advisory firm, conducted a board review assessing the size, composition and functioning of the Board of Statutory Auditors, as was done for 2018, similar to the review conducted for the Board of Directors since 2004. This is a best practice that the Board of Statutory Auditors intended to adopt even in the absence of a specific recommendation of the Corporate Governance Code, a “peer-to-peer review” approach, i.e. the assessment not only of the functioning of the body as a whole, but also of the style and content of the contribution provided by each of the auditors. The findings of the board review for 2019 offer a positive picture of the functioning of Enel’s Board of Statutory Auditors, from which it emerges that this body – despite having significantly changed its composition following the appointment of a new Board by the Ordinary Shareholders’ Meeting of May 16, 2019 – has adopted effective and efficient operating methods that comply with the reference regulatory framework, as attested by the advisory firm charged with supporting the evaluation process;

During 2019, the Board of Statutory Auditors also participated in an induction program, structured into 4 meetings, organized by the Company to provide directors and statutory auditors with an adequate understanding of the business sectors in which the Enel Group operates, as well as the company dynamics and their evolution, market trends and the applicable regulatory framework. For an analysis of the issues addressed at the various induction sessions, please see the report on corporate governance and ownership structure for 2019;

- we monitored the application of the provisions of Legislative Decree 254 of December 30, 2016 (hereinafter “[Decree 254](#)”) concerning the disclosure of non-financial and diversity information by certain large undertakings and groups. In performing that activity, we monitored the adequacy of the organizational, administrative, reporting and control system established by the Company in order to enable the accurate representation in the consolidated non-financial statement for 2019 of the activity of the Enel Group, its results and its impacts in the non-financial areas referred to in Article 3, paragraph 1, of Decree 254, and have no comments in this regard. The Audit Firm, EY SpA, issued, pursuant to Article 3, paragraph 10, of Decree 254 and Article 5 of CONSOB Regulation no. 20267 of January 18, 2018, its certification of the conformity of the information provided in the consolidated non-financial statement with the requirements of applicable law;
- since the listing of its shares, the Company has adopted specific rules (most recently amended in September 2018) for the internal management and

processing of confidential information, which also set out the procedures for the disclosure of documentation and information concerning the Company and the Group, with specific regard to inside information. Those rules (which can be consulted on the corporate website) contain appropriate provisions directed at subsidiaries to enable Enel to comply with statutory public disclosure requirements, pursuant to Article 114, paragraph 2, of the Consolidated Law on Financial Intermediation;

- in 2002 the Company also adopted (and has subsequently updated, most recently in December 2019) a Code of Ethics (also available on the corporate website) that expresses the commitments and ethical responsibilities involved in the conduct of business, regulating and harmonizing corporate conduct in accordance with standards of maximum transparency and fairness with respect to all stakeholders;
- with regard to the provisions of Legislative Decree 231 of June 8, 2001 – which introduced into Italian law a system of administrative (in fact criminal) liability for companies for certain types of offences committed by its directors, managers or employees on behalf of or to the benefit of the company – since July 2002 Enel has adopted a compliance program consisting of a “general part” and various “special parts” concerning the difference offences specified by Legislative Decree 231/2001 that the program is intended to prevent. For a description of the manner in which the model has been adapted to the characteristics of the various Italian companies of the Group, as well as a description of the purposes of the “Enel Global Compliance Program” for the Group’s foreign companies, please see the report on corporate governance and ownership structure for 2019. The structure that monitors the operation and compliance with the program and is responsible for updating it is a collegial body. Since December 2017 it has been composed of three external members with specific professional expertise on corporate organization matters and corporate criminal law. The Board of Statutory Auditors received adequate information on the main activities carried out in 2019 by that structure, including in meetings with its members. Our examination of those activities found no facts or situations that would require mention in this report;
- in 2019, the Board of Statutory Auditors issued a favorable opinion (at the meeting of February 5, 2019), concerning the 2019 Audit Plan in accordance with the provisions of Article 7.C.1, letter c) of the Corporate Governance Code, preliminary to the resolutions pertaining to the Board of Directors in that regard;
- a report on the fixed and variable compensation accrued by those who served as Chairman of the Board of Directors, the Chief Executive Officer/General Manager

and other directors in 2019 for their respective positions and any compensation instruments awarded to them is contained in the Report on Remuneration Policy for 2020 and Remuneration Paid in 2019 referred to in Article 123-ter of the Consolidated Law on Financial Intermediation, approved by the Board of Directors, acting on a proposal of the Nomination and Compensation Committee on April 2, 2020, which will be published in compliance with the time limits established by law. The design of these compensation instruments is in line with best practices, complying with the principle of establishing a link with appropriate financial and non-financial performance targets and pursuing the creation of shareholder value over the medium and long term. The proposals to the Board of Directors concerning such forms of compensation and the determination of the associated parameters were prepared by the Nomination and Compensation Committee, which is made up entirely of independent directors, drawing on the findings of benchmark analyses, including at the international level, conducted by an independent consulting firm. In addition, the Report on Remuneration Policy for 2020 and Remuneration Paid in 2019 referred to in Article 123-ter of the Consolidated Law on Financial Intermediation contains, in compliance with the applicable CONSOB regulations, specific disclosures on the remuneration earned in 2019 by key management personnel (in aggregate form for the latter) and by the members of the oversight body.

The Board of Statutory Auditors also supervised the process of preparing the remuneration policy for 2020, without finding any critical issues. In particular, oversight activity examined the consistency of the various measures envisaged by that policy with the provisions of Directive (EU) 2017/828 (the transposition of which into Italian law had not yet been completed at the date of this Report), with the recommendations of the Corporate Governance Code, as well as with the results of the benchmark analysis carried out, including at the international level, by an independent consulting firm that the Nomination and Compensation Committee elected to engage.

The Board of Statutory Auditors' oversight activity in 2019 was carried out in 17 meetings (12 of which held jointly with the Control and Risk Committee) and with participation in the 14 meetings of the Board of Directors, and, through the chairman or one or more of its members, in the 8 meetings of the Nomination and Compensation Committee, in the only meeting of the Related Parties Committee and in the 8 meetings of the Corporate Governance and Sustainability Committee. The

delegated magistrate of the State Audit Court participated in the meetings of the Board of Statutory Auditors and those of the Board of Directors.

During the course of this activity and on the basis of information obtained from EY SpA, no omissions, censurable facts, irregularities or other significant developments were found that would require reporting to the regulatory authorities or mention in this report.

Finally, the Board of Statutory Auditors notes, as at the date of this Report, the major global health emergency associated with the COVID-19 epidemic. Italian authorities have introduced significant limitations on freedom of movement within the country to contain the contagion, among other things imposing bans on gatherings.

In this context, the Board of Statutory Auditors, in compliance with the above measures to contain the COVID-19 epidemic, has held its meetings – beginning with the meeting of February 26, 2020 – exclusively with the use of audio/video conference systems by all participants, nevertheless ensuring their identification and the exchange of documentation, in accordance with the provisions of Article 25.4 of the Bylaws.

The Board of Statutory Auditors also notes that, as permitted under Article 106, paragraph 4, of Decree Law 18 of March 17, 2020, the Company's Board of Directors has called the ordinary Shareholders' Meeting for May 14, 2020 in a single call, establishing that it will be conducted in a manner that enables shareholders to participate exclusively through the shareholders' representative designated by the Company, to whom shareholders may also confer proxies or sub-proxies pursuant to Article 135-novies of the Consolidated Law on Financial Intermediation, also in derogation from the provisions of Article 135-undecies, paragraph 4, of the same Consolidated Law. The Board of Statutory Auditors will ensure that the rights of the Shareholders can be exercised on the occasion of the aforementioned Shareholders' Meeting, within the limits permitted by the special procedures envisaged for holding the Meeting.

In the coming months, the Board of Statutory Auditors will carry out its oversight activity, in close coordination with the Board of Directors, to evaluate the impact of the COVID-19 epidemic on the performance and financial situation of the Company and the Enel Group.

Based on the oversight activity performed and the information exchanged with the independent auditors EY SpA, we recommend that you approve the Company's financial statements for the year ended December 31, 2019 in conformity with the proposals of the Board of Directors.

Rome, April 8, 2020

The Board of Statutory Auditors



Barbara Tadolini - Chairman



Romina Guglielmetti - Auditor



Claudio Sottoriva - Auditor

Report of the Audit Firm on the 2019 consolidated financial statements of the Enel Group



Enel S.p.A.

Consolidated financial statements as at December 31, 2019

Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010, and article
10 of EU Regulation n. 537/2014



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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014 (Translation from the original Italian text)

To the Shareholders of
Enel S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Enel Group (the Group), which comprise the balance sheet as at December 31, 2019, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity the statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Enel S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EY S.p.A.
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We identified the following key audit matters:

Key Audit Matter	Audit Response
<p>Recoverability of non-current assets</p> <p>The consolidated financial statements include, within the non-current assets balance, Property, Plant and Equipment for Euro 79.809 million, Intangible Assets for Euro 19.089 million and Goodwill for Euro 14.241 million.</p> <p>The Directors tested for impairment the carrying values of the Cash Generating Units (CGUs) as of the balance sheet date, which include goodwill, intangible assets with indefinite useful lives and other non-current assets where indication of impairment were noted.</p> <p>The process adopted by management and the methodologies for assessing and determining the recoverable amount of each CGU are sometimes based on complex assumptions which, due to their nature, require the Directors to exercise their judgment. Such a judgment relates, primarily, to the cash flow projections deriving from the Industrial Plan 2020-2024 as well as from the determination of the long-term growth rates and the discount rates applied to these projections.</p> <p>In 2019, the Group reported impairment losses of Euro 4,221 million mainly related to write-down of carrying values of certain coal-fired plants in Italy, Spain, Chile and Russia.</p> <p>In relation to the above, the key assumptions made by the Directors relate to future economic trends, including future trends of the electricity and gas demand and the related expected prices, the availability of renewable resources as well as certain assumptions such as inflation, exchange and interest rates.</p> <p>Because of the judgment required and the complexity of assumptions used to estimate the recoverable amount of the non-current assets, we identified this area as a Key Audit Matter.</p> <p>The disclosures related to the impairment of non-current assets are included in Note 2.</p>	<p>Our audit procedures in response to this Key Audit Matter included, among others:</p> <ul style="list-style-type: none"> • Assessment of the impairment process of non-current assets and related controls implemented by the Group; • Assessment of the criteria adopted to identify the CGUs and the reconciliation of their carrying amounts to the consolidated financial statements; • Assessment of the key assumptions underlying the Industrial Plan 2020-2024 and relevant future cash flows, including the comparison with industry data and forecasts; • Assessment of the consistency of the cash flow projections for each CGU with the Industrial Plan 2020-2024; • Assessment of IAS 36 accounting requirements for the reversal of previously recognized impairment losses; • Assessment of the management's ability to make accurate projections, through the comparison of the actual results with the previous forecasts. <p>In performing our procedures, we engaged our valuation experts in order to verify the methodologies used in the process, the mathematical accuracy of the model, the reasonableness of the long-term growth rates and the discount rates as well as the results of the sensitivity analysis performed by the management.</p> <p>Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements relating this Key Audit Matter.</p>



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“Accounting policies and measurement criteria - Recoverability of non-financial assets”, Note 16.
“Property, Plant and Equipment” and Note 21.
“Goodwill”.

Key Audit Matter	Audit Response
<p>Revenues from unbilled sale of electricity and gas</p> <p>Revenues from sales of electricity and gas to retail customers are recognized upon delivery and include, in addition to amounts invoiced based on periodic meter readings or on the volumes notified by distributors and transporters, an estimate of the electricity and gas delivered during the year but not yet invoiced. Revenues accrued between the date of the last meter reading and year-end are based on estimates of the daily consumption of customers, primarily determined on their historical information, adjusted to reflect the climate factors or other matters that may affect the estimated consumption.</p> <p>Because of the complexity of assumptions used to estimate the revenues from unbilled sale of electricity and gas, we identified this area as a Key Audit Matter.</p> <p>The disclosures related to the revenues from unbilled sale of electricity and gas are included in Note 2. “Accounting policies and measurement criteria – Use of estimates – Revenue Recognition”.</p>	<p>Our audit procedures in response to this Key Audit Matter included, among others:</p> <ul style="list-style-type: none">• assessment of the process related to the recognition of revenues from sales of electricity and gas and related key controls, including Information Technology controls, implemented by the entities within the Group;• assessment of the algorithms and data in the ERP systems of such Group entities, also with the support of our Information Technology specialists;• testing of a sample of data used by management to determine the accrued revenues, including, whenever applicable, the comparison of quantities entered into the network as made available by transporters and distributors;• look-back analysis of prior estimates against actual data subsequently reported. <p>Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements relating this Key Audit Matter.</p>



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Key Audit Matter	Audit Response
<p>Legal proceedings</p> <p>The Group is involved in several civil, administrative and tax disputes arising from the normal course of business, for which final outcomes cannot be easily predicted and could potentially result in significant liabilities. The assessment of the risks associated with the litigations is based on complex assumptions, which, by their nature, require the use of the Directors' judgment. Such judgment relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the financial statements; it is also based on the assessment made by internal and external legal counsels.</p> <p>Because of the judgment required, the materiality of such litigations and the complexity of the assessment process, we identified this area as a Key Audit Matter.</p> <p>The disclosures related to legal proceedings are included in Note 2. "Accounting policies and measurement criteria – Use of estimates – Litigation" and Note 52. "Contingent liabilities and assets".</p>	<p>Our audit procedures in response to this Key Audit Matter included, among others:</p> <ul style="list-style-type: none">• assessment of the process and relevant controls implemented to identify legal and tax litigations, and pending administrative proceedings;• assessment of the assumptions used in the valuation of potential legal and tax risks performed by the legal and tax departments within the Group;• inquiry with the legal and tax departments regarding the status of the most significant disputes and inspection of the key relevant documentation, also with the support of our tax and legal experts;• analysis of the external confirmations received from the external legal and tax counsels assisting the Group entities involved in such disputes, and assessment of the consistency of the information obtained with the risk assessment performed by management and the legal and tax departments. <p>Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements relating to this Key Audit Matter.</p>



Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Enel S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future

- events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Enel S.p.A., in the general meeting held on April 29, 2011, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2011 to December 31, 2019.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.



Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Enel S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Group Enel as at December 31, 2019, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements of Enel Group as at December 31, 2019 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Enel Group as at December 31, 2019 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of Enel S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information are subject to a separate compliance report signed by us.

Rome, April 8, 2020

EY S.p.A.
Signed by: Massimo Antonelli, Auditor

This report has been translated into the English language solely for the convenience of international readers.

Attachments

Subsidiaries, associates and other significant equity investments of the Enel Group at December 31, 2019

In compliance with CONSOB Notice no. DEM/6064293 of July 28, 2006 and Article 126 of CONSOB Resolution no. 11971 of May 14, 1999, a list of subsidiaries and associates of Enel SpA at December 31, 2019, pursuant to Article 2359 of the Italian Civil Code, and of other significant equity investments is provided below. Enel has full title to all investments.

The following information is included for each company: name, registered office, share capital, currency in which share capital is denominated, activity, method of consolidation, Group companies that have a stake in the company and their respective ownership share, and the Group's ownership share.

