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## **CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2021**







# Condensed Consolidated Income Statement

Millions of euro	Notes	1st Quarter	
		2021	2020
Total revenue	6.a	17,107	19,985
Total costs	6.b	14,864	16,084
Net income/(expense) from commodity derivatives	6.c	282	(792)
<b>Operating profit</b>		<b>2,525</b>	<b>3,109</b>
Financial income		2,047	1,439
Financial expense		2,483	2,075
Net income/(expense) from hyperinflation	2	15	18
<b>Total financial income/(expense)</b>	6.d	<b>(421)</b>	<b>(618)</b>
<b>Share of profit/(loss) of equity-accounted investments</b>	6.e	<b>34</b>	<b>(3)</b>
<b>Pre-tax profit</b>		<b>2,138</b>	<b>2,488</b>
Income taxes	6.f	643	801
<b>Profit from continuing operations</b>		<b>1,495</b>	<b>1,687</b>
<b>Profit/(Loss) from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit for the year (owners of the Parent and non-controlling interests)</b>		<b>1,495</b>	<b>1,687</b>
Attributable to owners of the Parent		1,176	1,247
Attributable to non-controlling interests		319	440
<i>Basic earnings/(loss) per share attributable to owners of the Parent (euro)</i>		<i>0.12</i>	<i>0.12</i>
<i>Diluted earnings/(loss) per share attributable to owners of the Parent (euro)</i>		<i>0.12</i>	<i>0.12</i>
<i>Basic earnings/(loss) per share from continuing operations attributable to owners of the Parent (euro)</i>		<i>0.12</i>	<i>0.12</i>
<i>Diluted earnings/(loss) per share from continuing operations attributable to owners of the Parent (euro)</i>		<i>0.12</i>	<i>0.12</i>

# Statement of Consolidated Comprehensive Income

Millions of euro	1st Quarter	
	2021	2020
<b>Profit for the period</b>	<b>1,495</b>	<b>1,687</b>
<b>Other comprehensive income (expense) that may be subsequently reclassified to profit or loss (net of taxes)</b>		
Effective portion of change in the fair value of cash flow hedges	59	1,002
Change in fair value of hedging costs	169	(107)
Share of the other comprehensive expense of equity-accounted investments	(17)	(20)
Change in the fair value of financial assets at FVOCI	4	(9)
Change in translation reserve	(208)	(2,765)
<b>Other comprehensive income (expense) that may not be subsequently reclassified to profit or loss (net of taxes)</b>		
Remeasurement of net assets for employee benefits	-	10
<b>Other comprehensive income/(expense) for the period</b>	<b>7</b>	<b>(1,889)</b>
<b>Comprehensive income/(expense) for the period</b>	<b>1,502</b>	<b>(202)</b>
<b>Attributable to:</b>		
- owners of the Parent	1,231	615
- non-controlling interests	271	(817)



# Condensed Consolidated Statement of Financial Position

Millions of euro			
	Notes	at Mar. 31, 2021	at Dec. 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and intangible assets		97,570	96,489
Goodwill		13,783	13,779
Equity-accounted investments		848	861
Other non-current assets <sup>(1)</sup>		17,906	17,771
<b>Total non-current assets</b>	7.a	<b>130,107</b>	<b>128,900</b>
<b>Current assets</b>			
Inventories		2,702	2,401
Trade receivables		12,257	12,046
Cash and cash equivalents		5,138	5,906
Other current assets <sup>(2)</sup>		16,196	12,784
<b>Total current assets</b>	7.b	<b>36,293</b>	<b>33,137</b>
<b>Assets classified as held for sale</b>	7.c	<b>1,414</b>	<b>1,416</b>
<b>TOTAL ASSETS</b>		<b>167,814</b>	<b>163,453</b>
<b>LIABILITIES AND EQUITY</b>			
Equity attributable to the owners of the Parent	7.d	31,357	28,325
Non-controlling interests		13,351	14,032
<b>Total equity</b>		<b>44,708</b>	<b>42,357</b>
<b>Non-current liabilities</b>			
Long-term borrowings		50,415	49,519
Provisions and deferred tax liabilities		16,210	16,535
Other non-current liabilities		13,040	13,255
<b>Total non-current liabilities</b>	7.e	<b>79,665</b>	<b>79,309</b>
<b>Current liabilities</b>			
Short-term borrowings and current portion of long-term borrowings		7,889	9,513
Trade payables		12,726	12,859
Other current liabilities		22,000	18,607
<b>Total current liabilities</b>	7.f	<b>42,615</b>	<b>40,979</b>
<b>Liabilities included in disposal groups classified as held for sale</b>	7.g	<b>826</b>	<b>808</b>
<b>TOTAL LIABILITIES</b>		<b>123,106</b>	<b>121,096</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>167,814</b>	<b>163,453</b>