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Parent Company									
Enel SpA	Rome	Italy	10,166,679,946.00	EUR	Holding	Holding			
Subsidiaries									
(Cataldo) Hydro Power Associates	Albany	USA	-	USD	Electricity generation from renewable resources	Equity	Hydro Development Group Acquisition LLC Pyrites Hydro LLC	50.00% 50.00%	50.00%
4814 Investments LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Abc Solar 10 SpA	Santiago	Chile	1,000,000.00	CLP	Plant construction and electricity generation from renewable resources	Line-by-line	Enel Green Power Chile Ltda	100.00%	61.93%
Abc Solar 2 SpA	Santiago	Chile	1,000,000.00	CLP	Plant construction and electricity generation from renewable resources	Line-by-line	Enel Green Power Chile Ltda	100.00%	61.93%
Aced Renewables Hidden Valley (RF) (Pty) Ltd	Gauteng	Republic of South Africa	1,000.00	ZAR	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power RSA 2 (RF) (Pty) Ltd	60.00%	60.00%
Activation Energy Limited	Dublin	Ireland	100,000.00	EUR	Renewable energy	Line-by-line	EnerNOC Ireland Limited	100.00%	100.00%
Adams Solar PV Project Two (RF) (Pty) Ltd	Gauteng	Republic of South Africa	10,000,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	60.00%	60.00%
Adria Link Srl	Gorizia	Italy	300,297.00	EUR	Design, construction and operation of merchant lines	Equity	Enel Produzione SpA	50.00%	50.00%
Aero-tanna Srl	Rome	Italy	15,000.00	EUR	Renewable energy	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Agassiz Beach LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Agatos Green Power Trino Srl	Rome	Italy	10,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Solar Energy Srl	80.00%	80.00%
Agrupación Acefhat AIE	Barcelona	Spain	793,340.00	EUR	Design and services	-	Edistribución Redes Digitales SL (Sociedad Unipersonal)	14.29%	10.01%
Aguilón 20 SA	Zaragoza	Spain	2,682,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	51.00%	35.75%
Alba Energia Ltda	Niterói	Brazil	16,045,169.00	BRL	Development, design, construction and operation of plants	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Albany Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Alliance SA	Managua	Nicaragua	6,180,150.00	NIO	-	Equity	Ufinet Latam SLU	49.90%	10.27%
Almeyda Solar SpA	Santiago	Chile	1,736,965,000.00	CLP	Electricity generation from renewable resources	Line-by-line	Enel Green Power Chile Ltda	100.00%	61.93%
Almussafes Servicios Energéticos SL	Barcelona	Spain	3,010.00	EUR	Management and maintenance of power plants Electricity sale	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Alpe Adria Energia Srl	Udine	Italy	900,000.00	EUR	Design, construction and operation of merchant lines	Line-by-line	Enel Produzione SpA	50.00%	50.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Alta Farms Wind Project II LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Alvorada Energia SA	Niterói	Brazil	21,017,415.92	BRL	Electricity generation and sale	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Ampla Energia e Serviços SA	Niterói	Brazil	2,498,230,386.65	BRL	Electricity generation, transmission and distribution	Line-by-line	Enel Brasil SA	99.73%	57.11%
Anea- Agenzia napoletana per l'energia e l'ambiente	Naples	Italy	418,330.12	EUR	-	-	e-distribuzione SpA	12.96%	12.96%
Annandale Solar LLC	Minnesota	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Apiacás Energia SA	Niterói	Brazil	14,216,846.33	BRL	Electricity sale	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Aquenergy Systems LLC	Greenville	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Aquila Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Aragonesa de Actividades Energéticas SA	Teruel	Spain	60,100.00	EUR	Electricity sale	Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.10%
Aranort Desarrollos SL	Madrid	Spain	3,010.00	EUR	Wind plants	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Asociación Nuclear Ascó-Vandellós II AIE	Vandellós L'Hospitalet de l'Infant	Spain	19,232,400.00	EUR	Management and maintenance of power plants	Proportional	Endesa Generación SA	85.41%	59.87%
Athonet France SASU	Paris	France	50,000.00	EUR	ICT	-	Athonet Srl	100.00%	16.00%
Athonet Srl	Trieste	Italy	6,892,757.00	EUR	-	-	Enel X Srl	16.00%	16.00%
Athonet UK Ltd	Battle, East Sussex	United Kingdom	1.00	GBP	Telecommunications	-	Athonet Srl	100.00%	16.00%
Athonet USA Inc.	Wilmington	USA	1.00	USD	Any legal activity	-	Athonet Srl	100.00%	16.00%
Atwater Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Aurora Distributed Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Solar Holdings LLC	51.00%	51.00%
Aurora Land Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Aurora Solar Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Aurora Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Autumn Hills LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Avikiran Energy India Private Limited	Gurugram	India	100,000.00	INR	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power India Private Limited (formerly BLP Energy Private Limited)	100.00%	100.00%
Avikiran Solar India Private Limited	New Delhi	India	100,000.00	INR	Electricity generation from renewable resources	Line-by-line	Enel Green Power India Private Limited (formerly BLP Energy Private Limited)	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Avikiran Surya India Private Limited	Gurugram	India	100,000.00	INR	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power India Private Limited (formerly BLP Energy Private Limited)	100.00%	100.00%
Avikiran Vayu India Private Limited	Gurugram	India	100,000.00	INR	Electricity generation, distribution and sale	Line-by-line	Enel Green Power India Private Limited (formerly BLP Energy Private Limited)	100.00%	100.00%
Azure Sky Solar Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Azure Sky Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Baikal Enterprise SL	Palma de Mallorca	Spain	3,006.00	EUR	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Baleares Energy SL	Palma de Mallorca	Spain	4,509.00	EUR	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Barnet Hydro Company LLC	Burlington	USA	-	USD	Electricity generation from renewable resources	AFS	Enel North America Inc. Sweetwater Hydroelectric LLC	10.00% 90.00%	100.00%
Barnwell County Solar Project LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Baylio Solar SLU	Seville	Spain	3,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Beaver Falls Water Power Company	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Beaver Valley Holdings LLC	67.50%	67.50%
Beaver Valley Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Beaver Valley Power Company LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Belomechetskaya WPS	Moscow	Russian Federation	3,010,000.00	RUB	Renewables	Line-by-line	Enel Green Power Rus Limited Liability Company	100.00%	100.00%
Bioenergy Casei Gerola Srl	Rome	Italy	100,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Black River Hydro Assoc.	Albany	USA	-	USD	Electricity generation from renewable resources	Equity	(Cataldo) Hydro Power Associates Enel North America Inc.	75.00% 25.00%	62.50%
BLP Vayu (Project 1) Private Limited	Gurugram	India	10,000,000.00	INR	Electricity generation from renewable resources	Line-by-line	Enel Green Power India Private Limited (formerly BLP Energy Private Limited)	100.00%	100.00%
BLP Vayu (Project 2) Private Limited	Gurugram	India	45,000,000.00	INR	Electricity generation from renewable resources	Line-by-line	Enel Green Power India Private Limited (formerly BLP Energy Private Limited)	100.00%	100.00%
BLP Wind Project (Amberi) Private Limited	New Delhi	India	5,000,000.00	INR	Electricity generation from renewable resources	Line-by-line	Enel Green Power India Private Limited (formerly BLP Energy Private Limited)	100.00%	100.00%
Blue Star Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
BluRe MA	Manternach	Luxembourg	6,400,000.00	EUR	Insurance	-	Slovenské elektrárne AS	5.00%	1.65%
Bogaris PV1 SLU	Sevilla	Spain	3,000.00	EUR	Wind plants	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Boiro Energía SA	Boiro	Spain	601,010.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	40.00%	28.04%
Bondia Energia Ltda	Niterói	Brazil	2,950,888.00	BRL	Plant development, design, construction and operation	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Boott Hydropower LLC	Boston	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Bosa del Ebro SL	Zaragoza	Spain	3,010.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	51.00%	35.75%
Bp Hydro Associates	Boise	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Idaho LLC Enel North America Inc.	68.00% 32.00%	100.00%
Bp Hydro Finance Partnership	Salt Lake City	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Bp Hydro Associates Enel North America Inc.	75.92% 24.08%	100.00%
Bravo Dome Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Brazoria County Solar Project LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Brazoria West Solar Project LLC	Andover	USA	-	USD	Electricity generation, transportation, sale and trading	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Broadband Comunicaciones SA	Quito	Ecuador	30,290.00	USD	-	Equity	Ufinet Ecuador Ufiec SA Ufinet Latam SLU	99.99% 0.01%	20.60%
Buffalo Dunes Wind Project LLC	Topeka	USA	-	USD	Electricity generation from renewable resources	Line-by-line	EGPNA Development Holdings LLC	75.00%	75.00%
Buffalo Jump LP	Alberta	Canada	10.00	CAD	Holding	Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	0.10% 99.90%	100.00%
Buffalo Spirit Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Bungala One Finco (Pty) Ltd	Barangaroo, Sydney	Australia	1,000.00	AUD	Electricity generation from renewable resources	Equity	Bungala One Property (Pty) Ltd	100.00%	51.00%
Bungala One Operation Holding Trust	Barangaroo, Sydney	Australia	100.00	AUD	Renewables	Equity	Enel Green Power Bungala (Pty) Ltd	50.00%	50.00%
Bungala One Operations Holding (Pty) Ltd	Barangaroo, Sydney	Australia	100.00	AUD	Electricity generation from renewable resources	Equity	Enel Green Power Bungala (Pty) Ltd	51.00%	51.00%
Bungala One Operations (Pty) Ltd	Barangaroo, Sydney	Australia	1,000.00	AUD	Electricity generation from renewable resources	Equity	Bungala One Operations Holding (Pty) Ltd	100.00%	51.00%
Bungala One Operations Trust	Barangaroo, Sydney	Australia	-	AUD	Renewables	Equity	Bungala One Operations Holding (Pty) Ltd	100.00%	51.00%
Bungala One Property (Pty) Ltd	Barangaroo, Sydney	Australia	1,000.00	AUD	Electricity generation from renewable resources	Equity	Bungala One Property Holding (Pty) Ltd	100.00%	51.00%
Bungala One Property Holding (Pty) Ltd	Barangaroo, Sydney	Australia	100.00	AUD	Electricity generation from renewable resources	Equity	Enel Green Power Bungala (Pty) Ltd	51.00%	51.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Bungala One Property Holding Trust	Barangaroo, Sydney	Australia	100.00	AUD	Electricity generation from renewable resources	Equity	Enel Green Power Bungala (Pty) Ltd	50.00%	50.00%
Bungala One Property Trust	Barangaroo, Sydney	Australia	-	AUD	Electricity generation from renewable resources	Equity	Bungala One Property Holding (Pty) Ltd	100.00%	51.00%
Bungala Two Finco (Pty) Ltd	Barangaroo, Sydney	Australia	-	AUD	Electricity generation from renewable resources	Equity	Bungala Two Property (Pty) Ltd	100.00%	51.00%
Bungala Two Operations Holding (Pty) Ltd	Barangaroo, Sydney	Australia	-	AUD	Electricity generation from renewable resources	Equity	Enel Green Power Bungala (Pty) Ltd	51.00%	51.00%
Bungala Two Operations Holding Trust	Barangaroo, Sydney	Australia	-	AUD	Renewables	Equity	Enel Green Power Bungala (Pty) Ltd	50.00%	50.00%
Bungala Two Operations (Pty) Ltd	Barangaroo, Sydney	Australia	-	AUD	Renewables	Equity	Bungala Two Operations Holding (Pty) Ltd	100.00%	51.00%
Bungala Two Operations Trust	Barangaroo, Sydney	Australia	-	AUD	Renewables	Equity	Bungala Two Operations Holding (Pty) Ltd	100.00%	51.00%
Bungala Two Property Holding (Pty) Ltd	Barangaroo, Sydney	Australia	-	AUD	Electricity generation from renewable resources	Equity	Enel Green Power Bungala (Pty) Ltd	51.00%	51.00%
Bungala Two Property Holding Trust	Barangaroo, Sydney	Australia	-	AUD	Renewables	Equity	Enel Green Power Bungala (Pty) Ltd	50.00%	50.00%
Bungala Two Property (Pty) Ltd	Barangaroo, Sydney	Australia	-	AUD	Renewables	Equity	Bungala Two Property Holding (Pty) Ltd	100.00%	51.00%
Bungala Two Property Trust	Barangaroo, Sydney	Australia	1.00	AUD	Renewables	Equity	Bungala Two Property Holding (Pty) Ltd	100.00%	51.00%
Business Venture Investments 1468 (Pty) Ltd	Gauteng	Republic of South Africa	100.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Canastota Wind Power LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Caney River Wind Project LLC	Overland Park	USA	-	USD	Electricity generation from renewable resources	Equity	Rocky Caney Wind LLC	100.00%	20.00%
Carbopego- Abastecimentos e Combustíveis SA	Lisbon	Portugal	50,000.00	EUR	Fuel supply	Equity	Endesa Generación Portugal SA Endesa Generación SA	0.01% 49.99%	35.05%
Cascade Energy Storage LLC	Wilmington	USA	-	USD	Renewables	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Castiblanco Solar SL	Madrid	Spain	3,000.00	EUR	Photovoltaic	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Castle Rock Ridge Limited Partnership	Calgary	Canada	-	CAD	Electricity generation from renewable resources	Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	0.10% 99.90%	100.00%
Catalana d'Iniciatives SCR SA	Barcelona	Spain	30,862,800.00	EUR	Holding	-	Endesa Red SA (Sociedad Unipersonal)	0.94%	0.66%
CCPRO Bucharest SA	Bucharest	Romania	79,800,000.00	RON	Financial	-	Enel Romania SA	9.52%	9.52%
Cdec- Sic Ltda	Santiago	Chile	709,783,206.00	CLP	-	-	Empresa Eléctrica Panguipulli SA	6.00%	3.72%
Cedar Run Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Celg Distribuição SA - Celg D	Goias	Brazil	5,075,679,362.52	BRL	Electricity distribution and sale	Line-by-line	Enel Brasil SA	99.93%	57.22%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Central Dock Sud SA	Buenos Aires	Argentina	1,231,270,567.54	ARS	Electricity generation, transmission and distribution	Line-by-line	Enel Argentina SA Inversora Dock Sud SA	0.25% 69.99%	23.05%
Central Geradora Fotovoltaica Bom Nome Ltda	Salvador	Brazil	4,859,739.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Central Geradora Fotovoltaica São Francisco Ltda	Niterói	Brazil	758,950.00	BRL	Energy services	Line-by-line	Enel X Brasil SA	100.00%	57.26%
Central Geradora Termelétrica Fortaleza SA	Fortaleza	Brazil	151,940,000.00	BRL	Thermal generation plants	Line-by-line	Enel Brasil SA	100.00%	57.26%
Central Hidráulica Güejar-Sierra SL	Seville	Spain	364,213.34	EUR	Plant operation	Equity	Enel Green Power España SL	33.30%	23.34%
Central Térmica de Anllares AIE	Madrid	Spain	595,000.00	EUR	Plant operation	Equity	Endesa Generación SA	33.33%	23.36%
Central Vuelta de Obligado SA	Buenos Aires	Argentina	500,000.00	ARS	Electrical facilities construction	Equity	Central Dock Sud SA Enel Generación Costanera SA Enel Generación El Chocón SA	6.40% 1.30% 33.20%	14.53%
Centrales Nucleares Almaraz-Trillo AIE	Madrid	Spain	-	EUR	Plant operation	Equity	Endesa Generación SA Nuclenor SA	23.57% 0.69%	16.76%
Centrum Pre Vedu A Vyskum Sro	Kalná Nad Hronom	Slovakia	6,639.00	EUR	Research and development in sciences and engineering	Equity	Slovenské elektrárne AS	100.00%	33.00%
CESI - Centro Elettrotecnico Sperimentale Italiano Giacinto Motta SpA	Milan	Italy	8,550,000.00	EUR	Testing, inspection and certification services, engineering and consulting services	Equity	Enel SpA	42.70%	42.70%
Champagne Storage LLC	Wilmington	USA	1.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Cherokee Falls Hydroelectric Project LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Cheyenne Ridge Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Chi Black River LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Chi Idaho LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Chi Minnesota Wind LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Chi Operations Inc.	Andover	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Chi Power Inc.	Naples	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Chi Power Marketing Inc.	Wilmington	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Chi West LLC	San Francisco	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Chinango SAC	San Miguel	Peru	295,249,298.00	SOL	Electricity generation and sale from renewable resources	Line-by-line	Enel Generación Perú SAA	80.00%	38.30%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Chisago Solar LLC	Minnesota	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Chisholm View II Holding LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Chisholm View Wind Project II LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chisholm View II Holding LLC	51.00%	51.00%
Chisholm View Wind Project LLC	New York	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Wind Holdings LLC	100.00%	20.00%
Cimarron Bend Assets LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Cimarron Bend Wind Project I LLC Cimarron Bend Wind Project II LLC Cimarron Bend Wind Project III LLC Enel Kansas LLC	49.00% 49.00% 1.00% 1.00%	100.00%
Cimarron Bend Wind Holdings I LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Cimarron Bend Wind Holdings II LLC	100.00%	100.00%
Cimarron Bend Wind Holdings II LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Cimarron Bend Wind Holdings LLC	100.00%	100.00%
Cimarron Bend Wind Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Cimarron Bend Wind Project I LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Cimarron Bend Wind Holdings I LLC	100.00%	100.00%
Cimarron Bend Wind Project II LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Cimarron Bend Wind Holdings I LLC	100.00%	100.00%
Cimarron Bend Wind Project III LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Kansas LLC	100.00%	100.00%
CivDrone	Haifa	Israel	1,000,000.00	ILS	R&D	-	Enel Global Infrastructure and Networks Srl	3.79%	3.79%
Clear Sky Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Clinton Farms Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Codensa SA ESP	Bogotá	Colombia	13,487,545,000.00	COP	Electricity distribution and sale	Line-by-line	Enel Américas SA	48.30%	2766%
Cogeneración El Salto SL	Zaragoza	Spain	36,060.73	EUR	Cogeneration of electricity and heat	Equity	Enel Green Power España SL	20.00%	14.02%
Cogenio Srl	Rome	Italy	2,310,000.00	EUR	-	Equity	Enel.si Srl	20.00%	20.00%
Cohuna Solar Farm (Pty) Ltd	Barangaroo, Sydney	Australia	100.00	AUD	Electricity generation from renewable resources	Line-by-line	Enel Green Power Cohuna Holdings (Pty) Ltd	100.00%	100.00%
Cohuna Solar Farm Trust	Barangaroo, Sydney	Australia	-	AUD	Renewable energy	Line-by-line	Enel Green Power Cohuna Trust	100.00%	100.00%
Comanche Crest Ranch LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Comercializadora Eléctrica de Cádiz SA	Cadiz	Spain	600,000.00	EUR	Electricity transmission, distribution and sale	Equity	Endesa Red SA (Sociedad Unipersonal)	33.50%	23.48%
Compagnia Porto di Civitavecchia SpA in liquidation	Rome	Italy	14,730,800.00	EUR	Construction of port infrastructure	Equity	Enel Produzione SpA	25.00%	25.00%
Companhia Energética do Ceará - Coelce	Fortaleza	Brazil	808,246,885.77	BRL	Electricity distribution	Line-by-line	Enel Brasil SA	74.05%	42.40%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Compañía de Transmisión del Mercosur Ltda - CTM	Buenos Aires	Argentina	14,012,000.00	ARS	Electricity generation, transmission and distribution	Line-by-line	Enel CIEN SA Enel SpA	100.00% 0.00%	57.26%
Compañía Energética Veracruz SAC	San Miguel	Peru	2,886,000.00	SOL	Hydroelectric projects	Line-by-line	Enel Perú SAC	100.00%	57.26%
Compañía Eólica Tierras Altas SA	Soria	Spain	13,222,000.00	EUR	Wind projects	Equity	Compañía Eólica Tierras Altas SA Enel Green Power España SL	5.00% 35.63%	26.29%
Concert Srl	Rome	Italy	10,000.00	EUR	Product, plant and equipment certification	Line-by-line	Enel Produzione SpA	100.00%	100.00%
Coneross Power Corporation Inc.	Greenville	USA	110,000.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
CONSEL-Consorzio ELIS per la formazione professionale superiore	Rome	Italy	51,000.00	EUR	Training	Equity	OpEn Fiber SpA	1.00%	0.50%
Consolidated Hydro New Hampshire LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Consolidated Hydro New York LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Consolidated Hydro Southeast LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Consolidated Pumped Storage Inc.	Wilmington	USA	550,000.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	81.83%	81.83%
Consorzio Civita in liquidation	Rome	Italy	156,000.00	EUR	-	-	Enel SpA	33.30%	33.30%
Copenhagen Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Corporación Empresarial de Extremadura SA	Badajoz	Spain	44,538,000.00	EUR	Regional development	-	Endesa SA	1.01%	0.71%
Corporación Eólica de Zaragoza SL	La Puebla de Alfinden	Spain	271,652.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	25.00%	17.53%
Cow Creek Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Cranberry Point Energy Storage LLC	Dover	USA	100.00	USD	Renewables	Line-by-line	Enel North America Inc.	100.00%	100.00%
Crucero de Atacama SpA	Santiago	Chile	10,000,000.00	CLP	Electricity generation purchase and sale	Line-by-line	Enel Green Power del Sur SpA	100.00%	61.93%
Crucero Este Dos SpA	Santiago	Chile	209,755,678.00	CLP	Electricity generation purchase and sale	Line-by-line	Enel Green Power del Sur SpA	100.00%	61.93%
Crucero Este Tres SpA	Santiago	Chile	273,188,329.00	CLP	Electricity generation purchase and sale	Line-by-line	Enel Green Power del Sur SpA	100.00%	61.93%
Crucero Este Uno SpA	Santiago	Chile	1,000,000.00	CLP	Electricity generation purchase and sale	Line-by-line	Enel Green Power del Sur SpA	100.00%	61.93%
Danax Energy (Pty) Ltd	Sandton	Republic of South Africa	100.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
De Rock Int'l Srl	Bucharest	Romania	5,629,000.00	RON	Electricity generation from renewable resources	Line-by-line	Enel Green Power Romania Srl Enel Green Power SpA	100.00% 0.00%	100.00%
Dehesa de los Guadalupes Solar SLU	Seville	Spain	3,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Dehesa Pv Farm 03 SLU	Valencia	Spain	3,000.00	EUR	Photovoltaic systems	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Dehesa Pv Farm 04 SLU	Valencia	Spain	3,000.00	EUR	Photovoltaic plants	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Depuración Destilación Reciclaje SL	Boiro	Spain	600,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	40.00%	28.04%
Derivex SA	Bogotá	Colombia	715,292,000.00	COP	Finance	-	Emgesa SA ESP	5.00%	1.39%
Desarrollo de Fuerzas Renovables S de RL de Cv	Mexico City	Mexico	33,101,350.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Energía Nueva Energía Limpia México S de RL de Cv	99.99% 0.01%	100.00%
Di.T.N.E.– Distretto Tecnologico Nazionale sull'Energia-Società Consortile a Responsabilità Limitata	Rome	Italy	398,321.50	EUR	Research and development in natural sciences and engineering	-	Enel Produzione SpA	1.89%	1.89%
Diamond Vista Holdings LLC	Wilmington	USA	1.00	USD	Holding	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Diego de Almagro Matriz SpA	Santiago	Chile	351,604,338.00	CLP	Electricity generation from renewable resources	Line-by-line	Empresa Eléctrica Panguipulli SA	100.00%	61.93%
Dietrich Drop LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Distribuidora de Energía Eléctrica del Bages SA	Barcelona	Spain	108,240.00	EUR	Electricity distribution and sale	Line-by-line	Endesa Red SA (Sociedad Unipersonal) Hidroeléctrica de Catalunya SL	55.00% 45.00%	70.10%
Distribuidora Eléctrica del Puerto de La Cruz SA	Santa Cruz de Tenerife	Spain	12,621,210.00	EUR	Electricity purchase, transmission and distribution	Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.10%
Distrilec Inversora SA	Buenos Aires	Argentina	497,612,021.00	ARS	Holding	Line-by-line	Enel Américas SA	51.50%	29.49%
Dmd Holding AS (in liquidation)	Trenčín-Zlatovce	Slovakia	199,543,284.87	EUR	Electricity generation	-	Slovenské elektrárne AS	2.94%	0.97%
Dodge Center Distributed Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Dolores Wind SA de Cv	Mexico City	Mexico	100.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Rinnovabile SA de Cv Hidroelectricidad del Pacífico S de RL de Cv	99.00% 1.00%	100.00%
Dominica Energía Limpia SA de Cv	Mexico City	Mexico	2,070,600,646.00	MXN	Electricity generation from renewable resources	Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Dorset Ridge Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Drift Sand Wind Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	Enel Kansas LLC	50.00%	50.00%
Drift Sand Wind Project LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	Drift Sand Wind Holdings LLC	100.00%	50.00%
E.S.CO. Comuni Srl	Bergamo	Italy	1,000,000.00	EUR	Electricity sale	Line-by-line	YouSave SpA	60.00%	60.00%
Eastwood Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Edistribución Redes Digitales SL (Sociedad Unipersonal)	Madrid	Spain	1,204,540,060.00	EUR	Electricity distribution	Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.10%
E-Distribuție Banat SA	Timisoara	Romania	382,158,580.00	RON	Electricity distribution	Line-by-line	Enel SpA	51.00%	51.00%
E-Distribuție Dobrogea SA	Constanța	Romania	280,285,560.00	RON	Electricity distribution	Line-by-line	Enel SpA	51.00%	51.00%
E-Distribuție Muntenia SA	Bucharest	Romania	271,635,250.00	RON	Electricity distribution	Line-by-line	Enel SpA	78.00%	78.00%
e-distribuzione SpA	Rome	Italy	2,600,000,000.00	EUR	Electricity distribution	Line-by-line	Enel SpA	100.00%	100.00%
EF Divesture LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Efficientya Srl	Bergamo	Italy	100,000.00	EUR	Testing, inspection and certification services, engineering and consulting services	Equity	YouSave SpA	50.00%	50.00%
EGP BioEnergy Srl	Rome	Italy	1,000,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Puglia Srl	100.00%	100.00%
EGP Geronimo Holding Company Inc.	Wilmington	USA	1,000.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGP HoldCo 1 LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 10 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 11 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 12 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 13 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 14 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 15 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 16 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 17 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 18 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 2 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 3 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 4 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 5 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 6 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 7 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 8 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP HoldCo 9 LLC	Andover	USA	-	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
EGP Magdalena Solar SA de Cv	Mexico City	Mexico	100.00	MXN	Renewables	Line-by-line	Enel Rinnovabile SA de Cv Hidroelectricidad Del Pacifico S de RL de Cv	99.00% 1.00%	100.00%
EGP Nevada Power LLC	Wilmington	USA	-	USD	Renewables	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGP Salt Wells Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGP San Leandro Microgrid I LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
EGP Solar 1 LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	EGPNA REP Solar Holdings LLC	100.00%	100.00%
EGP Stillwater Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Stillwater LLC	100.00%	100.00%
EGP Stillwater Solar Pv II LLC	Wilmington	USA	1.00	USD	Electricity generation from renewable resources	Line-by-line	Stillwater Woods Hill Holdings LLC	100.00%	100.00%
EGP Timber Hills Project LLC	Los Angeles	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Padoma Wind Power LLC	100.00%	100.00%
EGPNA Development Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Green Power North America Development LLC	100.00%	100.00%
EGPNA Hydro Holdings LLC	Wilmington	USA	-	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA Preferred Holdings II LLC	Wilmington	USA	-	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA Preferred Wind Holdings LLC	Wilmington	USA	-	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 1 LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 2 LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 3 LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 4 LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 5 LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 6 LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA Project HoldCo 7 LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA Renewable Energy Partners LLC	Wilmington	USA	-	USD	Joint Venture	Equity	EGPNA REP Holdings LLC	20.00%	20.00%
EGPNA REP Holdings LLC	Wilmington	USA	-	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA REP Hydro Holdings LLC	Wilmington	USA	-	USD	Holding	Equity	EGPNA REP Holdings LLC	50.00%	50.00%
EGPNA REP Solar Holdings LLC	Wilmington	USA	-	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
EGPNA REP Wind Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA Renewable Energy Partners LLC	100.00%	20.00%
EGPNA Wind Holdings 1 LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Wind Holdings LLC	100.00%	20.00%
EI Dorado Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
EI Paso Solar SAS ESP	Bogotá	Colombia	91,694,000.00	COP	Electricity generation	Line-by-line	Enel Green Power Colombia SAS ESP	100.00%	100.00%
Elcogas SA in liquidation	Puertollano (Ciudad Real)	Spain	809,690.40	EUR	Electricity sale	Equity	Endesa Generación SA Enel SpA	40.99% 4.32%	33.05%
Elcomex Solar Energy Srl	Bucharest	Romania	4,590,000.00	RON	Electricity generation from renewable resources	Line-by-line	Enel Green Power Romania Srl Enel Green Power SpA	100.00% 0.00%	100.00%
Elecgas SA	Pego	Portugal	50,000.00	EUR	Electricity sale combined cycle	Equity	Endesa Generación Portugal SA	50.00%	35.05%
Electra Capital (Rf) (Pty) Ltd	Gauteng	Republic of South Africa	10,000,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	60.00%	60.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Eléctrica de Jafre SA	Gerona	Spain	165,876.00	EUR	Electricity distribution and sale	Line-by-line	Endesa Red SA (Sociedad Unipersonal) Hidroeléctrica de Catalunya SL	52.54% 47.46%	70.10%
Eléctrica de Lijar SI	Cadiz	Spain	1,081,821.79	EUR	Electricity transmission and distribution	Equity	Endesa Red SA (Sociedad Unipersonal)	50.00%	35.05%
Eléctrica del Ebro SA (Sociedad Unipersonal)	Tarragona	Spain	500,000.00	EUR	Electricity supply	Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.10%
Electricidad de Puerto Real SA	Cadiz	Spain	4,960,246.40	EUR	Electricity distribution and sale	Equity	Endesa Red SA (Sociedad Unipersonal)	50.00%	35.05%
Electrometalúrgica del Ebro SL	Barcelona	Spain	2,906,862.00	EUR	Electricity generation from renewable resources	-	Enel Green Power España SL	0.18%	0.12%
Eletropaulo Metropolitana Eletricidade de São Paulo SA	Barueri	Brazil	3,079,524,934.33	BRL	Electricity distribution	Line-by-line	Enel Brasil SA	100.00%	57.26%
Elini	Antwerp	Belgium	31,855,683.05	EUR	Insurance	-	Slovenské elektrárne AS	4.26%	1.41%
Elk Creek Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Emerging Networks Latam Inc.	Wilmington	USA	100.00	USD	-	Equity	Ifx Networks Ltd	100.00%	20.60%
Emerging Networks Panama SA	Panama City	Republic of Panama	1,000.00	USD	-	Equity	Ifx/eni- Spc Panama Inc.	100.00%	20.60%
Emgesa SA ESP	Bogotá	Colombia	655,222,312,800.00	COP	Electricity generation and sale	Line-by-line	Enel Américas SA	48.48%	27.76%
Emintegral Cycle SLU	Seville	Spain	3,000.00	EUR	Photovoltaic	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Empresa Carbonífera del Sur SA	Madrid	Spain	18,030,000.00	EUR	Mining	Line-by-line	Endesa Generación SA	100.00%	70.10%
Empresa de Alumbrado Eléctrico de Ceuta Distribución SA (Sociedad Unipersonal)	Ceuta	Spain	9,335,000.00	EUR	Electricity distribution	Line-by-line	Empresa de Alumbrado Eléctrico de Ceuta SA	100.00%	67.50%
Empresa de Alumbrado Eléctrico de Ceuta SA	Ceuta	Spain	16,562,250.00	EUR	Holding	Line-by-line	Endesa Red SA (Sociedad Unipersonal)	96.29%	67.50%
Empresa de Generación Eléctrica Los Pinos SA	San Miguel	Peru	7,928,044.00	SOL	Electricity generation, transmission, distribution purchase and sale	Line-by-line	Enel Green Power Perú SAC Energética Monzón SAC	100.00% 0.00%	100.00%
Empresa de Generación Eléctrica Marcona SAC	San Miguel	Peru	3,368,424.00	SOL	Electricity generation, transmission, distribution purchase and sale	Line-by-line	Enel Green Power Perú SAC Energética Monzón SAC	100.00% 0.00%	100.00%
Empresa de Transmisión Chena SA	Santiago	Chile	250,428,941.00	CLP	Electricity transmission	Line-by-line	Empresa Eléctrica de Colina Ltda Enel Distribución Chile SA	0.10% 99.90%	61.36%
Empresa Distribuidora Sur SA - Edesur	Buenos Aires	Argentina	898,585,028.00	ARS	Electricity distribution and sale	Line-by-line	Distrielec Inversora SA Enel Argentina SA	56.36% 43.10%	41.30%
Empresa Eléctrica de Colina Ltda	Santiago	Chile	82,222,000.00	CLP	Electricity generation, transmission and distribution	Line-by-line	Enel Chile SA Enel Distribución Chile SA	0.00% 100.00%	61.36%
Empresa Eléctrica Panguipulli SA	Santiago	Chile	48,038,937.00	CLP	Electricity generation from renewable resources	Line-by-line	Enel Chile SA Enel Green Power Chile Ltda	0.04% 99.96%	61.93%
Empresa Eléctrica Pehuenche SA	Santiago	Chile	175,774,920,733.00	CLP	Electricity generation, transmission and distribution	Line-by-line	Enel Generación Chile SA	92.65%	53.67%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Empresa Nacional de Geotermia SA	Santiago	Chile	12,647,789,439.24	CLP	Electricity generation from renewable resources	Line-by-line	Enel Green Power Chile Ltda	51.00%	31.58%
Empresa Propietaria de La Red SA	Panama City	Panama	58,500,000.00	USD	Electricity transmission and distribution	-	Enel SpA	11.11%	11.11%
Endesa Capital SA	Madrid	Spain	60,200.00	EUR	Finance	Line-by-line	Endesa SA	100.00%	70.10%
Endesa Comercialização de Energia SA	Porto	Portugal	250,000.00	EUR	Electricity generation and sale	Line-by-line	Endesa Energia SA	100.00%	70.10%
Endesa Energía Renovable SL (Sociedad Unipersonal)	Madrid	Spain	100,000.00	EUR	Electricity supply	Line-by-line	Endesa Energia SA	100.00%	70.10%
Endesa Energía SA	Madrid	Spain	14,919,195.32	EUR	Marketing of energy products	Line-by-line	Endesa SA	100.00%	70.10%
Endesa Financiación Filiales SA	Madrid	Spain	4,621,003,006.00	EUR	Finance	Line-by-line	Endesa SA	100.00%	70.10%
Endesa Generación II SA	Seville	Spain	63,107.00	EUR	Electricity sale	Line-by-line	Endesa SA	100.00%	70.10%
Endesa Generación Nuclear SA	Seville	Spain	60,000.00	EUR	Subholding company in the nuclear sector	Line-by-line	Endesa Generación SA	100.00%	70.10%
Endesa Generación Portugal SA	Lisbon	Portugal	50,000.00	EUR	Electricity sale	Line-by-line	Endesa Energia SA Endesa Generación SA Enel Green Power España SL	0.20% 99.20% 0.60%	70.10%
Endesa Generación SA	Seville	Spain	1,940,379,735.35	EUR	Electricity generation and sale	Line-by-line	Endesa SA	100.00%	70.10%
Endesa Ingeniería SLU	Seville	Spain	1,000,000.00	EUR	Consulting and engineering services	Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.10%
Endesa Medios y Sistemas SL (Sociedad Unipersonal)	Madrid	Spain	89,999,790.00	EUR	Services	Line-by-line	Endesa SA	100.00%	70.10%
Endesa Operaciones y Servicios Comerciales SL	Madrid	Spain	10,138,580.00	EUR	Services	Line-by-line	Endesa Energia SA	100.00%	70.10%
Endesa Power Trading Ltd	London	United Kingdom	2.00	GBP	Trading	Line-by-line	Endesa SA	100.00%	70.10%
Endesa Red SA (Sociedad Unipersonal)	Madrid	Spain	719,901,723.26	EUR	Electricity distribution	Line-by-line	Endesa SA	100.00%	70.10%
Endesa SA	Madrid	Spain	1,270,502,540.40	EUR	Holding	Line-by-line	Enel Iberia SLU	70.10%	70.10%
Endesa Soluciones SLU	Madrid	Spain	3,000.00	EUR	Marketing of energy products	Line-by-line	Endesa Energia SA	100.00%	70.10%
Endesa X SA (Sociedad Unipersonal)	Madrid	Spain	60,000.00	EUR	Services	Line-by-line	Endesa SA	100.00%	70.10%
Enel Alberta Wind Inc.	Calgary	Canada	16,251,021.00	CAD	Electricity generation from renewable resources	Line-by-line	Enel Green Power Canada Inc.	100.00%	100.00%
Enel Américas SA	Santiago	Chile	9,783,875,314.43	USD	Holding. Electricity generation and distribution	Line-by-line	Enel SpA	57.26%	57.26%
Enel And Shikun & Binui Innovation Infralab Ltd	Airport City	Israel	38,000.00	ILS	Legal services	Equity	Enel Global Infrastructure And Networks Srl	50.00%	50.00%
Enel Argentina SA	Buenos Aires	Argentina	2,297,711,908.00	ARS	Holding	Line-by-line	Enel Américas SA Enel Generación Chile SA	99.92% 0.08%	57.26%
Enel Bella Energy Storage LLC	Delaware	USA	-	USD	Renewable energy	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Brasil SA	Niterói	Brazil	16,158,210,421.21	BRL	Holding	Line-by-line	Enel Américas SA Enel Brasil SA	99.16% 0.84%	57.26%
Enel Chile SA	Santiago	Chile	3,882,103,470,184.00	CLP	Holding. Electricity generation and distribution	Line-by-line	Enel SpA	61.93%	61.93%
Enel CIEN SA	Niterói	Brazil	285,044,682.00	BRL	Electricity generation, transmission and distribution	Line-by-line	Enel Brasil SA	100.00%	57.26%
Enel Cove Fort II LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Cove Fort LLC	Beaver	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Geothermal LLC	100.00%	100.00%
Enel Distribución Chile SA	Santiago	Chile	230,137,979,938.00	CLP	Holding. Electricity distribution	Line-by-line	Enel Chile SA	99.09%	61.36%
Enel Distribución Perú SAA	San Miguel	Peru	638,563,900.00	SOL	Electricity distribution and sale	Line-by-line	Enel Perú SAC	83.15%	47.61%
Enel Energia SpA	Rome	Italy	302,039.00	EUR	Gas and electricity sale	Line-by-line	Enel SpA	100.00%	100.00%
Enel Energia SA de Cv	Mexico City	Mexico	25,000,100.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Energía Nueva de Iguu S de RL de Cv	100.00% 0.00%	100.00%
Enel Energie Muntenia SA	Bucharest	Romania	37,004,350.00	RON	Electricity sale	Line-by-line	Enel SpA	78.00%	78.00%
Enel Energie SA	Bucharest	Romania	140,000,000.00	RON	Electricity sale	Line-by-line	Enel SpA	51.00%	51.00%
Enel Energy Australia (Pty) Ltd	Barangaroo, Sydney	Australia	100.00	AUD	Electricity sale	Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Energy South Africa	Wilmington	Republic of South Africa	100.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	Andover	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Finance America LLC	Wilmington	USA	200,000,000.00	USD	Finance	Line-by-line	Enel Holding Finance Srl	100.00%	100.00%
Enel Finance International NV	Amsterdam	Netherlands	1,478,810,371.00	EUR	Finance	Line-by-line	Enel Holding Finance Srl Enel SpA	75.00% 25.00%	100.00%
Enel Fortuna SA	Panama City	Panama	100,000,000.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Green Power Panamá Srl	50.06%	50.06%
Enel Generación Chile SA	Santiago	Chile	552,777,320,871.00	CLP	Electricity generation, transmission and distribution	Line-by-line	Enel Chile SA	93.55%	57.93%
Enel Generación Costanera SA	Buenos Aires	Argentina	701,988,378.00	ARS	Electricity generation and sale	Line-by-line	Enel Argentina SA	75.68%	43.34%
Enel Generación El Chocón SA	Buenos Aires	Argentina	298,584,050.00	ARS	Electricity generation and sale	Line-by-line	Enel Argentina SA Hidroinvest SA	8.67% 59.00%	37.64%
Enel Generación Perú SAA	San Miguel	Peru	2,498,101,267.20	SOL	Electricity generation	Line-by-line	Enel Perú SAC	83.60%	47.87%
Enel Generación Piura SA	San Miguel	Peru	73,982,594.00	SOL	Electricity generation	Line-by-line	Enel Perú SAC	96.50%	55.26%
Enel Generación SA de Cv	Mexico City	Mexico	7,100,100.00	MXN	Electricity generation	Line-by-line	Enel Green Power México S de RL de Cv Energía Nueva de Iguu S de RL de Cv	100.00% 0.00%	100.00%
Enel Geothermal LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Global Infrastructure and Networks Srl	Rome	Italy	10,100,000.00	EUR	Metering, remote control and connectivity services via power line communication	Line-by-line	Enel SpA	100.00%	100.00%
Enel Global Services Srl	Rome	Italy	10,000.00	EUR	Engineering and consulting services	Line-by-line	Enel SpA	100.00%	100.00%
Enel Global Thermal Generation Srl	Rome	Italy	11,000,000.00	EUR	Business consulting, administrative and management consulting and corporate planning	Line-by-line	Enel SpA	100.00%	100.00%
Enel Global Trading SpA	Rome	Italy	90,885,000.00	EUR	Fuel trading and logistics	Line-by-line	Enel SpA	100.00%	100.00%
Enel Green Power Newfoundland and Labrador Inc.	Newfoundland	Canada	1,000.00	CAD	Electricity generation from renewable resources	Equity	EGPNA REPWind Holdings LLC	100.00%	20.00%
Enel Green Power Argentina SA	Buenos Aires	Argentina	82,534,295.00	ARS	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA Energía y Servicios South America SpA	99.24% 0.76%	100.00%
Enel Green Power Australia (Pty) Ltd	Barangaroo, Sydney	Australia	100.00	AUD	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Australia Trust	Barangaroo, Sydney	Australia	100.00	AUD	Renewables	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Boa Vista Eólica SA	Niterói	Brazil	122,952,830.00	BRL	Wind plants	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Brasil Participações Ltda	Niterói	Brazil	7,161,724,678.00	BRL	Holding	Line-by-line	Enel Green Power SpA Energía y Servicios South America SpA	100.00% 0.00%	100.00%
Enel Green Power Bulgaria EAD	Sofia	Bulgaria	35,231,000.00	BGN	Plant construction operation and maintenance	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Bungala (Pty) Ltd	Barangaroo, Sydney	Australia	100.00	AUD	Electricity generation from renewable resources	Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Green Power Bungala Trust	Barangaroo, Sydney	Australia	-	AUD	Renewables	Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Green Power Cabeça de Boi SA	Niterói	Brazil	270,114,539.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Cachoeira Dourada SA	Cachoeira Dourada	Brazil	64,339,835.85	BRL	Electricity generation and sale	Line-by-line	Enel Brasil SA Enel Green Power Cachoeira Dourada SA	99.61% 0.15%	57.12%
Enel Green Power Calabria Srl	Rome	Italy	10,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Canada Inc.	Montreal	Canada	85,681,857.00	CAD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Green Power Chile Ltda	Santiago	Chile	842,086,000.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Chile SA Enel SpA	99.99% 0.01%	61.93%
Enel Green Power Cohuna Holdings (Pty) Ltd	Barangaroo, Sydney	Australia	100.00	AUD	Holding	Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Green Power Cohuna Trust	Barangaroo, Sydney	Australia	-	AUD	Renewables	Line-by-line	Enel Green Power Australia Trust	100.00%	100.00%
Enel Green Power Colombia SAS ESP	Bogotá	Colombia	3,387,243,000.00	COP	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Costa Rica SA	San José	Costa Rica	27,500,000.00	USD	Electricity generation from renewable resources	Line-by-line	Energía y Servicios South America SpA	100.00%	100.00%
Enel Green Power Cove Fort Solar LLC	Wilmington	USA	1.00	USD	-	Line-by-line	Enel Kansas LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Cremsow GmbH & Co. Kg	Schenkenberg	Germany	1,000.00	EUR	Plant construction, operation	Line-by-line	Enel Green Power Germany GmbH	90.00%	90.00%
Enel Green Power Cremsow Verwaltungs GmbH	Schenkenberg	Germany	25,000.00	EUR	Business services	Line-by-line	Enel Green Power Germany GmbH	90.00%	90.00%
Enel Green Power Cristal Eólica SA	Niterói	Brazil	144,784,899.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Cristal Eólica SA Enel Green Power Desenvolvimento Ltda	99.17% 0.83%	100.00%
Enel Green Power Cumaru 01 SA	Niterói	Brazil	100,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Cumaru 02 SA	Niterói	Brazil	100,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Cumaru 03 SA	Niterói	Brazil	100,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Cumaru 04 SA	Niterói	Brazil	100,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Cumaru 05 SA	Niterói	Brazil	100,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Cumaru 07 SA	Niterói	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Cumaru 6 SA	Niterói	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Cumaru Participações SA	Niterói	Brazil	1,000.00	BRL	Holding	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Damascena Eólica SA	Niterói	Brazil	83,709,003.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.16% 0.84%	100.00%
Enel Green Power del Sur SpA	Santiago	Chile	355,605,313.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Enel Chile SA Enel Green Power Chile Ltda	0.00% 100.00%	61.93%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Delfina A Eólica SA	Niterói	Brazil	549,062,483.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Delfina B Eólica SA	Niterói	Brazil	93,538,826.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Delfina C Eólica SA	Niterói	Brazil	39,558,322.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Delfina D Eólica SA	Niterói	Brazil	113,170,233.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Delfina E Eólica SA	Niterói	Brazil	115,923,464.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Desenvolvimento Ltda	Niterói	Brazil	33,474,258.38	BRL	Plant construction Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Energía y Servicios South America SpA	100.00% 0.00%	100.00%
Enel Green Power Development Srl	Rome	Italy	20,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Diamond Vista Wind Project LLC	Wilmington	USA	1.00	USD	Electricity generation from renewable resources	Line-by-line	Diamond Vista Holdings LLC	100.00%	100.00%
Enel Green Power Dois Riachos Eólica SA	Niterói	Brazil	130,354,009.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Egypt SAE	Cairo	Egypt	250,000.00	EGP	Management, operation and maintenance of all types of generation plant and their distribution grids	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Elkwater Wind Limited Partnership	Calgary	Canada	1,000.00	CAD	Holding	Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	1.00% 99.00%	100.00%
Enel Green Power El Salvador SA de Cv (in liquidation)	-	El Salvador	-	SVC	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Emiliana Eólica SA	Niterói	Brazil	150,191,530.00	BRL	W	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda Enel Green Power Emiliana Eólica SA	98.93% 1.07%	100.00%
Enel Green Power España SL	Seville	Spain	11,152.74	EUR	Electricity generation from renewable resources	Line-by-line	Endesa Generación SA	100.00%	70.10%
Enel Green Power Esperança Eólica SA	Niterói	Brazil	129,418,174.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.14% 0.86%	100.00%
Enel Green Power Fazenda SA	Niterói	Brazil	264,141,174.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Fontes dos Ventos 2 SA	Niterói	Brazil	121,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Fontes dos Ventos 3 SA	Niterói	Brazil	121,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Germany GmbH	Munich	Germany	25,000.00	EUR	Electricity generation and sale	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Gargarre Holdings (Pty) Ltd	Barangaroo, Sydney	Australia	100.00	AUD	Renewables	Line-by-line	Enel Green Power Australia (Pty) Ltd	100.00%	100.00%
Enel Green Power Global Investment BV	Amsterdam	Netherlands	10,000.00	EUR	Holding	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Guatemala SA	Guatemala City	Guatemala	10,000,000.00	GTQ	Holding	Line-by-line	Enel Green Power SpA Energía y Servicios South America SpA	100.00% 0.00%	100.00%