(1) Of which long-term financial assets and other securities at March 31, 2021 equal respectively to €2,362 million (€2,337 million at December 31, 2020) and €411 million (€408 million at December 31, 2020).

(2) Of which short-term portion of long-term financial assets, short-term financial assets and other securities at March 31, 2021 equal respectively to €1,410 million (€1,428 million at December 31, 2020), €3,029 million (€3,476 million at December 31, 2020) and €74 million (€67 million at December 31, 2020)..

# Statement of Changes in Consolidated Shareholders' Equity

Share capital and reserves attributable to the owners of the Parent

Millions of euro	Share capital	Share premium reserve	Treasury share reserve	Reserve for equity instruments - perpetual hybrid bonds	Legal reserve	Other reserves	Translation reserve	Hedging reserve	Hedging costs reserve
<b>At December 31, 2019</b>	<b>10,167</b>	<b>7,487</b>	<b>(1)</b>	<b>-</b>	<b>2,034</b>	<b>2,262</b>	<b>(3,802)</b>	<b>(1,610)</b>	<b>(147)</b>
Distribution of dividends	-	-	-	-	-	-	-	-	-
Reserve for share-based payments (LTI bonus)	-	-	-	-	-	1	-	-	-
Reclassification for curtailment of defined benefit plans (IAS 19) following signing of 5th Endesa Collective Bargaining Agreement	-	-	-	-	-	-	-	-	-
Monetary restatement for hyperinflation	-	-	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	-	(111)	(9)	-
Comprehensive income/(expense) for the period	-	-	-	-	-	-	(1,600)	1,097	(108)
<i>of which:</i>									
- other comprehensive expense	-	-	-	-	-	-	(1,600)	1,097	(108)
- profit/(loss) for the period	-	-	-	-	-	-	-	-	-
<b>At March 31, 2020</b>	<b>10,167</b>	<b>7,487</b>	<b>(1)</b>	<b>-</b>	<b>2,034</b>	<b>2,263</b>	<b>(5,513)</b>	<b>(522)</b>	<b>(255)</b>
<b>At December 31, 2020</b>	<b>10,167</b>	<b>7,476</b>	<b>(3)</b>	<b>2,386</b>	<b>2,034</b>	<b>2,268</b>	<b>(7,046)</b>	<b>(1,917)</b>	<b>(242)</b>
Distribution of interim dividends	-	-	-	-	-	-	-	-	-
Interest on equity instruments - perpetual hybrid bonds	-	-	-	-	-	-	-	-	-
Equity instruments - perpetual hybrid bonds	-	-	-	2,214	-	-	-	-	-
Reserve for share-based payments (LTI bonus)	-	-	-	-	-	2	-	-	-
Monetary restatement for hyperinflation	-	-	-	-	-	-	-	-	-
Change in the consolidation scope	-	-	-	-	-	-	-	(10)	-
Transactions in non-controlling interests	-	-	-	-	-	-	(705)	(1)	-
Comprehensive income/(expense) for the period	-	-	-	-	-	-	(98)	(1)	169
<i>of which:</i>									
- other comprehensive income	-	-	-	-	-	-	(98)	(1)	169
- profit/(loss) for the period	-	-	-	-	-	-	-	-	-
<b>At March 31, 2021</b>	<b>10,167</b>	<b>7,476</b>	<b>(3)</b>	<b>4,600</b>	<b>2,034</b>	<b>2,270</b>	<b>(7,849)</b>	<b>(1,929)</b>	<b>(73)</b>