Enel Green Power Hados Wind Limited Partnership	-	Canada	1,000.00	CAD	Holding	Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	1.00% 99.00%	100.00%
Enel Green Power Hellas SA	Maroussi	Greece	8,170,350.00	EUR	Holding. Energy services	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Hellas Supply SA	Maroussi	Greece	600,000.00	EUR	Electricity generation, transport, sale and trading	Line-by-line	Enel Green Power Hellas SA	100.00%	100.00%
Enel Green Power Hellas Wind Parks South Evia SA	Maroussi	Greece	106,599,641.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Hellas SA	100.00%	100.00%
Enel Green Power Hilltopper Wind LLC (formerly Hilltopper Wind Power LLC)	Dover	USA	1.00	USD	Operator Wind	Line-by-line	Hilltopper Wind Holdings LLC	100.00%	100.00%
Enel Green Power Horizonte Mp Solar SA	Niterói	Brazil	451,566,053.00	BRL	Electricity generation from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.01% 99.99%	100.00%
Enel Green Power India Private Limited (formerly BLP Energy Private Limited)	New Delhi	India	100,000,000.00	INR	Holding	Line-by-line	Enel Green Power Development Srl	100.00%	100.00%
Enel Green Power Italia Srl	Rome	Italy	10,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel SpA	100.00%	100.00%
Enel Green Power Ituverava Norte Solar SA	Niterói	Brazil	199,552,644.00	BRL	Electricity generation from renewable resources	Line-by-line	Bondia Energia Ltda Enel Green Power Brasil Participações Ltda	0.09% 99.91%	100.00%
Enel Green Power Ituverava Solar SA	Niterói	Brazil	219,235,933.00	BRL	Electricity generation from renewable resources	Line-by-line	Bondia Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power Ituverava Sul Solar SA	Niterói	Brazil	407,279,143.00	BRL	Electricity generation from renewable resources	Line-by-line	Bondia Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power Joana Eólica SA	Niterói	Brazil	135,459,530.00	BRL	Wind plants	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	98.89% 1.11%	100.00%
Enel Green Power Kenya Limited	Nairobi	Kenya	100,000.00	KES	Plant construction - Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd Enel Green Power SpA	1.00% 99.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Lagedo Alto SA	Niterói	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Lagoa Participações SA (formerly Enel Green Power Projetos 45 SA)	Niterói	Brazil	1,000.00	BRL	Holding	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Maniçoba Eólica SA	Niterói	Brazil	90,722,530.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.20% 0.80%	100.00%
Enel Green Power Metehara Solar Privrate Limited Company	-	Ethiopia	5,600,000.00	ETB	Plant development, and construction	Line-by-line	Enel Green Power Solar Metehara SpA	80.00%	80.00%
Enel Green Power México S de RL de Cv	Mexico City	Mexico	2,399,774,165.00	MXN	Holding	Line-by-line	Enel Green Power SpA Energía y Servicios South America SpA	100.00% 0.00%	100.00%
Enel Green Power Modelo I Eólica SA	Niterói	Brazil	132,642,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Modelo II Eólica SA	Niterói	Brazil	117,142,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Morocco SARLAU	Casablanca	Morocco	170,000,000.00	MAD	Plant development, design, construction and operation	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Morro do Chapéu I Eólica SA	Niterói	Brazil	408,441,942.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Morro do Chapéu II Eólica SA	Niterói	Brazil	355,361,942.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Mourão SA	Niterói	Brazil	25,600,100.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Namibia (Pty) Ltd	Windhoek	Namibia	10,000.00	NAD	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power North America Development LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power North America Inc.	Andover	USA	-	USD	Electricity generation, transport, sale and trading	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Green Power O&M Solar LLC	Andover	USA	-	USD	Plant maintenance	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Green Power Panamá Srl	Panama City	Panama	3,001.00	USD	Holding	Line-by-line	Enel Green Power SpA Energía y Servicios South America SpA	99.97% 0.03%	100.00%
Enel Green Power Paranapanema SA	Niterói	Brazil	123,350,100.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Partecipazioni Speciali Srl	Rome	Italy	10,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Pau Ferro Eólica SA	Niterói	Brazil	127,424,000.00	BRL	Wind plants	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda Enel Green Power Pau Ferro Eólica SA	98.79% 1.21%	100.00%
Enel Green Power Pedra do Gerônimo Eólica SA	Niterói	Brazil	189,519,527.57	BRL	Wind plants	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	98.90% 1.10%	100.00%
Enel Green Power Perú SAC	San Miguel	Perù	394,035,184.00	SOL	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA Energía y Servicios South America SpA	100.00% 0.00%	100.00%
Enel Green Power Primavera Eólica SA	Niterói	Brazil	143,674,900.01	BRL	Wind plants	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.00% 1.00%	100.00%
Enel Green Power Puglia Srl	Rome	Italy	1,000,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power RA SAE (in liquidation)	Cairo	Egypt	15,000,000.00	EGP	Design, decision, operation and maintenance of generation plants of all types and their distribution grids	Line-by-line	Enel Green Power Egypt SAE	100.00%	100.00%
Enel Green Power Rattlesnake Creek Wind Project LLC (formerly Rattlesnake Creek Wind Project LLC)	Delaware	USA	1.00	USD	Electricity generation from renewable resources	Line-by-line	Rattlesnake Creek Holdings LLC	100.00%	100.00%
Enel Green Power Roadrunner Solar Project Holdings LLC	Andover	USA	-	USD	Holding. Electricity generation and distribution	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Enel Green Power Roadrunner Solar Project II LLC	Dover	USA	100.00	USD	Renewables	Line-by-line	Roadrunner Solar Project Holdings LLC	100.00%	100.00%
Enel Green Power Romania Srl	Bucharest	Romania	2,430,631,000.00	RON	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power RSA (Pty) Ltd	Gauteng	Republic of South Africa	1,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Development Srl	100.00%	100.00%
Enel Green Power RSA 2 (RF) (Pty) Ltd	Gauteng	Republic of South Africa	120.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Enel Green Power Rus Limited Liability Company	Moscow	Russian Federation	60,500,000.00	RUB	Renewables	Line-by-line	Enel Green Power Partecipazioni Speciali Srl Enel Green Power SpA	1.00% 99.00%	100.00%
Enel Green Power SpA	Rome	Italy	272,000,000	EUR	Electricity generation from renewable resources	Line-by-line	Enel SpA	100.00%	100.00%
Enel Green Power Salto Apicás SA (formerly Enel Green Power Damascena Eólica SA)	Niterói	Brazil	274,420,832.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power Sannio	Rome	Italy	750,000.00	EUR	Electricity generation	Line-by-line	Enel Green Power SpA	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power São Abraão Eólica SA	Niterói	Brazil	115,513,587.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Green Power São Gonçalo 07 SA (formerly Enel Green Power Projetos 42 SA)	Teresina	Brazil	30,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power São Gonçalo 08 SA (formerly Enel Green Power Projetos 43 SA)	Teresina	Brazil	30,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power São Gonçalo 1 SA (formerly Enel Green Power Projetos 10)	Teresina	Brazil	147676,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power São Gonçalo 10 SA (formerly Enel Green Power Projetos 15)	Teresina	Brazil	162,000,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power São Gonçalo 11 SA (formerly Enel Green Power Projetos 44 SA)	Teresina	Brazil	30,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power São Gonçalo 12 SA (formerly Enel Green Power Projetos 22 SA)	Teresina	Brazil	30,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power São Gonçalo 13 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.10% 99.90%	100.00%
Enel Green Power São Gonçalo 14	Teresina	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.89% 0.11%	100.00%
Enel Green Power São Gonçalo 15	Teresina	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.89% 0.11%	100.00%
Enel Green Power São Gonçalo 16 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.10% 99.90%	100.00%
Enel Green Power São Gonçalo 17 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power São Gonçalo 18 SA (formerly Enel Green Power Ventos de Santa Ângela 13 SA)	Teresina	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power São Gonçalo 19 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power São Gonçalo 2 SA (formerly Enel Green Power Projetos 11)	Teresina	Brazil	162,676,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power São Gonçalo 20 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power São Gonçalo 21 SA (formerly Enel Green Power Projetos 16)	Teresina	Brazil	162,000,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power São Gonçalo 22 SA (formerly Enel Green Power Projetos 30)	Teresina	Brazil	162,000,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power São Gonçalo 3 SA (formerly Enel Green Power Projetos 12)	Teresina	Brazil	142,676,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power São Gonçalo 4 SA (formerly Enel Green Power Projetos 13)	Teresina	Brazil	162,676,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power São Gonçalo 5 SA (formerly Enel Green Power Projetos 14)	Teresina	Brazil	162,676,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power São Gonçalo 6 SA (formerly Enel Green Power Projetos 19 SA)	Teresina	Brazil	14,976,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.00% 100.00%	100.00%
Enel Green Power São Gonçalo 9 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Alba Energia Ltda Enel Green Power Brasil Participações Ltda	0.10% 99.90%	100.00%
Enel Green Power São Gonçalo Participações SA (formerly Enel Green Power Projetos 46 SA)	Niterói	Brazil	1,000.00	BRL	Holding	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power São Judas Eólica SA	Niterói	Brazil	143,674,900.00	BRL	Wind plants	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.00% 1.00%	100.00%
Enel Green Power Services LLC	Wilmington	USA	100.00	USD	-	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Green Power Shu SAE (in liquidation)	Cairo	Egypt	15,000,000.00	EGP	Design, decision, operation and maintenance of generation plants of all types and their distribution grids	Line-by-line	Enel Green Power Egypt SAE	100.00%	100.00%
Enel Green Power Singapore Pte Ltd	Singapore	Singapore	1,300,000.00	SGD	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Solar Energy Srl	Rome	Italy	10,000.00	EUR	Plant development, design, construction and operation	Line-by-line	Enel Green Power SpA	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Solar Metehara SpA	Rome	Italy	50,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Solar Ngonye SpA (formerly Enel Green Power Africa Srl)	Rome	Italy	50,000.00	EUR	Electricity sale	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Tacaicó Eólica SA	Niterói	Brazil	91,634,360.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	98.84% 1.16%	100.00%
Enel Green Power Tefnut SAE (in liquidation)	Cairo	Egypt	15,000,000.00	EGP	Design, decision, operation and maintenance of generation plants of all types and their distribution grids	Line-by-line	Enel Green Power Egypt SAE	100.00%	100.00%
Enel Green Power Turkey Enerji Yatirimlari Anonim Sirketi	Istanbul	Turkey	65,654,658.00	TRY	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Ventos de Santa Ángela 1 SA	Teresina	Brazil	132,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ángela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ángela 10 SA (formerly Enel Green Power Projetos 21)	Teresina	Brazil	171,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ángela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ángela 11 SA (formerly Enel Green Power Projetos 23)	Teresina	Brazil	185,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ángela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ángela 14 SA (formerly Enel Green Power Projetos 24)	Teresina	Brazil	178,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ángela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ángela 15 SA (formerly Enel Green Power Projetos 25)	Teresina	Brazil	182,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ángela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ángela 17 SA (formerly Enel Green Power Projetos 26)	Teresina	Brazil	198,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ángela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ángela 19 SA (formerly Enel Green Power Projetos 27)	Teresina	Brazil	126,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ángela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ángela 2 SA	Teresina	Brazil	249,650,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ángela Energias Renováveis SA	100.00% 0.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Ventos de Santa Ângela 20 SA (formerly Enel Green Power Projetos 28)	Teresina	Brazil	126,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela 21 SA (formerly Enel Green Power Projetos 29)	Teresina	Brazil	113,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela 3 SA (formerly Enel Green Power Projetos 4)	Teresina	Brazil	132,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela 6 SA (formerly Enel Green Power Projetos 6)	Teresina	Brazil	132,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela 5 SA (formerly Enel Green Power Projetos 7)	Teresina	Brazil	132,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela 6 SA (formerly Enel Green Power Projetos 8)	Teresina	Brazil	132,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela 7 SA (formerly Enel Green Power Projetos 9)	Teresina	Brazil	106,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Esperança Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela 8 SA (formerly Enel Green Power Projetos 18)	Teresina	Brazil	132,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela 9 SA (formerly Enel Green Power Projetos 20)	Teresina	Brazil	185,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Ventos de Santa Ângela Energias Renováveis SA	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela ACL 12 (formerly Enel Green Power Projetos 36)	Teresina	Brazil	105,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela ACL 13 SA (formerly Enel Green Power Projetos 17 SA)	Teresina	Brazil	105,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Ângela ACL 16 SA (formerly Enel Green Power Projetos 38 SA)	Teresina	Brazil	105,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Ventos de Santa Ângela ACL 18 SA (formerly Enel Green Power Projetos 47 SA)	Teresina	Brazil	105,001,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Esperança 08 SA (formerly Enel Green Power Projetos 34 SA)	Niterói	Brazil	110,200,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Esperança 1 SA (formerly Enel Green Power Fonte dos Ventos 1 SA)	Niterói	Brazil	1,000.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Ventos de Santa Esperança 13 (formerly Enel Green Power Projetos 33 SA)	Niterói	Brazil	147,000,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Esperança 15 SA	Niterói	Brazil	202,100,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Esperança 16 SA (formerly Enel Green Power Projetos 35 SA)	Niterói	Brazil	183,700,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Esperança 17 SA (formerly Enel Green Power Projetos 31 SA)	Niterói	Brazil	183,700,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Esperança 21 SA (formerly Enel Green Power Projetos 37 SA)	Niterói	Brazil	202,100,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Esperança 22 SA (formerly Enel Green Power Projetos 39 SA)	Niterói	Brazil	202,100,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Esperança 25 SA (formerly Enel Green Power Projetos 40 SA)	Niterói	Brazil	110,200,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de Santa Esperança 26 SA (formerly Enel Green Power Projetos 41 SA)	Niterói	Brazil	202,100,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda Enel Green Power Ventos de Santa Esperança 26 SA (formerly Enel Green Power Projetos 41 SA)	100.00% 0.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Ventos de Santa Esperança 3 SA	Niterói	Brazil	1,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Ventos de Santa Esperança Participações SA (formerly Enel Green Power Cumaru 06 SA)	Niterói	Brazil	1,000.00	BRL	Holding	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Ventos de São Roque 01 SA	Teresina	Brazil	138,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de São Roque 02 SA	Teresina	Brazil	138,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de São Roque 04 SA	Teresina	Brazil	138,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de São Roque 08 SA	Teresina	Brazil	138,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de São Roque 11 SA	Teresina	Brazil	138,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de São Roque 13 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Ventos de São Roque 16 SA	Teresina	Brazil	138,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de São Roque 17 SA	Teresina	Brazil	138,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Enel Green Power Ventos de São Roque 18 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Green Power Ventos de São Roque 19 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Ventos de São Roque 22 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Ventos de São Roque 26 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Ventos de São Roque 29 SA	Teresina	Brazil	1,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	99.90% 0.10%	100.00%
Enel Green Power Villoresi Srl	Rome	Italy	1,200,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	51.00%	51.00%
Enel Green Power Volta Grande SA (formerly Enel Green Power Projetos 1 SA)	Niterói	Brazil	565,756,528.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Brasil SA	100.00%	57.26%
Enel Green Power Zambia Limited	Lusaka	Zambia	15,000.00	ZMW	Electricity sale	Line-by-line	Enel Green Power Development Srl Enel Green Power RSA (Pty) Ltd	1.00% 99.00%	100.00%
Enel Green Power Zeus II - Delfina 8 SA	Niterói	Brazil	140,001,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Enel Holding Finance Srl	Rome	Italy	10,000.00	EUR	Holding	Line-by-line	Enel SpA	100.00%	100.00%
Enel Iberia SLU	Madrid	Spain	336,142,500.00	EUR	Holding	Line-by-line	Enel SpA	100.00%	100.00%
Enel Innovation Hubs Srl	Rome	Italy	1,100,000.00	EUR	Civil and mechanical engineering, water systems	Line-by-line	Enel SpA	100.00%	100.00%
Enel Insurance NV	Amsterdam	Netherlands	60,000.00	EUR	Reassurance	Line-by-line	Enel SpA	100.00%	100.00%
Enel Investment Holding BV	Amsterdam	Netherlands	1,000,000.00	EUR	Holding	Line-by-line	Enel SpA	100.00%	100.00%
Enel Italia SpA	Rome	Italy	50,100,000.00	EUR	Personnel administration activities, information technology, real estate and business services	Line-by-line	Enel SpA	100.00%	100.00%
Enel Kansas LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Minnesota Holdings LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	EGP Geronimo Holding Company Inc.	100.00%	100.00%
Enel Nevkan Inc.	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel North America Inc.	Andover	USA	50.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Enel Operations Canada Ltd	Calgary	Canada	1,000.00	CAD	-	Line-by-line	Enel Green Power Canada Inc.	100.00%	100.00%
Enel Perú SAC	San Miguel	Peru	5,361,789,105.00	SOL	Holding	Line-by-line	Enel Américas SA	100.00%	57.26%
Enel Produzione SpA	Rome	Italy	1,800,000,000.00	EUR	Electricity sale	Line-by-line	Enel SpA	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Rinnovabile SA de Cv	Mexico City	Mexico	100.00	MXN	Electricity generation	Line-by-line	Enel Green Power Global Investment BV Hidroelectricidad del Pacifico S de RL de Cv	99.00% 1.00%	100.00%
Enel Roadrunner Solar Project Holdings LLC	Dover	USA	100.00	USD	Renewables	Line-by-line	Enel Green Power Roadrunner Solar Project Holdings LLC	100.00%	100.00%
Enel Romania SA	Buftea	Romania	200,000.00	RON	Business services	Line-by-line	Enel SpA	100.00%	100.00%
Enel Rus Wind Azov LLC	Moscow	Russian Federation	200,000,000.00	RUB	Renewables	Line-by-line	Enel Russia PJSC	100.00%	56.43%
Enel Rus Wind Generation LLC	Moscow	Russian Federation	350,000.00	RUB	Energy services	Line-by-line	Enel Russia PJSC	100.00%	56.43%
Enel Rus Wind Kola LLC	Murmansk City	Russian Federation	10,000.00	RUB	Renewables	Line-by-line	Enel Russia PJSC	100.00%	56.43%
Enel Russia PJSC	Yekaterinburg	Russian Federation	35,371,898,370.00	RUB	Electricity sale	Line-by-line	Enel SpA	56.43%	56.43%
Enel Salt Wells LLC	Fallon	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Geothermal LLC	100.00%	100.00%
Enel Saudi Arabia Limited	Al Khobar	Saudi Arabia	1,000,000.00	SAR	Management of activities associated with participation in tenders called by the SEC for the development of smart metering and grid automation	Line-by-line	e-distribuzione SpA	60.00%	60.00%
Enel Servicii Comune SA	Bucharest	Romania	33,000,000.00	RON	Energy services	Line-by-line	E-Distributie Banat SA E-Distributie Dobrogea SA	50.00% 50.00%	51.00%
Enel Solar Srl	Panama City	Panama	10,100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Green Power Panamá Srl Energía y Servicios South America SpA	99.01% 0.99%	100.00%
Enel Sole Srl	Rome	Italy	4,600,000.00	EUR	Public lighting systems and services	Line-by-line	Enel X Srl	100.00%	100.00%
Enel Soluções Energéticas Ltda	Niterói	Brazil	42,863,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda Enel Soluções Energéticas Ltda	100.00% 0.00%	100.00%
Enel Stillwater LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Geothermal LLC	100.00%	100.00%
Enel Surprise Valley LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel Tecnologia de Redes SA	Niterói	Brazil	10,000.00	BRL	Electricity generation, transmission, distribution, purchase and sale	Line-by-line	Enel Brasil SA	100.00%	57.26%
Enel Texkan Inc.	Wilmington	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Chi Power Inc.	100.00%	100.00%
Enel Trade doo in liquidation	Zagreb	Croatia	2,240,000.00	HRK	Electricity trading	Line-by-line	Enel Global Trading SpA	100.00%	100.00%
Enel Trade Romania Srl	Bucharest	Romania	21,250,000.00	RON	Electricity sourcing and trading	Line-by-line	Enel Energie Muntenia SA	100.00%	78.00%
Enel Trade Serbia doo	Beograd	Serbia	300,000.00	EUR	Electricity trading	Line-by-line	Enel Global Trading SpA	100.00%	100.00%
Enel Trading Argentina Srl	Buenos Aires	Argentina	14,011,100.00	ARS	Electricity trading	Line-by-line	Enel Américas SA Enel Argentina SA	55.00% 45.00%	57.26%
Enel Trading Brasil SA	Niterói	Brazil	1,000,000.00	BRL	Electricity generation, transmission, distribution, purchase and sale	Line-by-line	Enel Brasil SA	100.00%	57.26%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel Trading North America LLC	Wilmington	USA	10,000,000.00	USD	Trading	Line-by-line	Enel North America Inc.	100.00%	100.00%
Enel X Argentina SAU	Buenos Aires	Argentina	127,800,000.00	ARS	Marketing and energy-related services	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Australia Holding (Pty) Ltd	Melbourne	Australia	2,324,698.00	AUD	Renewable energy	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Australia (Pty) Ltd	Melbourne	Australia	9,880.00	AUD	Renewable energy	Line-by-line	Energy Response Holdings (Pty) Ltd	100.00%	100.00%
Enel X Battery Storage Limited Partnership	Vancouver	Canada	10,000.00	CAD	-	Line-by-line	Enel X Canada Holding Inc. Enel X Canada Ltd	0.01% 99.99%	100.00%
Enel X Brasil Gerenciamento de Energia Ltda	Sorocaba	Brazil	117,240.00	BRL	Renewable energy	Line-by-line	Enel X Ireland Limited EnerNOC Uk II Limited	0.00% 100.00%	100.00%
Enel X Brasil SA	Niterói	Brazil	97,313,600.00	BRL	Electricity	Line-by-line	Central Geradora Termelétrica Fortaleza SA Enel Brasil SA	0.00% 100.00%	57.26%
Enel X Canada Holding Inc.	Vancouver	Canada	1,000.00	CAD	Holding	Line-by-line	Enel X Canada Ltd	100.00%	100.00%
Enel X Canada Ltd	Mississauga	Canada	1,000.00	CAD	Renewable energy	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Chile SpA	Santiago	Chile	3,800,000,000.00	CLP	Services	Line-by-line	Enel Chile SA	100.00%	61.93%
Enel X College Ave. Project LLC	Boston	USA	-	USD	Holding	Line-by-line	Enel X MA Holdings LLC	100.00%	100.00%
Enel X Colombia SAS	Bogotá	Colombia	5,000,000,000.00	COP	Installation, maintenance and repair of electronic plant	Line-by-line	Codensa SA ESP	100.00%	27.66%
Enel X Energy (Shanghai) Co. Ltd	Shanghai	China	3,500,000.00	USD	Electric mobility	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Federal LLC	Lutherville	USA	5,000.00	USD	Renewable energy	Line-by-line	Enel X North America Inc.	100.00%	100.00%
Enel X Finance Partner LLC	Lutherville	USA	100.00	USD	Holding	Line-by-line	Enel X North America Inc.	100.00%	100.00%
Enel X Financial Services Srl	Rome	Italy	1,000,000.00	EUR	Services	Line-by-line	Enel X Srl	100.00%	100.00%
Enel X France SAS	Paris	France	1,000.00	EUR	-	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Hayden Rowe St. Project LLC	Boston	USA	-	USD	Holding	Line-by-line	Enel X Finance Partner LLC	100.00%	100.00%
Enel X International Srl	Rome	Italy	100,000.00	EUR	Holding	Line-by-line	Enel X Srl	100.00%	100.00%
Enel X Ireland Limited	Dublin	Ireland	100,000.00	EUR	Renewable energy	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Italia SpA	Rome	Italy	200,000.00	EUR	Energy services	Line-by-line	Enel X Srl	100.00%	100.00%
Enel X Japan K.K.	Tokyo	Japan	165,000,000.00	JPY	Renewable energy	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Korea Limited	Seoul	Korea del Sud	1,200,000,000.00	KRW	Renewable energy	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X MA Holdings LLC	Lutherville	USA	100.00	USD	Holding	Line-by-line	Enel X Finance Partner LLC	100.00%	100.00%
Enel X Mobility Romania Srl	Bucharest	Romania	937,800.00	RON	Energy services	Line-by-line	Enel X International Srl Enel X Srl	99.00% 1.00%	100.00%
Enel X Mobility Srl	Rome	Italy	100,000.00	EUR	Electric mobility	Line-by-line	Enel X Srl	100.00%	100.00%
Enel X Morrissey Blvd. Project LLC	Lutherville	USA	100.00	USD	Holding	Line-by-line	Enel X Finance Partner LLC	100.00%	100.00%
Enel X New Zealand Limited	Wellington	New Zealand	313,606.00	AUD	Renewable energy	Line-by-line	Energy Response Holdings (Pty) Ltd	100.00%	100.00%
Enel X North America Inc.	Lutherville	USA	1,000.00	USD	Renewable energy	Line-by-line	Enel X International Srl	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enel X Norway AS	Porsgrunn	Norway	1,000,000.00	NOK	Services	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Perú SAC	San Miguel	Peru	3,005,000.00	SOL	Electric mobility	Line-by-line	Enel Perú SAC	100.00%	57.26%
Enel X Polska Sp. Zo.O.	Warsaw	Poland	5,000.00	PLN	Renewable energy	Line-by-line	Enel X Ireland Limited	100.00%	100.00%
Enel X Romania Srl	Bucharest	Romania	234,450.00	RON	Energy services	Line-by-line	Enel X International Srl Enel X Srl	99.00% 1.00%	100.00%
Enel X Rus LLC	Moscow	Russian Federation	8,000,000.00	RUB	-	Line-by-line	Enel X International Srl	99.00%	99.00%
Enel X Srl	Rome	Italy	1,050,000.00	EUR	Holding. Energy services	Line-by-line	Enel SpA	100.00%	100.00%
Enel X Services India Private Limited	Mumbai City	India	45,000.00	INR	Engineering and consulting services	Line-by-line	Enel X International Srl Enel X North America Inc.	100.00% 0.00%	100.00%
Enel X Singapore Pte Ltd	Singapore	Singapore	199,999.00	EUR	Energy services	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel X Taiwan Co. Ltd	Taipei City	Taiwan	65,000,000.00	TWD	Renewable energy	Line-by-line	Enel X Ireland Limited	100.00%	100.00%
Enel X Uk Limited	London	United Kingdom	10,001.00	GBP	Renewable energy	Line-by-line	Enel X International Srl	100.00%	100.00%
Enel.si Srl	Rome	Italy	5,000,000.00	EUR	Plant engineering and energy services	Line-by-line	Enel X Srl	100.00%	100.00%
Enelco SA	Maroussi	Greece	60,108.80	EUR	Plant construction, operation and maintenance	Line-by-line	Enel Investment Holding BV	75.00%	75.00%
Enelpower Contractor And Development Saudi Arabia Ltd	Riyadh	Saudi Arabia	5,000,000.00	SAR	Plant construction, operation and maintenance	Line-by-line	Enelpower SpA	51.00%	51.00%
Enelpower do Brasil Ltda	Niterói	Brazil	5,068,000.00	BRL	Electrical engineering	Line-by-line	Enel Green Power Brasil Participações Ltda Energía y Servicios South America SpA	100.00% 0.00%	100.00%
Enelpower SpA	Milan	Italy	2,000,000.00	EUR	Design, development and maintenance of engineering plants	Line-by-line	Enel SpA	100.00%	100.00%
Energética Monzón SAC	San Miguel	Peru	6,463,000.00	SOL	Electricity generation from renewable resources	Line-by-line	Enel Green Perú SAC Enel Green Power Perú SAC Energía y Servicios South America SpA	0.01% 99.99% 0.00%	99.99%
Energía Ceuta XXI Comercializadora De Referencia SA	Ceuta	Spain	65,000.00	EUR	Electricity supply	Line-by-line	Empresa de Alumbrado Eléctrico de Ceuta SA	100.00%	67.50%
Energía Eléctrica del Ebro SA (Sociedad Unipersonal)	Tarragona	Spain	-	EUR	Electricity generation and supply	Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.10%
Energía Eólica Alto del Llano SLU	Madrid	Spain	3,300.00	EUR	Renewable	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Energía Eolica Srl - EN.EO. Srl	Rome	Italy	4,840,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Energía Global de México (Enermex) SA de Cv	Mexico City	Mexico	50,000.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	99.00%	99.00%
Energía Global Operaciones Srl	San José	Costa Rica	10,000.00	CRC	Marketing and electricity-related services	Line-by-line	Enel Green Power Costa Rica SA	100.00%	100.00%
Energía Limpia de Amistad SA de Cv	Mexico City	Mexico	33,452,769.00	MXN	Electricity generation from renewable resources	Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Energía Limpia de Palo Alto SA de Cv	Mexico City	Mexico	673,583,489.00	MXN	Electricity generation from renewable resources	Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Energía Limpia de Puerto Libertad S de RL de Cv	Mexico City	Mexico	2,953,980.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Enel Rinnovabile SA de Cv	0.01% 99.99%	100.00%
Energía Marina SpA	Santiago	Chile	2,404,240,000.00	CLP	Electricity generation from renewable resources	Equity	Enel Green Power Chile Ltda	25.00%	15.48%
Energía Neta Sa Caseta Lluçmajor SL (Sociedad Unipersonal)	Palma de Mallorca	Spain	9,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Energía Nueva de Iguu S de RL de Cv	Mexico City	Mexico	51,879,307.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Energía Nueva Energía Limpia México S de RL de Cv	99.90% 0.01%	99.91%
Energía Nueva Energía Limpia México S de RL de Cv	Mexico City	Mexico	5,339,650.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power Guatemala SA Enel Green Power SpA	0.04% 99.96%	100.00%
Energía XXI Comercializadora de Referencia SL	Madrid	Spain	2,000,000.00	EUR	Marketing and electricity-related services	Line-by-line	Endesa Energía SA	100.00%	70.10%
Energía y Servicios South America SpA	Santiago	Chile	142,091,084.73	USD	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Energías Alternativas del Sur SL	Las Palmas de Gran Canaria	Spain	546,919.10	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	54.95%	38.52%
Energías de Aragón I SL	Zaragoza	Spain	3,200,000.00	EUR	Electricity transmission, distribution and sale	Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.10%
Energías de Graus SL	Barcelona	Spain	1,298,160.00	EUR	Hydroelectric plants	Line-by-line	Enel Green Power España SL	66.67%	46.73%
Energías Especiales de Careón SA	Santiago de Compostela	Spain	270,450.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	77.00%	53.98%
Energías Especiales de Peña Armada SA	Madrid	Spain	963,300.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	80.00%	56.08%
Energías Especiales del Alto Ulla SA	Madrid	Spain	19,594,860.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Energías Especiales del Bierzo SA	Torre del Bierzo	Spain	1,635,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	50.00%	35.05%
Energías Renovables La Mata SA de Cv	Mexico City	Mexico	656,615,400.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Energía Nueva de Iguu S de RL de Cv	99.00% 1.00%	100.00%
Energie Electrique de Tahaddart SA	Marrakech	Morocco	750,400,000.00	MAD	Combined-cycle generation plants	Equity	Endesa Generación SA	32.00%	22.43%
Energotel AS	Bratislava	Slovakia	2,191,200.00	EUR	Operation of optical fiber network	Equity	Slovenské elektrárne AS	20.00%	6.60%
ENergy Hydro Piave Srl in liquidation	Belluno	Italy	800,000.00	EUR	Electricity purchasing and sale	Line-by-line	Enel Produzione SpA	51.00%	51.00%
Energy Response Holdings (Pty) Ltd	Melbourne	Australia	630,451.00	AUD	Renewable energy	Line-by-line	Enel X Australia Holding (Pty) Ltd	100.00%	100.00%
Energy Storage Resources LLC	Houston	USA	10.00	USD	Holding	Equity	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	10.00%	10.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Enerlive Srl	Rome	Italy	6,520,000.00	EUR	Electricity generation from renewable resources	Line-by-line	MaicorWind Srl	100.00%	100.00%
EnerNOC GmbH	Munich	Germany	25,000.00	EUR	Renewable energy	Line-by-line	Enel X North America Inc.	100.00%	100.00%
EnerNOC Ireland Limited	Dublin	Ireland	100,000.00	EUR	Renewable energy	Line-by-line	Enel X Ireland Limited	100.00%	100.00%
EnerNOC Uk II Limited	London	United Kingdom	21,000.00	GBP	Renewable energy	Line-by-line	Enel X Uk Limited	100.00%	100.00%
Entech (China) Information Technology Co. Ltd	Shenzhen	China	1,500.00	EUR	Renewable energy	Equity	EnerNOC Uk II Limited	50.00%	50.00%
Entech Utility Service Bureau Inc.	Lutherville	USA	1,500.00	USD	Renewable energy	Line-by-line	Enel X North America Inc.	100.00%	100.00%
Envatios Promoción I SLU	Seville	Spain	3,000.00	EUR	Photovoltaic systems	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Envatios Promoción II SLU	Seville	Spain	3,000.00	EUR	Photovoltaic systems	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Envatios Promoción III SLU	Seville	Spain	3,000.00	EUR	Photovoltaic systems	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Envatios Promoción XX SLU	Seville	Spain	3,000.00	EUR	Photovoltaic systems	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Eólica del Cierzo SLU	Zaragoza	Spain	225,000.00	EUR	Renewable energy	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Eólica del Principado SAU	Gijón- Asturias	Spain	60,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Eólica Valle del Ebro SA	Zaragoza	Spain	3,561,342.50	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	50.50%	35.40%
Eólica Zopiloapan SA de Cv	Mexico City	Mexico	1,877,201.54	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Enel Green Power Partecipazioni Speciali Srl	56.98% 39.50%	96.48%
Eólicas de Agaete SL	Las Palmas de Gran Canaria	Spain	240,400.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	80.00%	56.08%
Eólicas de Fuencaliente SA	Las Palmas de Gran Canaria	Spain	216,360.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	55.00%	38.56%
Eólicas de Fuerteventura AIE	Puerto del Rosario	Spain	-	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	40.00%	28.04%
Eólicas de la Patagonia SA	Buenos Aires	Argentina	480,930.00	ARS	Electricity generation from renewable resources	Equity	Enel Green Power España SL	50.00%	35.05%
Eólicas de Lanzarote SL	Las Palmas de Gran Canaria	Spain	1,758,000.00	EUR	Electricity generation and distribution	Equity	Enel Green Power España SL	40.00%	28.04%
Eólicas de Tenerife AIE	Santa Cruz de Tenerife	Spain	420,708.40	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	50.00%	35.05%
Eólicas de Tirajana SL	Las Palmas de Gran Canaria	Spain	3,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	60.00%	42.06%
Eolo Energie Corleone Campofiorito Srl	Rome	Italy	10,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
EPM Eólica Dolores SA de Cv	Mexico City	Mexico	100.00	MXN	Electricity generation, transmission, distribution sale and purchase	Line-by-line	Enel Rinnovabile SA de Cv Hidroelectricidad del Pacífico S de RL de Cv	99.00% 1.00%	100.00%
Empresa Energía SA	Cadiz	Spain	2,500,000.00	EUR	Electricity supply	Equity	Endesa Red SA (Sociedad Unipersonal)	50.00%	35.05%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Essex Company LLC	Boston	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
European Energy Exchange AG	Leipzig	Germany	40,050,000.00	EUR	Commodity trading	-	Enel Global Trading SpA	2.33%	2.33%
Explotaciones Eólicas de Escucha SA	Zaragoza	Spain	3,505,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	70.00%	49.07%
Explotaciones Eólicas El Puerto SA	Teruel	Spain	3,230,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	73.60%	51.59%
Explotaciones Eólicas Santo Domingo de Luna SA	Zaragoza	Spain	100,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	51.00%	35.75%
Explotaciones Eólicas Saso Plano SA	Zaragoza	Spain	5,488,500.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	65.00%	45.57%
Explotaciones Eólicas Sierra Costera SA	Zaragoza	Spain	8,046,800.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	90.00%	63.09%
Explotaciones Eólicas Sierra La Virgen SA	Zaragoza	Spain	4,200,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	90.00%	63.09%
Fenner Wind Holdings LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Finsec Lab Ltd	Tel Aviv	Israel	100.00	ILS	Any legal activity	Equity	Enel X Srl	30.00%	30.00%
Flagpay Srl	Milan	Italy	10,000.00	EUR	Services	Line-by-line	PayTipper SpA	100.00%	55.00%
Flat Rock Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Florence Hills LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Fótons de Santo Anchieta Energias Renováveis SA	Maracanaú	Brazil	577,000.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Fotovoltaica Yuncillos SLU	Granada	Spain	3,000.00	EUR	Photovoltaic plants	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Fourmile Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Fowler Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Freedom Energy Storage LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Front Marítim del Besòs SL	Barcelona	Spain	9,000.00	EUR	Real estate	Equity	Endesa Generación SA	61.37%	43.02%
Fulcrum LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Furatena Solar 1 SLU	Seville	Spain	3,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Galaxy Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Garob Wind Farm (RF) (Pty) Ltd	Gauteng	Republic of South Africa	100.00	ZAR	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power RSA 2 (RF) (Pty) Ltd	60.00%	60.00%
Gas y Electricidad Generación SAU	Palma de Mallorca	Spain	213,775,700.00	EUR	Electricity sale	Line-by-line	Endesa Generación SA	100.00%	70.10%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Gasoducto Atacama Argentina SA Sucursal Argentina	Buenos Aires	Argentina	-	ARS	Natural gas transport	Line-by-line	Enel Generación Chile SA	100.00%	57.93%
Gauley Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Gauley River Management LLC	Willison	USA	1.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Gauley River Power Partners LLC	Summersville	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Genability Inc.	San Francisco	USA	6,010,074.72	USD	Energy services	Equity	Enel X North America Inc.	50.00%	50.00%
Generadora de Occidente Ltda	Guatemala City	Guatemala	16,261,697.33	GTQ	Electricity generation from renewable resources	Line-by-line	Enel Green Power Guatemala SA Enel Green Power SpA	1.00% 99.00%	100.00%
Generadora Eólica Alto Pacora Srl	Panama City	Panama	10,100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Green Power Panamá Srl Energía y Servicios South America SpA	99.01% 0.99%	100.00%
Generadora Montecristo SA	Guatemala City	Guatemala	3,820,000.00	GTQ	Electricity generation from renewable resources	Line-by-line	Enel Green Power Guatemala SA Enel Green Power SpA	0.01% 99.99%	100.00%
Generadora Solar Tolé Srl	Panama City	Panama	10,100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Green Power Panamá Srl Energía y Servicios South America SpA	99.01% 0.99%	100.00%
Geotérmica del Norte SA	Santiago	Chile	326,577,419,702.00	CLP	Electricity generation from renewable resources	Line-by-line	Enel Green Power Chile Ltda	84.59%	52.39%
Gibson Bay Wind Farm (RF) (Pty) Ltd	Gauteng	Republic of South Africa	1,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	60.00%	60.00%
Girgarre Solar Farm (Pty) Ltd	Barangaroo, Sydney	Australia	-	AUD	Renewables	Line-by-line	Enel Green Power Girgarre Holdings (Pty) Ltd	100.00%	100.00%
Global Coal Limited	London	United Kingdom	4,042,375.00	GBP	Coal trading and related activities	-	Enel Global Trading SpA	4.68%	4.68%
Globyte SA	San José	Costa Rica	900,000.00	CRC	Marketing and electricity-related services	-	Enel Green Power Costa Rica SA	10.00%	10.00%
Gnl Chile SA	Santiago	Chile	3,026,160.00	USD	Design and LNG supply	Equity	Enel Generación Chile SA	33.33%	19.31%
Goldcup 18936 AB	Stockholm	Sweden	50,000.00	SEK	Services	Line-by-line	Enel X International Srl	100.00%	100.00%
Goodwell Wind Project LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	Origin Goodwell Holdings LLC	100.00%	20.00%
Goodyear Lake Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Gorona del Viento El Hierro SA	Santa Cruz de Tenerife	Spain	30,936,736.00	EUR	Development and maintenance of El Hierro generation plant	Equity	Unión Eléctrica de Canarias Generación SAU	23.21%	16.27%
Grand Prairie Solar Project LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Guadarranque Solar 4 SL Unipersonal	Seville	Spain	3,006.00	EUR	Electricity generation from renewable resources	Line-by-line	Endesa Generación II SA	100.00%	70.10%
Gusty Hill Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
GV Energie Rigenerabili ITAL-RO Srl	Bucharest	Romania	1,145,400.00	RON	Electricity generation from renewable resources	Line-by-line	Enel Green Power Romania Srl Enel Green Power SpA	100.00% 0.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Hadley Ridge LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Hamilton County Solar Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Harvest Ridge Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Hastings Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Hatch Data Inc.	San Francisco	USA	10,000.00	USD	Any legal activity	-	Enel X North America Inc.	5.00%	5.00%
Haystack Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Heartland Farms Wind Project LLC	Wilmington	USA	1.00	USD	-	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Helio Atacama Cinco SpA	Santiago	Chile	1,000,000.00	CLP	Electricity generation, trading and transmission	Line-by-line	Enel Green Power del Sur SpA	100.00%	61.93%
Hidroeléctrica de Catalunya SL	Barcelona	Spain	126,210.00	EUR	Electricity transmission and distribution	Line-by-line	Endesa Red SA (Sociedad Unipersonal)	100.00%	70.10%
Hidroeléctrica de Oroul SL	Lugo	Spain	1,608,200.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	30.00%	21.03%
Hidroelectricidad del Pacifico S de RL de Cv	Colima	Mexico	30,890,736.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv	99.99%	99.99%
Hidroflamicell SL	Barcelona	Spain	78,120.00	EUR	Electricity distribution and sale	Line-by-line	Hidroeléctrica de Catalunya SL	75.00%	52.58%
Hidroinvest SA	Buenos Aires	Argentina	55,312,093.00	ARS	Holding	Line-by-line	Enel Américas SA Enel Argentina SA	41.94% 54.76%	55.37%
Hidromondego - Hidroeléctrica do Mondego Lda	Lisbon	Portugal	3,000.00	EUR	Hydroelectric power	Line-by-line	Endesa Generación Portugal SA Endesa Generación SA	10.00% 90.00%	70.10%
High Lonesome Storage LLC	Andover	USA	1.00	USD	Holding. Electricity sale	Line-by-line	Enel Kansas LLC	100.00%	100.00%
High Lonesome Wind Holdings LLC	Wilmington	USA	100.00	USD	Holding	Line-by-line	Enel Kansas LLC	100.00%	100.00%
High Lonesome Wind Power LLC	Boston	USA	100.00	USD	Renewable energy	Line-by-line	High Lonesome Wind Holdings LLC	100.00%	100.00%
High Shoals LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
High Street Corporation (Pty) Ltd	Melbourne	Australia	2.00	AUD	Renewable energy	Line-by-line	Energy Response Holdings (Pty) Ltd	100.00%	100.00%
Highfalls Hydro Company Inc.	Wilmington	USA	3,000.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Hilltopper Wind Holdings LLC	Wilmington	USA	1,000.00	USD	Renewable energy	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Hispano Generación de Energía Solar SL	Jerez de los Caballeros	Spain	3,500.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	51.00%	35.75%
Hope Creek LLC	Crestview	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Hope Ridge Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Hsubject GmbH	Berlin	Germany	65,943.00	EUR	E-mobility	-	Enel X International Srl	12.50%	12.50%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Hydro Development Group Acquisition LLC	Wilmington	USA	1.00	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Hydro Energies Corporation	Willison	USA	5,000.00	USD	Electricity generation from renewable resources	AFS	Enel North America Inc.	100.00%	100.00%
Idrosicilia SpA	Milan	Italy	22,520,000.00	EUR	Hydro-electric activities	Equity	Enel SpA	1.00%	1.00%
I-EM SAT Ltd	Didcot, Oxfordshire	United Kingdom	100.00	GBP	ICT	Equity	I-EM Srl	100.00%	30.00%
I-EM Srl	Turin	Italy	28,571.43	EUR	Design and development	Equity	Enel X Srl	30.00%	30.00%
Ifx Networks Argentina Srl	Buenos Aires	Argentina	2,260,551.00	ARS	-	Equity	Ifx/eni- Spc V Inc. Minority Stock Holding Corp.	99.85% 0.15%	20.60%
Ifx Networks Chile SA	Santiago	Chile	5,761,374,444.00	CLP	-	Equity	Ifx/eni- Spc IV Inc. Servicios de Internet Eni Chile Ltda	41.00% 59.00%	20.60%
Ifx Networks Colombia SAS	Bogotá	Colombia	15,734,959,000.00	COP	-	Equity	Ifx Networks Panama SA Ifx/eni- Spc III Inc.	58.33% 41.67%	20.60%
Ifx Networks LLC	Wilmington	USA	80,848,653.00	USD	-	Equity	Ufinet Latam SLU	100.00%	20.60%
Ifx Networks Ltd	Tortola	Virgin Islands	100,000.00	USD	-	Equity	Ifx Networks LLC	100.00%	20.60%
Ifx Networks Panama SA	Panama City	Panama	21,000.00	USD	-	Equity	Ifx/eni- Spc Panama Inc.	100.00%	20.60%
Ifx/eni- Spc III Inc.	Tortola	Virgin Islands	50,000.00	USD	-	Equity	Ifx Networks Ltd	100.00%	20.60%
Ifx/eni- Spc IV Inc.	Tortola	Virgin Islands	50,000.00	USD	-	Equity	Ifx Networks Ltd	100.00%	20.60%
Ifx/eni- Spc Panama Inc.	Tortola	Virgin Islands	50,000.00	USD	-	Equity	Ifx Networks Ltd	100.00%	20.60%
Ifx/eni- Spc V Inc.	Tortola	Virgin Islands	50,000.00	USD	-	Equity	Ifx Networks Ltd	100.00%	20.60%
Inkolan Información y Coordinación de obras AIE	Bilbao	Spain	84,141.68	EUR	Information on infrastructure of Inkolan associates	Equity	Edistribución Redes Digitales SL (Sociedad Unipersonal)	14.29%	10.01%
International Endesa BV	Amsterdam	Netherlands	15,428,520.00	EUR	Holding	Line-by-line	Endesa SA	100.00%	70.10%
International Multimedia University Srl (in bankruptcy)	Rome	Italy	24,000.00	EUR	Training	-	Enel Italia SpA	13.04%	13.04%
Inversora Codensa SAS	Bogotá	Colombia	5,000,000.00	COP	Electricity transmission and distribution	Line-by-line	Codensa SA ESP	100.00%	27.66%
Inversora Dock Sud SA	Buenos Aires	Argentina	828,941,660.00	ARS	Holding	Line-by-line	Enel Américas SA	57.14%	32.72%
Isamu Ikeda Energia SA	Niterói	Brazil	45,474,475.77	BRL	Electricity generation and sale	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Italgest Energy (Pty) Ltd	Gauteng	Republic of South Africa	1,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Jack River LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Jessica Mills LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Juicenet GmbH	Berlin	Germany	25,000.00	EUR	Renewables	Line-by-line	Enel X International Srl	100.00%	100.00%