Reserve from measurement of financial instruments at FVOCI	Reserve from equity-accounted investments	Actuarial reserve	Reserve from disposal of equity interests without loss of control	Reserve from acquisitions of non-controlling interests	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
<b>21</b>	<b>(119)</b>	<b>(1,043)</b>	<b>(2,381)</b>	<b>(1,572)</b>	<b>19,081</b>	<b>30,377</b>	<b>16,561</b>	<b>46,938</b>
-	-	-	-	-	-	-	(447)	(447)
-	-	-	-	-	-	1	-	1
-	-	109	-	-	(109)	-	-	-
-	-	-	-	-	29	29	45	74
-	-	(13)	-	(33)	(1)	(167)	(374)	(541)
(9)	(19)	7	-	-	1,247	615	(817)	(202)
(9)	(19)	7	-	-	-	(632)	(1,257)	(1,889)
-	-	-	-	-	1,247	1,247	440	1,687
<b>12</b>	<b>(138)</b>	<b>(940)</b>	<b>(2,381)</b>	<b>(1,605)</b>	<b>20,247</b>	<b>30,855</b>	<b>14,968</b>	<b>45,823</b>
<b>(1)</b>	<b>(128)</b>	<b>(1,196)</b>	<b>(2,381)</b>	<b>(1,292)</b>	<b>18,200</b>	<b>28,325</b>	<b>14,032</b>	<b>42,357</b>
-	-	-	-	-	-	-	(251)	(251)
-	-	-	-	-	(8)	(8)	-	(8)
-	-	-	-	-	-	2,214	-	2,214
-	-	-	-	-	-	2	-	2
-	-	-	-	-	59	59	60	119
-	10	-	-	-	-	-	31	31
-	-	(81)	-	327	(6)	(466)	(792)	(1,258)
4	(19)	-	-	-	1,176	1,231	271	1,502
4	(19)	-	-	-	-	55	(48)	7
-	-	-	-	-	1,176	1,176	319	1,495
<b>3</b>	<b>(137)</b>	<b>(1,277)</b>	<b>(2,381)</b>	<b>(965)</b>	<b>19,421</b>	<b>31,357</b>	<b>13,351</b>	<b>44,708</b>



# Condensed Consolidated Statement of Cash Flows

Millions of euro	1st Quarter	
	2021	2020
<b>Pre-tax profit</b>	<b>2,138</b>	<b>2,488</b>
<b>Adjustments for:</b>		
Net impairment losses on trade receivables and other financial assets	195	232
Depreciation, amortization and other impairment losses	1,371	1,367
Net financial expense	421	618
Net gains from equity-accounted investments	(34)	3
Changes in net working capital:		
- inventories	(311)	(106)
- trade receivables	(568)	(472)
- trade payables	(161)	(1,617)
- other contract assets	(50)	(9)
- other contract liabilities	(97)	(181)
- other assets/liabilities	207	946
Interest expense and other financial expense and income paid and received	(400)	(375)
Other changes	(162)	(841)
<b>Cash flows from operating activities (A)</b>	<b>2,549</b>	<b>2,053</b>
Investments in property, plant and equipment, intangible assets and non-current contract assets	(2,055)	(1,870)
Investments in entities (or business units) less cash and cash equivalents acquired	(208)	(4)
Disposals of entities (or business units) less cash and cash equivalents sold	51	39
(Increase)/Decrease in other investing activities	28	12
<b>Cash flows used in investing activities (B)</b>	<b>(2,184)</b>	<b>(1,823)</b>
New long-term borrowing	272	1,511
Repayments of borrowings	(606)	(1,123)
Other changes in net financial debt	(944)	602
Payments for acquisition of equity investments without change of control and other transactions in non-controlling interests	(1)	(130)
Issues/(Redemptions) of hybrid bonds	2,214	-
Coupons paid to holders of hybrid bonds	(8)	-
Dividends and interim dividends paid	(2,048)	(2,182)
<b>Cash flows used in financing activities (C)</b>	<b>(1,121)</b>	<b>(1,322)</b>
<b>Impact of exchange rate fluctuations on cash and cash equivalents (D)</b>	<b>(12)</b>	<b>(287)</b>
<b>Increase/(Decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>(768)</b>	<b>(1,379)</b>
Cash and cash equivalents at the beginning of the period <sup>(1)</sup>	6,002	9,080
Cash and cash equivalents at the end of the period <sup>(2)</sup>	5,234	7,701