Juicenet Ltd	London	United Kingdom	1.00	GBP	-	Line-by-line	Enel X International Srl	100.00%	100.00%
Julia Hills LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Kirklareli Eoliko Enerji Elektrik Üretim Ve Ticaret Anonim Şirketi	Istanbul	Turkey	9,000,000.00	TRY	Electricity generation from renewable resources	Line-by-line	Enel Green Power Turkey Enerji Yatirimlari Anonim Şirketi	100.00%	100.00%
Kelley's Falls LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	AFS	Enel North America Inc.	100.00%	100.00%
Kings River Hydro Company Inc	Wilmington	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Kingston Energy Storage LLC	Wilmington	USA	-	USD	Renewables	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Kinneytown Hydro Company Inc.	Wilmington	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Kino Contractor SA de Cv	Mexico City	Mexico	100.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Hidroelectricidad del Pacifico S de RL de Cv	99.00% 1.00%	100.00%
Kino Facilities Manager SA de Cv	Mexico City	Mexico	100.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Hidroelectricidad del Pacifico S de RL de Cv	99.00% 1.00%	100.00%
Kirklareli Eoliko Enerji Elektrik Üretim Ve Ticaret Anonim Şirketi	Istanbul	Turkey	5,250,000.00	TRY	-	Line-by-line	Enel Green Power Turkey Enerji Yatirimlari Anonim Şirketi	100.00%	100.00%
Kongul Enerji Sanayi Ve Ticaret Anonim Şirketi	Istanbul	Turkey	125,000,000.00	TRY	Electricity generation from renewable resources	Line-by-line	Enel Green Power Turkey Enerji Yatirimlari Anonim Şirketi	100.00%	100.00%
Korea Line Corporation	Seoul	South Korea	122,132,520,000.00	KRW	Shipping	-	Enel Global Trading SpA	0.25%	0.25%
Kromschroeder SA	Barcelona	Spain	627,126.00	EUR	Services	Equity	Endesa Medios y Sistemas SL (Sociedad Unipersonal)	29.26%	20.51%
LaChute Hydro Company LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Lake Emily Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Lake Pulaski Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Land Run Wind Project LLC	Dover	USA	100.00	USD	Renewables	Line-by-line	Sundance Wind Project LLC	100.00%	100.00%
Lawrence Creek Solar LLC	Minneapolis	USA	-	USD	-	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Liberty Energy Storage LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Lindahl Wind Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	EGPNA Preferred Wind Holdings LLC	100.00%	100.00%
Lindahl Wind Project LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Lindahl Wind Holdings LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Little Elk Wind Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Little Elk Wind Project LLC	Oklahoma City	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Little Elk Wind Holdings LLC	100.00%	100.00%
Littleville Power Company Inc.	Boston	USA	100.00	USD	Electricity generation from renewable resources	AFS	Enel North America Inc.	100.00%	100.00%
Litus Energy Storage LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Livister Guatemala SA	Guatemala City	Guatemala	1,299,900.00	GTQ	-	Equity	Ufinet Guatemala SA Ufinet Latam SLU	2.00% 98.00%	20.60%
Livister Honduras SA	Tegucigalpa	Honduras	2,500,000.00	HNL	Holding	Equity	Livister Guatemala SA Livister Latam SLU	0.40% 99.60%	20.60%
Livister Latam SLU	Madrid	Spain	3,000.00	EUR	-	Equity	Ufinet Latam SLU	100.00%	20.60%
Llano Sánchez Solar Power One Srl	Panama City	Panama	10,020.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Green Power Panamá Srl Energía y Servicios South America SpA	99.80% 0.20%	100.00%
Lone Pine Wind Inc.	Calgary	Canada	-	CAD	Renewable energy	-	Enel Green Power Canada Inc.	10.00%	10.00%
Lone Pine Wind Project LP	Calgary	Canada	-	CAD	Renewables	Line-by-line	Enel Green Power Canada Inc.	10.00%	10.00%
Lower Saranac Hydro Partners LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Lower Saranac Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Lower Valley LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Lowline Rapids LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Luz Andes Ltda	Santiago	Chile	1,224,348.00	CLP	Electricity and fuel transmission, distribution and sale	Line-by-line	Enel Distribución Chile SA	100.00%	61.36%
Lybian Italian Joint Company- Azienda Libico-Italiana (A.L.I)	Tripoli	Libya	1,350,000.00	EUR	Electricity generation	-	Enelpower SpA	0.33%	0.33%
Maicor Wind Srl	Rome	Italy	20,850,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Malaspina Energy Scarl in liquidation	Bergamo	Italy	100,000.00	EUR	Electricity sale	Line-by-line	YouSave SpA	100.00%	100.00%
Marengo Solar LLC	Wilmington	USA	1.00	USD	Photovoltaic	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Marte Srl	Rome	Italy	6,100,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Marudhar Wind Energy Private Limited	Gurugram	India	100,000.00	INR	Electricity transmission, distribution and sale	Line-by-line	Enel Green Power India Private Limited (formerly BLP Energy Private Limited)	100.00%	100.00%
Más Energía S de RL de Cv	Mexico City	Mexico	61,872,926.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Hidroelectricidad del Pacífico S de RL de Cv	99.99% 0.01%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Mason Mountain Wind Project LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Padoma Wind Power LLC	100.00%	100.00%
Matrigenix (Pty) Ltd	Gauteng	Republic of South Africa	1,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
McBride Wind Project LLC	Wilmington	USA	1.00	USD	-	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Medidas Ambientales SL	Burgos	Spain	60,100.00	EUR	Environmental studies	Equity	Nuclenor SA	50.00%	1753%
Merit Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Metro Wind LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Mexicana de Hidroelectricidad Mexhidro S de RL de Cv	Mexico City	Mexico	181,728,901.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv	99.99%	99.99%
Mibgas SA	Madrid	Spain	3,000,000.00	EUR	Gas market operator	-	Endesa SA	1.35%	0.95%
Midelt Wind Farm SA	Casablanca	Morocco	145,000,000.00	MAD	Plant development, design, construction and operation	Equity	Nareva Enel Green Power Morocco SA	70.00%	35.00%
Mill Shoals Hydro Company LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Minicentrales Acequia Cinco Villas AIE	Ejea de los Caballeros	Spain	3,346,993.04	EUR	Electricity generation from renewable resources	-	Enel Green Power España SL	5.39%	3.78%
Minicentrales del Canal de las Bardenas AIE	Zaragoza	Spain	1,202,000.00	EUR	Hydro-electric plants	-	Enel Green Power España SL	15.00%	10.52%
Minicentrales del Canal Imperial-Gallur SL	Zaragoza	Spain	1,820,000.00	EUR	Hydro-electric plants	Equity	Enel Green Power España SL	36.50%	25.59%
Minority Stock Holding Corp.	Tortola	Virgin Islands	50,000.00	USD	-	Equity	Ixf Networks Ltd	100.00%	20.60%
Mira Energy (Pty) Ltd	Johannesburg	Republic of South Africa	100.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Miranda Plataforma Logística SA	Burgos	Spain	1,800,000.00	EUR	Regional development	-	Nuclenor SA	0.22%	0.08%
Missisquoi LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Montrose Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Mountrail Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
MSN Solar Tres SpA	Santiago	Chile	1,000,000.00	CLP	Plant construction - Electricity generation from renewable resources	Line-by-line	Enel Green Power Chile Ltda	100.00%	61.93%
Mucho Viento Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Muskegon County Solar Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Muskegon Green Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Mustang Run Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Napolean Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Nareva Enel Green Power Morocco SA	Casablanca	Morocco	98,750,000.00	MAD	Holding. Electricity sale	Equity	Enel Green Power Morocco SARLAU	50.00%	50.00%
Navalvillar Solar SL	Madrid	Spain	3,000.00	EUR	Photovoltaic	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Netell Telecomunicações SA	Barueri	Brazil	29,800,000.00	BRL	Telecommunications	-	Ufinet Brasil Administração Ltda	60.00%	12.36%
Nevkan Renewables LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Nevkan Inc.	100.00%	100.00%
Newbury Hydro Company LLC	Andover	USA	-	USD	Electricity generation from renewable resources	AFS	Enel North America Inc.	100.00%	100.00%
Ngonye Power Company Limited	Lusaka	Zambia	10.00	ZMW	Electricity sale	Line-by-line	Enel Green Power Solar Ngonye SpA (formerly Enel Green Power Africa Srl)	80.00%	80.00%
Nojoli Wind Farm (RF) (Pty) Ltd	Gauteng	Republic of South Africa	10,000,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	60.00%	60.00%
North Canal Waterworks	Boston	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
North English Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
North Rock Wind LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Northland Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Northstar Wind Project LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Northwest Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi West LLC	100.00%	100.00%
Notch Butte Hydro Company Inc.	Wilmington	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Nuclenor SA	Burgos	Spain	102,000,000.00	EUR	Nuclear plants	Equity	Endesa Generación SA	50.00%	35.05%
Nuove Energie Srl	Porto Empedocle	Italy	5,204,028.73	EUR	Construction and management of LNG regasification infrastructure	Line-by-line	Enel Global Trading SpA	100.00%	100.00%
Nuxer Trading SA	Montevideo	Uruguay	80,000.00	UYU	Electricity trading	Line-by-line	Enel Brasil SA	100.00%	57.26%
Nxuba Wind Farm (RF) (Pty) Ltd	Gauteng	Republic of South Africa	1,000.00	ZAR	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power RSA 2 (RF) (Pty) Ltd	51.00%	51.00%
Nyc Storage (353 Chester) Spe LLC	Wilmington	USA	1.00	USD	Holding	Line-by-line	Enel X North America Inc.	100.00%	100.00%
Ochrana A Bezpečnost Se SRO	Kalná Nad Hronom	Slovakia	33,193.92	EUR	Security services	Equity	Slovenské elektrárne AS	100.00%	33.00%
Olivum Pv Farm 01 SLU	Valencia	Spain	3,000.00	EUR	Photovoltaic	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Ompip - Operador do Mercado Ibérico (Portugal) Sgps SA	Lisbon	Portugal	2,610,000.00	EUR	Electricity market operator	-	Endesa SA	5.00%	3.51%
OpEn Fiber SpA	Milan	Italy	250,000,000.00	EUR	Installation, maintenance and repair of electronic plant	Equity	Enel SpA	50.00%	50.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Open Range Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Operador del Mercado Ibérico de Energía- Polo Español SA	Madrid	Spain	1,999,998.00	EUR	Electricity market operator	-	Endesa SA	5.00%	3.51%
Origin Goodwell Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA Wind Holdings 1 LLC	100.00%	20.00%
Origin Wind Energy LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	Origin Goodwell Holdings LLC	100.00%	20.00%
Osage Wind Holdings LLC	Wilmington	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Kansas LLC	50.00%	50.00%
Osage Wind LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Osage Wind Holdings LLC	100.00%	50.00%
Ottawaquechee Hydro Company Inc.	Wilmington	USA	100.00	USD	Electricity generation from renewable resources	AFS	Enel North America Inc.	100.00%	100.00%
Ovacik Eoliko Enerji Elektrik Üretim Ve Ticaret Anonim Şirketi	Istanbul	Turkey	11,250,000.00	TRY	-	Line-by-line	Enel Green Power Turkey Enerji Yatirimlari Anonim Şirketi	100.00%	100.00%
Oxagesa AIE	Alcaniz	Spain	6,010.00	EUR	Cogeneration of electricity and heat	Equity	Enel Green Power España SL	33.33%	23.36%
Oyster Bay Wind Farm (RF) (Pty) Ltd	Gauteng	Republic of South Africa	1,000.00	ZAR	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power RSA 2 (RF) (Pty) Ltd	60.00%	60.00%
Padoma Wind Power LLC	Elida	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Palo Alto Farms Wind Project LLC	Dallas	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Pampinus Pv Farm 01 SLU	Valencia	Spain	3,000.00	EUR	Photovoltaic systems	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Paradise Creek Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Paravento SL	Lugo	Spain	3,006.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	90.00%	63.09%
Parc Eòlic La Tossa-La Mola d'en Pascual SL	Madrid	Spain	1,183,100.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	30.00%	21.03%
Parc Eòlic Los Aligars SL	Madrid	Spain	1,313,100.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	30.00%	21.03%
Parque Amistad II SA de Cv	Mexico City	Mexico	100.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Rinnovabile SA de Cv Hidroelectricidad del Pacifico S de RL de Cv	99.00% 1.00%	100.00%
Parque Amistad III SA de Cv	Mexico City	Mexico	100.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Rinnovabile SA de Cv Hidroelectricidad del Pacifico S de RL de Cv	99.00% 1.00%	100.00%
Parque Amistad IV SA de Cv	Mexico City	Mexico	100.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Rinnovabile SA de Cv Hidroelectricidad del Pacifico S de RL de Cv	99.00% 1.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Parque Eólico A Capelada SL (Sociedad Unipersonal)	La Coruña	Spain	5,857,704.33	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Parque Eólico BR-1 SAPI de Cv	Mexico City	Mexico	-	MXN	Plant construction - Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Enel Rinnovabile SA de Cv	0.50% 25.00%	25.50%
Parque Eólico Carretera de Arinaga SA	Las Palmas de Gran Canaria	Spain	1,603,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	80.00%	56.08%
Parque Eólico de Barbanza SA	La Coruña	Spain	3,606,072.60	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL Parque Eólico de Barbanza SA	75.00%	52.58%
Parque Eólico de Belmonte SA	Madrid	Spain	120,400.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	50.17%	35.17%
Parque Eólico de Farlan SLU	Madrid	Spain	3,006.00	EUR	Wind plants	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Parque Eólico de San Andrés SA	La Coruña	Spain	552,920.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	82.00%	57.48%
Parque Eólico de Santa Lucía SA	Las Palmas de Gran Canaria	Spain	901,500.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL Parque Eólico de Santa Lucía SA	65.67% 1.00%	46.50%
Parque Eólico Finca de Mogán SA	Santa Cruz de Tenerife	Spain	3,810,340.00	EUR	Cogeneration of electricity and heat	Line-by-line	Enel Green Power España SL	90.00%	63.09%
Parque Eólico Montes de las Navas SA	Madrid	Spain	6,540,000.00	EUR	Cogeneration of electricity and heat	Line-by-line	Enel Green Power España SL	75.50%	52.93%
Parque Eólico Muniesa SL	Madrid	Spain	3,006.00	EUR	Wind plants	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Parque Eólico Palmas dos Ventos Ltda	Salvador	Brazil	4,096,626.00	BRL	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda Enel Green Power Desenvolvimento Ltda	100.00% 0.00%	100.00%
Parque Eólico Pampa SA	Buenos Aires	Argentina	6,500,000.00	ARS	Electricity generation from renewable resources	Line-by-line	Enel Green Power Argentina SA	100.00%	100.00%
Parque Eólico Punta de Teno SA	Santa Cruz de Tenerife	Spain	528,880.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	52.00%	36.45%
Parque Eólico Sierra del Madero SA	Madrid	Spain	7,193,970.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	58.00%	40.66%
Parque Eólico Taltal SpA	Santiago	Chile	20,878,010,000.00	CLP	Electricity generation from renewable resources	Line-by-line	Enel Chile SA Enel Green Power Chile Ltda	0.01% 99.99%	61.93%
Parque Eólico Valle de los Vientos SpA	Santiago	Chile	566,096,564.00	CLP	Electricity generation from renewable resources	Line-by-line	Enel Chile SA Enel Green Power Chile Ltda	0.01% 99.99%	61.93%
Parque Eólico Ventos da Boa Vista Ltda	Salvador	Brazil	1,946,507.00	BRL	Renewables	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Parque Eólico Zeus Ltda	Salvador	Brazil	6,986,993.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Parque Salitrillos SA de Cv	Mexico City	Mexico	100.00	MXN	Electricity generation from renewable resources	Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Parque Solar Cauchari IV SA	San Salvador de Jujuy	Argentina	500,000.00	ARS	Electricity generation from renewable resources	Line-by-line	Enel Green Power Argentina SA Energía y Servicios South America SpA	95.00% 5.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Parque Solar Don José SA de Cv	Mexico City	Mexico	100.00	MXN	Electricity generation from renewable resources	Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Parque Solar Fotovoltaico Sabanalarga SAS	Bogotá	Colombia	231,000,000.00	COP	Electricity generation from renewable resources	Line-by-line	Enel Green Power Colombia SAS ESP	100.00%	100.00%
Parque Solar Fotovoltaico Valledupar SAS	Bogotá	Colombia	227,000,000.00	COP	Electricity generation from renewable resources	Line-by-line	Enel Green Power Colombia SAS ESP	100.00%	100.00%
Parque Solar Maipú SpA	Santiago	Chile	404,212,503.00	CLP	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power Chile Ltda Enel Green Power del Sur SpA	1.00% 99.00%	61.93%
Parque Solar Villanueva Tres SA de Cv	Mexico City	Mexico	306,024,631.13	MXN	Electricity generation from renewable resources	Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Parque Talinay Oriente SA	Santiago	Chile	66,092,165,170.93	CLP	Electricity generation from renewable resources	Line-by-line	Enel Green Power Chile Ltda Enel Green Power SpA	60.91% 34.56%	72.29%
Parronal SpA	Santiago	Chile	1,000,000.00	CLP	Plant development, design, construction and operation	Line-by-line	Enel Green Power del Sur SpA	100.00%	61.93%
Pastis - Centro Nazionale per la ricerca e lo sviluppo dei materiali SCPA (in liquidation)	Brindisi	Italy	2,065,000.00	EUR	R&D	-	Enel Italia SpA	1.14%	1.14%
Paynesville Solar LLC	Minnesota	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
PayTipper Network Srl	Cascina	Italy	40,000.00	EUR	Services	Line-by-line	PayTipper SpA	100.00%	55.00%
PayTipper SpA	Milan	Italy	3,000,000.00	EUR	Services	Line-by-line	Enel X Srl	55.00%	55.00%
PDP Technologies Ltd	Ashkelon	Israel	-	ILS	R&D	-	Enel Global Infrastructure and Networks Srl	4.75%	4.75%
Pegop- Energia Eléctrica SA	Pego	Portugal	50,000.00	EUR	Electricity sale	Equity	Endesa Generación Portugal SA Endesa Generación SA	0.02% 49.98%	35.05%
Pelzer Hydro Company LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
PH Chucás SA	San José	Costa Rica	100,000.00	CRC	Electricity generation from renewable resources	Line-by-line	Enel Green Power Costa Rica SA Energía y Servicios South America SpA	40.31% 24.69%	65.00%
PH Don Pedro SA	San José	Costa Rica	100,001.00	CRC	Electricity generation from renewable resources	Line-by-line	Enel Green Power Costa Rica SA	33.44%	33.44%
PH Guácimo SA	San José	Costa Rica	50,000.00	CRC	Electricity generation from renewable resources	Line-by-line	Enel Green Power Costa Rica SA	65.00%	65.00%
PH Río Volcán SA	San José	Costa Rica	100,001.00	CRC	Electricity generation from renewable resources	Line-by-line	Enel Green Power Costa Rica SA	34.32%	34.32%
Pincher Creek LP	Alberta	Canada	-	CAD	Renewables	Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	99.00% 1.00%	100.00%
Pine Island Distributed Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Planta Eólica Europea SA	Seville	Spain	1,198,532.32	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	56.12%	39.34%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Pomerado Energy Storage LLC	Wilmington	USA	1.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
PowerCrop Macchiareddu Srl	Bologna	Italy	100,000.00	EUR	Electricity generation from renewable resources	Equity	PowerCrop SpA (formerly PowerCrop Srl)	100.00%	50.00%
PowerCrop Russi Srl	Bologna	Italy	100,000.00	EUR	Electricity generation from renewable resources	Equity	PowerCrop SpA (formerly PowerCrop Srl)	100.00%	50.00%
PowerCrop SpA (formerly PowerCrop Srl)	Bologna	Italy	4,000,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power SpA	50.00%	50.00%
Prairie Rose Transmission LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Equity	Prairie Rose Wind LLC	100.00%	20.00%
Prairie Rose Wind LLC	New York	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Wind Holdings LLC	100.00%	20.00%
Primavera Energia SA	Niterói	Brazil	36,965,444.64	BRL	Electricity generation and sale	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Productora de Energías SA	Barcelona	Spain	60,101.22	EUR	Hydroelectric plants	Equity	Enel Green Power España SL	30.00%	21.03%
Productora Eléctrica Urgelense SA	Lérida	Spain	8,400,000.00	EUR	Electricity generation and distribution	-	Endesa SA	8.43%	5.91%
Promociones Energéticas del Bierzo SL	Madrid	Spain	12,020.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Proveedora de Electricidad de Occidente S de RL de Cv	Mexico City	Mexico	89,708,835.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv	99.99%	99.99%
Proyecto Almería Mediterráneo SA	Madrid	Spain	601,000.00	EUR	Desalination and water supply	Equity	Endesa SA	45.00%	31.55%
Proyectos Universitarios de Energías Renovables SL	Alicante	Spain	27,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	33.33%	23.37%
Proyectos y Soluciones Renovables SAC	San Miguel	Peru	1,000.00	SOL	Electricity generation	Line-by-line	Enel Green Power Participazioni Speciali Srl Energia y Servicios South America SpA	99.90%	100.00%
PT Enel Green Power Optima Way Ratai	Jakarta	Indonesia	10,001,500.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	0.10%	90.00%
Pulida Energy (RF) (Pty) Ltd	Gauteng	Republic of South Africa	10,000,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	52.70%	52.70%
Pyrites Hydro LLC	Albany	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Quatiara Energia SA	Niterói	Brazil	13,766,118.96	BRL	Electricity sale	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Queens Energy Storage LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Ranchland Solar Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Ranchland Wind Project LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Rattlesnake Creek Holdings LLC	Delaware	USA	1.00	USD	-	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Rausch Creek Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Reaktortest Sro	Trnava	Slovakia	66,389.00	EUR	R&D	Equity	Slovenské elektrárne AS	49.00%	16.17%
Red Centroamericana de Telecomunicaciones SA	Panama City	Panama	2,700,000.00	USD	Telecommunications	-	Enel SpA	11.11%	11.11%
Red DirtWind Holdings I LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
Red DirtWind Holdings LLC	Wilmington	USA	-	USD	Renewables	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Red DirtWind Project LLC	Dover	USA	1.00	USD	Electricity generation from renewable resources	Line-by-line	Red DirtWind Holdings LLC	100.00%	100.00%
Red FoxWind Project LLC	Wilmington	USA	1.00	USD	-	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Redes y Telecomunicaciones S de RL de Cv	San Pedro Sula	Honduras	82,370,000.00	HNL	Telecommunications		Livister Honduras SA	80.00%	16.48%
Reftinskaya GRES LLC	Pgt Reftinskii	Russian Federation	10,000.00	RUB	Electricity generation and sale	Line-by-line	Enel Russia PJSC	100.00%	56.43%
Renovables de Guatemala SA	Guatemala City	Guatemala	1,924,465,600.00	GTQ	Electricity generation from renewable resources	Line-by-line	Enel Green Power Guatemala SA Enel Green Power SpA	0.01% 99.99%	100.00%
Renovables La Pedrera SLU	Zaragoza	Spain	3,000.00	EUR	Photovoltaic systems	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Renovables Mediavilla SLU	Zaragoza	Spain	3,000.00	EUR	Photovoltaic systems	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Riverbend Farms Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Riverview LP	Alberta	Canada	-	CAD	Renewables	Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	99.00% 1.00%	100.00%
Roadrunner Solar Project Holdings LLC	Andover	USA	-	USD	Plant construction - Electricity generation from renewable resources	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Roadrunner Solar Project LLC	Andover	USA	100.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Enel Roadrunner Solar Project Holdings LLC	100.00%	100.00%
Rochelle Solar LLC	Coral Springs	USA	1.00	USD	Photovoltaic	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Rock Creek Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Rock Creek Wind Holdings I LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
Rock Creek Wind Holdings II LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Rock Creek Wind Holdings LLC	100.00%	100.00%
Rock Creek Wind Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	EGPNA Preferred Holdings II LLC	100.00%	100.00%
Rock Creek Wind Project LLC	Clayton	USA	1.00	USD	Holding	Line-by-line	Rock Creek Wind Holdings LLC	100.00%	100.00%
Rockhaven Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Rocky Caney Holdings LLC	Oklahoma City	USA	1.00	USD	Renewables	Equity	Enel Kansas LLC	20.00%	20.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Rocky Caney Wind LLC	Albany	USA	-	USD	Electricity generation from renewable resources	Equity	Enel Kansas LLC	20.00%	20.00%
Rocky Ridge Wind Project LLC	Oklahoma City	USA	-	USD	Electricity generation from renewable resources	Equity	Rocky Caney Wind LLC	100.00%	20.00%
Rodnikovskaya WPS	Moscow	Russian Federation	6,010,000.00	RUB	Renewables	Line-by-line	Enel Green Power Rus Limited Liability Company	100.00%	100.00%
Rolling Farms Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
RSL Telecom (Panamá) SA	Panama City	Panama	10,000.00	USD	-	Equity	Ufinet Latam SLU	100.00%	20.60%
Rusenergosbyt LLC	Moscow	Russian Federation	18,000,000.00	RUB	Electricity trading	Equity	Enel SpA	49.50%	49.50%
Rusenergosbyt Siberia LLC	Krasnoyarsk City	Russian Federation	4,600,000.00	RUB	Electricity sale	Equity	Rusenergosbyt LLC	50.00%	24.75%
Rustler Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Ruthton Ridge LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Saburoy SA	Montevideo	Uruguay	400,000.00	UYU	-	Equity	Ixf Networks LLC	100.00%	20.60%
Sacme SA	Buenos Aires	Argentina	12,000.00	ARS	Monitoring of electricity system	Equity	Empresa Distribuidora Sur SA - Edesur	50.00%	20.65%
Salmon Falls Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	AFS	Enel North America Inc.	100.00%	100.00%
Salto de San Rafael SL	Seville	Spain	462,185.98	EUR	Hydroelectric plants	Equity	Enel Green Power España SL	50.00%	35.05%
San Francisco de Borja SA	Zaragoza	Spain	60,000.00	EUR	Renewable energy	Line-by-line	Enel Green Power España SL	66.67%	46.73%
San Juan Mesa Wind Project II LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Padoma Wind Power LLC	100.00%	100.00%
Sanatorium-preventorium Energetik LLC	Nevinnomyssk	Russian Federation	10,571,300.00	RUB	Cogeneration of electricity and heat	Line-by-line	Enel Russia PJSC	100.00%	56.43%
Santo Rostro Cogeneración SA	Seville	Spain	207,340.00	EUR	Services	Equity	Enel Green Power España SL	45.00%	31.55%
Saugus River Energy Storage LLC	Dover	USA	100.00	USD	Renewable energy	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Se Služby Inžinierskych Stavieb SRO	Kalná Nad Hronom	Slovakia	200,000.00	EUR	Services	Equity	Slovenské elektrárne AS	100.00%	33.00%
Seguidores Solares Planta 2 SL (Sociedad Unipersonal)	Madrid	Spain	3,010.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Servicio de Operación y Mantenimiento para Energías Renovables S de RL de Cv	Mexico City	Mexico	3,000.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power Guatemala SA Energía Nueva Energía Limpia México S de RL de Cv	0.01% 99.99%	100.00%
Servicios de Internet Eni Chile Ltda	Santiago	Chile	2,768,688,228.00	CLP	-	Equity	Ixf Networks Ltd Ixf/eni- Spc IV Inc.	0.01% 99.90%	20.60%
Servizio Elettrico Nazionale SpA	Rome	Italy	10,000,000.00	EUR	Electricity sale	Line-by-line	Enel SpA	100.00%	100.00%
Setyl Srl	Bergamo	Italy	100,000.00	EUR	Electricity sale	Equity	YouSave SpA	27.50%	27.50%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Seven Cowboy Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Shiawassee Wind Project LLC	Wilmington	USA	1.00	USD	-	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Shield Energy Storage Project LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Sierra Energy Storage LLC	Camden	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	51.00%	51.00%
SIET- Società Informazioni Esperienze Termoidrauliche SpA	Piacenza	Italy	697,820.00	EUR	Analysis, design and research in thermal technology	Equity	Enel Innovation Hubs Srl	41.55%	41.55%
Sistema Eléctrico de Conexión Montes Orientales SL	Granada	Spain	44,900.00	EUR	Electricity generation	Equity	Enel Green Power España SL	16.70%	11.71%
Sistema Eléctrico de Conexión Valcaire SL	Madrid	Spain	175,200.00	EUR	Electricity generation	Equity	Enel Green Power España SL	28.13%	19.72%
Sistemas Energéticos Alcohujate SA (Sociedad Unipersonal)	Zaragoza	Spain	61,000.00	EUR	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Sistemas Energéticos Campoliva SA (Sociedad Unipersonal)	Zaragoza	Spain	61,000.00	EUR	Wind plants	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Sistemas Energéticos Mañón Ortigueira SA	La Coruña	Spain	2,007,750.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	96.00%	67.30%
Sistemas Energéticos Sierra del Carazo SL (Sociedad Unipersonal)	Derio	Spain	3,006.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Skyview Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Slate Creek Hydro Associates LP	Los Angeles	USA	-	USD	Electricity generation from renewable resources	Equity	Slate Creek Hydro Company LLC	95.00%	47.50%
Slate Creek Hydro Company LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Slovak Power Holding BV	Amsterdam	Netherlands	25,010,000.00	EUR	Holding	Equity	Enel Produzione SpA	50.00%	50.00%
Slovenské elektrárne - Energetické Služby SRO	Bratislava	Slovakia	4,505,000.00	EUR	Electricity supply	Equity	Slovenské elektrárne AS	100.00%	33.00%
Slovenské elektrárne AS	Bratislava	Slovakia	1,269,295,724.66	EUR	Electricity sale	Equity	Slovak Power Holding BV	66.00%	66.00%
Slovenské elektrárne Česká Republika SRO	Moravská Ostrava	Czech Republic	295,819.00	CZK	Electricity supply	Equity	Slovenské elektrárne AS	100.00%	33.00%
Smart P@Per SpA	Potenza	Italy	2,184,000.00	EUR	Services	-	Servizio Elettrico Nazionale SpA	10.00%	10.00%
Smoky Hill Holdings II LLC	Wilmington	USA	-	USD	Renewable energy	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Smoky Hills Wind Farm LLC	Topeka	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Texkan Wind LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Smoky Hills Wind Project II LLC	Lenexa	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Nevkan Renewables LLC	100.00%	100.00%
Snyder Wind Farm LLC	Hermleigh	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Texkan Wind LLC	100.00%	100.00%
Socibe Energia SA	Niterói	Brazil	12,969,032.25	BRL	Electricity generation and sale	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Sociedad Agrícola de Cameros Ltda	Santiago	Chile	5,738,046,495.00	CLP	Financial investment	Line-by-line	Enel Chile SA	57.50%	35.61%
Sociedad Bilbao Gas Hub SA	Bilbao	Spain	999,270.48	EUR	Gas market operator	-	Endesa SA	1.66%	1.16%
Sociedad Eólica de Andalucía SA	Seville	Spain	4,507,590.78	EUR	Electricity sale	Line-by-line	Enel Green Power España SL	64.75%	45.39%
Sociedad Eólica El Puntal SL	Seville	Spain	1,643,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	50.00%	35.05%
Sociedad Eólica Los Lances SA	Seville	Spain	2,404,048.42	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	60.00%	42.06%
Sociedad para el Desarrollo de Sierra Morena Cordobesa SA	Cordoba	Spain	86,063.20	EUR	Regional development	-	Endesa Generación SA	1.82%	1.27%
Sociedad Portuaria Central Cartagena SA	Bogotá	Colombia	89,714,600.00	COP	Port construction and management	Line-by-line	Emgesa SA ESP Inversora Codensa SAS Sociedad Portuaria Central Cartagena SA	94.94% 5.05% 0.00%	27.75%
Società di sviluppo, realizzazione e gestione del gasdotto Algeria-Italia via Sardegna SpA (Galsi SpA)	Milan	Italy	37,419,179.00	EUR	Energy and infrastructure engineering	-	Enel Produzione SpA	17.65%	17.65%
Società Elettrica Trigno Srl	Trivento	Italy	100,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Soetwater Wind Farm (RF) (Pty) Ltd	Gauteng	Republic of South Africa	1,000.00	ZAR	Electricity generation and sale from renewable resources	Line-by-line	Enel Green Power RSA 2 (RF) (Pty) Ltd	60.00%	60.00%
Soliloquoy Ridge LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Somersworth Hydro Company Inc.	Wilmington	USA	100.00	USD	Electricity generation from renewable resources	AFS	Enel North America Inc.	100.00%	100.00%
Sona Enerji Üretim Anonim Şirketi	Istanbul	Turkey	50,000.00	TRY	Electricity generation from renewable resources	Line-by-line	Enel Green Power Turkey Enerji Yatirimlari Anonim Şirketi	100.00%	100.00%
Sotavento Galicia SA	Santiago de Compostela	Spain	601,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power España SL	36.00%	25.24%
South Rock Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Southwest Transmission LLC	Cedar Bluff	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	100.00%	100.00%
Spartan Hills LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Stillman Valley Solar LLC	Wilmington	USA	-	USD	Renewable energy	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Stillwater Woods Hill Holdings LLC	Wilmington	USA	1.00	USD	Renewable energy	Line-by-line	Enel Kansas LLC	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Stipa Nayaá SA de Cv	Mexico City	Mexico	1,811,016,348.00	MXN	Electricity generation from renewable resources	Line-by-line	Enel Green Power México S de RL de Cv Enel Green Power Partecipazioni Speciali Srl	55.21% 40.16%	95.37%
Sublunary Trading (RF) (Pty) Ltd	Bryanston	Republic of South Africa	13,750,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	57.00%	57.00%
Suministradora Eléctrica de Cádiz SA	Cadiz	Spain	12,020,240.00	EUR	Electricity distribution and sale	Equity	Endesa Red SA (Sociedad Unipersonal)	33.50%	23.48%
Suministro de Luz y Fuerza SL	Barcelona	Spain	2,800,000.00	EUR	Electricity distribution	Line-by-line	Hidroeléctrica de Catalunya SL	60.00%	42.06%
Summit Energy Storage Inc.	Wilmington	USA	1,000.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	75.00%	75.00%
Sun River LLC	Bend	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Sundance Wind Project LLC	Dover	USA	100.00	USD	Renewable energy	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Tae Technologies Inc.	Pauling	USA	53,207,936.90	USD	Electricity sale	-	Enel Produzione SpA	1.13%	1.13%
Tauste Energía Distribuida SL	Zaragoza	Spain	60,508.00	EUR	Renewable energy	Line-by-line	Enel Green Power España SL	51.00%	35.75%
Tecnatom SA	Madrid	Spain	4,025,700.00	EUR	Electricity sale and services	Equity	Endesa Generación SA	45.00%	31.55%
Tecnoguat SA	Guatemala City	Guatemala	30,948,000.00	GTQ	Electricity generation from renewable resources	Line-by-line	Enel Green Power SpA	75.00%	75.00%
Tejo Energia - Produção e Distribuição de Energia Eléctrica SA	Lisbon	Portugal	5,025,000.00	EUR	Electricity generation, transmission and distribution	Equity	Endesa Generación SA	43.75%	30.67%
Tenedora de Energía Renovable Sol y Viento SAPI de Cv	Mexico City	Mexico	2,892,643,576.00	MXN	Renewable energy	Equity	Enel Green Power SpA	32.89%	32.90%
Teploprogress JSC	Sredneuralsk	Russian Federation	128,000,000.00	RUB	Electricity sale	Line-by-line	Enel Russia PJSC	60.00%	33.86%
Termoeléctrica José de San Martín SA	Buenos Aires	Argentina	500,006.00	ARS	Plant construction and operation	Equity	Central Dock Sud SA Enel Generación Costanera SA Enel Generación El Chocón SA	1.42% 5.33% 18.85%	9.73%
Termoeléctrica Manuel Belgrano SA	Buenos Aires	Argentina	500,006.00	ARS	Plant construction and operation	Equity	Central Dock Sud SA Enel Generación Costanera SA Enel Generación El Chocón SA	1.42% 5.33% 18.85%	9.73%
Termotec Energía AIE (in liquidation)	La Pobra de Vallbona	Spain	481,000.00	EUR	Cogeneration of electricity and heat	Equity	Enel Green Power España SL	45.00%	31.55%
Testing Stand of Ivanovskaya GRES JSC	Komsomolsk	Russian Federation	118,213,473.45	RUB	Studies, projects and research	-	Enel Russia PJSC	1.65%	0.93%
Texkan Wind LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Texkan Inc.	100.00%	100.00%
Thunder Ranch Wind Holdings I LLC	Dover	USA	100.00	USD	Holding	Line-by-line	Enel North America Inc.	100.00%	100.00%
Thunder Ranch Wind Holdings LLC	Wilmington	USA	-	USD	Renewable energy	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Thunder Ranch Wind Project LLC	Dover	USA	1.00	USD	Electricity generation from renewable resources	Line-by-line	Thunder Ranch Wind Holdings LLC	100.00%	100.00%
TKO Power LLC	Los Angeles	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Tobivox (RF) (Pty) Ltd	Gauteng	Republic of South Africa	10,000,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	60.00%	60.00%
Toledo PV AIE	Madrid	Spain	26,887.96	EUR	Photovoltaic systems	Equity	Enel Green Power España SL	33.33%	23.36%
Torrepalma Energy 1 SLU	Seville	Spain	3,100.00	EUR	Photovoltaic systems	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Tradewind Energy Inc.	Wilmington	USA	1,000.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Transmisora de Energía Renovable SA	Guatemala City	Guatemala	233,561,800.00	GTQ	Electricity generation from renewable resources	Line-by-line	Enel Green Power Guatemala SA Enel Green Power SpA Generadora Montecristo SA	0.00% 100.00% 0.00%	100.00%
Transmisora Eléctrica de Quillota Ltda	Santiago	Chile	4,404,446,151.00	CLP	Electricity transmission and distribution	Equity	Enel Generación Chile SA	50.00%	28.97%
Transportadora de Energía SA-TESA	Buenos Aires	Argentina	100,000.00	ARS	Electricity generation, transmission and distribution	Line-by-line	Enel Argentina SA Enel CIEN SA	0.00% 100.00%	57.26%
Transportes y Distribuciones Eléctricas SA	Girona	Spain	72,121.45	EUR	Electricity transmission	Line-by-line	Edistribución Redes Digitales SL (Sociedad Unipersonal)	73.33%	51.41%
Triton Power Company	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc. Highfalls Hydro Company Inc.	2.00% 98.00%	100.00%
Tsar Nicholas LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
TWE Franklin Solar Project LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
TWE Rot DA LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Twin Falls Hydro Associates LP	Seattle	USA	-	USD	Electricity generation from renewable resources	Equity	Twin Falls Hydro Company LLC	99.51%	49.76%
Twin Falls Hydro Company LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Equity	EGPNA REP Hydro Holdings LLC	100.00%	50.00%
Twin Lake Hills LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Twin Saranac Holdings LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Tyme Srl	Bergamo	Italy	100,000.00	EUR	Electricity sale	Equity	YouSave SpA	50.00%	50.00%
Tynemouth Energy Storage Limited	London	United Kingdom	2.00	GBP	Services	Line-by-line	Enel Global Thermal Generation Srl	100.00%	100.00%
Ufinet Argentina SA	Buenos Aires	Argentina	9,745,583.00	ARS	-	Equity	Ufinet Latam SLU Ufinet Panama SA	99.95% 0.05%	20.60%
Ufinet Brasil Administração Ltda	City of Santo André, State of São Paulo	Brazil	45,784,638.00	BRL	Holding. Energy services	-	Ufinet Brasil Participações Ltda Ufinet Latam SLU	99.99% 0.01%	20.60%
Ufinet Brasil Participações Ltda	City of Santo André, State of São Paulo	Brazil	45,784,638.00	BRL	Holding	-	Ufinet Guatemala SA Ufinet Latam SLU	0.01% 99.99%	20.60%
Ufinet Chile SpA	Santiago	Chile	233,750,000.00	CLP	-	Equity	Ufinet Latam SLU	100.00%	20.60%
Ufinet Colombia SA	Bogotá	Colombia	1,180,000,000.00	COP	-	Equity	Ufinet Guatemala SA Ufinet Honduras SA Ufinet Latam SLU Ufinet Panama SA	0.00% 0.00% 90.00% 0.00%	18.54%
Ufinet Costa Rica SA	San José	Costa Rica	15,000.00	USD	-	Equity	Ufinet Latam SLU	100.00%	20.60%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Ufinet Ecuador Ufiec SA	Quito	Ecuador	1,050,800.00	USD	-	Equity	Ufinet Guatemala SA Ufinet Latam SLU	0.00% 100.00%	20.60%
Ufinet El Salvador SA de Cv	San Salvador	El Salvador	10,000.00	USD	-	Equity	Ufinet Guatemala SA Ufinet Latam SLU	0.01% 99.99%	20.60%
Ufinet Guatemala SA	Guatemala City	Guatemala	7,500,000.00	GTQ	-	Equity	Ufinet Latam SLU Ufinet Panama SA	99.99% 0.01%	20.60%
Ufinet Honduras SA	Tegucigalpa	Honduras	194,520.00	HNL	-	Equity	Ufinet Latam SLU Ufinet Panama SA	99.99% 0.01%	20.60%
Ufinet Latam SLU	Madrid	Spain	15,906,312.31	EUR	-	Equity	Zacapa Sàrl	100.00%	20.60%
Ufinet México S de RL de Cv	Mexico City	Mexico	10,032,150.00	MXN	-	Equity	Ufinet Guatemala SA Ufinet Latam SLU	0.01% 99.99%	20.60%
Ufinet Nicaragua SA	Managua	Nicaragua	2,800,000.00	NIO	-	Equity	Ufinet Guatemala SA Ufinet Latam SLU Ufinet Panama SA	0.50% 99.00% 0.50%	20.60%
Ufinet Panama SA	Panama City	Republic of Panama	3,500,000.00	USD	-	Equity	Ufinet Latam SLU	100.00%	20.60%
Ufinet Paraguay SA	Asunción	Paraguay	13,960,000.00	USD	-	Equity	Ufinet Latam SLU	75.00%	15.45%
Ufinet Perú SAC	Lima	Peru	3,104,923.00	SOL	-	Equity	Ufinet Latam SLU Ufinet Panama SA	100.00% 0.00%	20.60%
Ufinet US LLC	Wilmington	USA	1,000.00	USD	-	Line-by-line	Ufinet Latam SLU	100.00%	20.60%
Ukuqala Solar (Pty) Ltd	Gauteng	Republic of South Africa	1,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
Unión Eléctrica de Canarias Generación SAU	Las Palmas de Gran Canaria	Spain	190,171,520.00	EUR	Electricity sale	Line-by-line	Endesa Generación SA	100.00%	70.10%
Upington Solar (Pty) Ltd	Gauteng	Republic of South Africa	1,000.00	ZAR	Electricity generation from renewable resources	Line-by-line	Enel Green Power RSA (Pty) Ltd	100.00%	100.00%
USB4 Wind Template	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Ustav Jaderného Výzkumu Rez As	Řež	Czech Republic	524,139,000.00	CZK	R&D	Equity	Slovenské elektrárne AS	27.77%	9.17%
Valdecaballero Solar SL	Madrid	Spain	3,000.00	EUR	Photovoltaic	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Vektör Enerji Üretim Anonim Şirketi	Istanbul	Turkey	3,500,000.00	TRY	Plant construction - Electricity generation from renewable resources	AFS	Enel SpA	100.00%	100.00%
Ventos de Santa Ângela Energias Renováveis SA	Niterói	Brazil	7,315,000.00	BRL	Electricity sale	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Ventos de Santa Esperança Energias Renováveis SA	Niterói	Brazil	4,727,414.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Ventos de São Roque Energias Renováveis SA	Maracanaú	Brazil	9,988,722.00	BRL	Electricity generation from renewable resources	Line-by-line	Enel Green Power Brasil Participações Ltda	100.00%	100.00%
Vientos del Altiplano S de RL de Cv	Mexico City	Mexico	1,455,854,094.00	MXN	Electricity generation from renewable resources	Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Villanueva Solar SA de Cv	Mexico City	Mexico	205,316,027.15	MXN	Electricity generation from renewable resources	Equity	Tenedora de Energía Renovable Sol y Viento SAPI de Cv	60.80%	20.00%
Viruleiros SL	Santiago de Compostela	Spain	160,000.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power España SL	67.00%	46.97%
Walden Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Wapella Bluffs Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Waseca Solar LLC	Waseca	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Weber Energy Storage Project LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Enel Energy Storage Holdings LLC (formerly EGP Energy Storage Holdings LLC)	100.00%	100.00%
Wespire Inc.	Boston	USA	1,625,000.00	USD	Energy services	Equity	Enel X North America Inc.	11.21%	11.21%
West Faribault Solar LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
West Hopkinton Hydro LLC	Wilmington	USA	-	USD	Electricity generation from renewable resources	AFS	Enel North America Inc.	100.00%	100.00%
West Waconia Solar LLC	Minnesota	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Aurora Distributed Solar LLC	100.00%	51.00%
Western New York Wind Corporation	Albany	USA	300.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Wharton-El Campo Solar Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
White Cloud Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Whitney Hill Wind Power LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Whitney Hill Wind Power Holdings LLC	100.00%	100.00%
Whitney Hill Wind Power Holdings LLC	Andover	USA	99.00	USD	Electricity generation from renewable resources	Line-by-line	Enel Kansas LLC	100.00%	100.00%
Wild Plains Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Wild Run LP	Alberta	Canada	10.00	CAD	Holding	Line-by-line	Enel Alberta Wind Inc. Enel Green Power Canada Inc.	0.10% 99.90%	100.00%
Wildcat Flats Wind Project LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Willimantic Power Corporation	Hartford	USA	100.00	USD	Electricity generation from renewable resources	Line-by-line	Enel North America Inc.	100.00%	100.00%
Wind Belt Transco LLC	Andover	USA	1.00	USD	Electricity generation and sale from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%
Wind Parks Anatis-Prinias SA	Maroussi	Greece	1,208,188.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Hellas Wind Parks South Evia SA	100.00%	100.00%
Wind Parks Bolibas SA	Maroussi	Greece	551,500.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Distomos SA	Maroussi	Greece	556,500.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Folia SA	Maroussi	Greece	424,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Gagari SA	Maroussi	Greece	389,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Goraki SA	Maroussi	Greece	551,500.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
Wind Parks Gourles SA	Maroussi	Greece	555,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Kafoutsi SA	Maroussi	Greece	551,500.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Katharas SA	Maroussi	Greece	768,648.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Hellas Wind Parks South Evia SA	100.00%	100.00%
Wind Parks Kerasias SA	Maroussi	Greece	935,990.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Hellas Wind Parks South Evia SA	100.00%	100.00%
Wind Parks Milias SA	Maroussi	Greece	1,024,774.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Hellas Wind Parks South Evia SA	100.00%	100.00%
Wind Parks Mitikas SA	Maroussi	Greece	772,639.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Hellas Wind Parks South Evia SA	100.00%	100.00%
Wind Parks Petalo SA	Maroussi	Greece	575,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Platanos SA	Maroussi	Greece	625,467.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Hellas Wind Parks South Evia SA	100.00%	100.00%
Wind Parks Skoubi SA	Maroussi	Greece	472,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Spilias SA	Maroussi	Greece	847,490.00	EUR	Electricity generation from renewable resources	Line-by-line	Enel Green Power Hellas Wind Parks South Evia SA	100.00%	100.00%
Wind Parks Strouboulas SA	Maroussi	Greece	576,500.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Vitalio SA	Maroussi	Greece	361,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks Vourlas SA	Maroussi	Greece	554,000.00	EUR	Electricity generation from renewable resources	Equity	Enel Green Power Hellas SA	30.00%	30.00%
Winter's Spawn LLC	Minneapolis	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Chi Minnesota Wind LLC	51.00%	51.00%
Wkn Basilicata Development Pe1 Srl	Rome	Italy	10,000.00	EUR	Renewable energy	Line-by-line	Enel Green Power SpA	100.00%	100.00%
Woods Hill Solar LLC	Wilmington	USA	-	USD	Renewable energy	Line-by-line	Stillwater Woods Hill Holdings LLC	100.00%	100.00%
WP Bulgaria 1 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 10 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 11 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 12 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 13 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 14 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 15 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%