(1) Of which cash and cash equivalents equal to €5,906 million at January 1, 2021 (€9,029 million at January 1, 2020), short-term securities equal to €67 million at January 1, 2021 (€51 million at January 1, 2020) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €29 million at January 1, 2021.

(2) Of which cash and cash equivalents equal to €5,138 million at March 31, 2021 (€7,642 million at March 31, 2020), short-term securities equal to €74 million at March 31, 2021 (€59 million at March 31, 2020) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €22 million at March 31, 2021.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2021

## 1. Accounting policies and measurement criteria

The accounting standards adopted, the recognition and measurement criteria and the consolidation criteria and methods used for the condensed consolidated financial statements at March 31, 2021 are the same as those adopted for the consolidated financial statements at December 31, 2020 (please see the related report for more information). In addition, as from January 1, 2021 the following amendments of accounting standards have become applicable to the Enel Group.

- > *"Amendment to IFRS 16: COVID 19-related rent concessions"*, issued on May 28, 2020 in order to permit lessees to not account for rent concessions (rent payment holidays, deferral of lease payments, reductions in rent for a period of time, possibly followed by rent increases in future periods) as lease modifications if they are a direct consequence of the COVID-19 pandemic and meet certain conditions. According to IFRS 16, a lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. Accordingly, rent concessions would represent lease modifications unless they were provided for in the original lease agreement. The amendment applies only to lessees, while lessors are required to apply the current provisions of IFRS 16.
- > *"Amendments to IFRS 9, IAS 39, IFRS 7, and IFRS 16 - Interest Rate Benchmark Reform - Phase 2"*, issued in August 2020. The amendments supplement those issued in 2019 (*Interest Rate Benchmark Reform - Phase 1*) and

address issues that could affect financial reporting after a benchmark has been reformed or replaced with an alternative benchmark rate. The objectives of the Phase 2 amendments are to assist companies: (i) in applying the IFRSs when changes occur in contractual cash flows or hedging relationships due to the reform of the benchmarks for determining interest rates; and (ii) in providing information to users of financial statements.

In addition, when the Phase 1 exemptions cease to apply, companies are required to amend the documentation of hedging relationship to reflect the changes required under the IBOR reform by the end of the year in which the changes are made (such changes do not constitute the discontinuation of the hedging relationship). When the description of a hedged element in the documentation of the hedging relationship is changed, the amounts accumulated in the hedging reserve shall be considered to be based on the alternative benchmark rate on the basis of which the future hedged cash flows will be determined.

The amendments will require providing additional disclosures about the entity's exposure to the risks arising from the interest rate benchmark reform and related risk management activities.

### Seasonality

The turnover and performance of the Group could be impacted, albeit slightly, by developments in weather conditions. More specifically, in warmer periods of the year, gas sales decline, while during periods in which factories are closed for holidays, electricity sales decline. In view of the slight financial impact of these variations, considering that the Group's operations are spread across both hemispheres, no additional disclosure (required under IAS 34.21) for developments in the 12 months ended March 31, 2021 is provided.

## 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 these condensed 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 the first three months of 2021 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 from December 31, 2018 to March 31, 2021 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%
From January 1, 2020 to December 31, 2020	35.41%
From January 1, 2021 to March 31, 2021	11.76%

In the 1st Quarter of 2021, the application of IAS 29 generated net financial income (gross of tax) of €15 million.

The following tables report the effects of IAS 29 on the balance at March 31, 2021 and the impact of hyperinflation on the main income statement items for the 1st Quarter of 2021, 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, 2020	Hyperinflation effect for the period	Exchange differences	Cumulative hyperinflation effect at March 31, 2021
Total assets	962	147	(129)	980
Total liabilities	192	45	(5)	232
Equity	770	102 <sup>(1)</sup>	(124)	748

(1) The figure includes the loss for the first three months of 2021, equal to €17 million.

Millions of euro	1st Quarter 2021		
	IAS 29	Exchange difference	Total
Revenue	6	(2)	4
Costs	17	(2)	15
<b>Operating income</b>	<b>(11)</b>	<b>-</b>	<b>(11)</b>
Net financial income/(expense)	4	-	5
Net income/(expense) from hyperinflation	15	-	15
<b>Pre-tax profit (loss)</b>	<b>8</b>	<b>1</b>	<b>9</b>
Income taxes	25	1	26
<b>Loss for the year (owners of the Parent and non-controlling interests)</b>	<b>(17)</b>	<b>-</b>	<b>(17)</b>
Attributable to owners of the Parent	(3)	-	(3)
Attributable to non-controlling interests	(14)	-	(14)

### 3. Main changes in the consolidation scope

At March 31, 2021, the scope of consolidation had changed with respect to March 31, 2020 and December 31, 2020, as a result of the following main transactions.

#### 2020

- > In January 2020, the Wild Plains project company, 100% owned by Tradewind, was sold. The sale did not have an impact on profit or loss.

#### 2021

- > On January 8, 2021, the sale of 100% of Tynemouth Energy Storage was finalized for €1 million. The sale had no significant impact on profit or loss.
- > On January 20, 2021, the sale of 100% of Enel Green Power Bulgaria was finalized for €35 million. The sale had no significant impact on profit or loss.
- > On March 10, 2021, Enel Green Power Italia acquired 100% of e-Solar Srl, the owner of a photovoltaic project with an authorized capacity of 170.11 MW, for €2.7 million.
- > On March 29, 2021, Enel X Srl acquired 100% of CityPoste Payment SpA, an Italian company that offers consumers access to payment services through both physical and digital channels, enabling them to carry out numerous types of transactions with private- and public-sector entities.
- > In the 1st Quarter of 2021, Enel Green Power España acquired 100% of 13 renewable energy companies in Spain for a total €46 million.
- > In the 1st Quarter of 2021 the consolidation scope changed with the global consolidation of Australian renewable energy companies, previously accounted for using the

equity method, due to a change in governance arrangements at the companies, without the acquisition of an additional interest.

#### Other changes

In addition to the above changes in the consolidation scope, 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:

- > on March 15, Enel SpA launched a partial voluntary tender offer for up to a maximum of 7,608,631,104 shares of Enel Américas, equal to 10% of the share capital at that date. At March 31, 2021, the Group's interest had reached 75%.

#### Acquisition of CityPoste Payment

On March 29, 2021, Enel X Srl acquired 100% CityPoste Payment SpA, a payment institution authorized to operate by the Bank of Italy, for the provision of payment services, through the digital channel (using a proprietary platform) and the physical channel (its network of points of sale). 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	
<b>Net assets acquired</b>	<b>2</b>
<b>Cost of the acquisition</b>	<b>19</b>
<i>(of which paid in cash)</i>	<i>19</i>
Goodwill	17

## Acquisitions of renewable energy companies in Spain

In the 1st Quarter of 2021 Enel Green Power España acquired 100% of 13 renewable energy companies for a total of €46 million for the development and construction of photovoltaic and wind plants in Spain.