Company name	Headquarters	Country	Share capital	Currency	Activity	Consolidation method	Held by	% holding	Group % holding
WP Bulgaria 19 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 21 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 26 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 3 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 6 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 8 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 9 EOOD	Sofia	Bulgaria	5,000.00	BGN	Plant construction, operation and maintenance	Line-by-line	Enel Green Power Bulgaria EAD	100.00%	100.00%
Xaloc Solar SLU	Valencia	Spain	3,000.00	EUR	Photovoltaic systems	Line-by-line	Enel Green Power España SL	100.00%	70.10%
Yacylec SA	Buenos Aires	Argentina	20,000,000.00	ARS	Electricity transmission	Equity	Enel Américas SA	33.33%	19.09%
Yedesa-cogeneración SA	Almería	Spain	234,394.72	EUR	Cogeneration of electricity and heat	Equity	Enel Green Power España SL	40.00%	28.04%
YouSave SpA	Bergamo	Italy	500,000.00	EUR	Testing, inspection and certification services, engineering and consulting services	Line-by-line	Enel X Italia SpA	100.00%	100.00%
Zacapa HoldCo Sàrl	Luxembourg	Luxembourg	300,000.00	USD	-	Equity	Zacapa Topco Sàrl	100.00%	20.60%
Zacapa LLC	Wilmington	USA	1,000.00	USD	-	Equity	Zacapa Sàrl	100.00%	20.60%
Zacapa Sàrl	Luxembourg	Luxembourg	300,000.00	USD	-	Equity	Zacapa HoldCo Sàrl	100.00%	20.60%
Zacapa Topco Sàrl	Luxembourg	Luxembourg	250,000.00	USD	-	Equity	Enel X International Srl	20.60%	20.60%
Zoo Solar Project LLC	Andover	USA	-	USD	Electricity generation from renewable resources	Line-by-line	Tradewind Energy Inc.	100.00%	100.00%

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