### DETERMINATION OF GOODWILL

Millions of euro	
<b>Net assets acquired</b>	<b>46</b>
<b>Cost of the acquisition</b>	<b>46</b>
<i>(of which paid in cash)</i>	<i>20</i>
Goodwill/(Badwill)	-

## 4. COVID-19

In line with the recommendations of ESMA, contained in the public statements<sup>1</sup> published in March, May, July and October 2020, and of CONSOB, contained in Warning Notices no. 6/20 of April 9, 2020, no. 8/20 of July 16, 2020 and no. 1/21 of February 16, 2021, the Group has continued to carefully monitor the evolution of the COVID-19 pandemic with regard to the main areas affected by it and in the main countries in which it operates, as already discussed in the Integrated Annual Report at December 31, 2020, in order to assess, based on our specific corporate circumstances and the availability of reliable information, the scale of the impact of COVID-19 on operations, performance and financial position of the Group at March 31, 2021. In this regard, note that the figures registered in the 1st Quarter of 2021 were not significantly affected by the COVID-19 pandemic. In particular, the changes in revenue and receivables in the period compared with the year-earlier period did not display any anomalous developments attributable to the direct and/or indirect effects of the pandemic. Nor did non-financial assets and any impairment losses recognized (IAS 36) as well as the measurement of trade receivables (IFRS 9) experience any significant changes compared with December 31, 2020 as a result of the COVID-19 pandemic that would require further discussion. Finally, in the 1st Quarter of 2021 vaccination campaigns started in the various countries in which the Group operates and Enel is strongly committed to assisting and supporting employees in participating in these campaigns.

(1) ESMA 71-99-1290 of March 11 2020, ESMA 32-63-951 of March 25, 2020, ESMA 31-67-742 of March 27, 2020, ESMA 32-63-972 of May 20, 2020 and ESMA 32-61-417 of July 21, 2020 and ESMA 32-63-1043 of October 28, 2020.



## 5. Segment information

The presentation of performance and financial position by Business Line presented here is based on the approach

used by management in monitoring Group performance for the two periods being compared. For more information on the developments in performance and financial position that characterized the period under review, please see the appropriate section of this Interim Financial Report.

### Performance by Business Line

#### 1ST QUARTER OF 2021

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	5,260	1,888	4,299	5,032	250	393	(15)	17,107
Revenue and other income from transactions with other segments	445	67	317	3,224	41	15	(4,109)	-
<b>Total revenue</b>	<b>5,705</b>	<b>1,955</b>	<b>4,616</b>	<b>8,256</b>	<b>291</b>	<b>408</b>	<b>(4,124)</b>	<b>17,107</b>
Total costs	5,615	905	2,922	7,290	250	394	(4,078)	13,298
Net income/(expense) from commodity risk management	335	2	-	(58)	-	1	2	282
Depreciation and amortization	223	311	652	96	35	44	8	1,369
Impairment losses	2	4	10	237	10	-	1	264
Impairment gains	(2)	(5)	(7)	(48)	(5)	-	-	(67)
<b>Operating profit/(loss)</b>	<b>202</b>	<b>742</b>	<b>1,039</b>	<b>623</b>	<b>1</b>	<b>(29)</b>	<b>(53)</b>	<b>2,525</b>
<b>Capital expenditure</b>	<b>96</b>	<b>842<sup>(1)</sup></b>	<b>910</b>	<b>108</b>	<b>53</b>	<b>22</b>	<b>4</b>	<b>2,035</b>

(1) Does not include €20 million regarding units classified as "held for sale".

#### 1ST QUARTER OF 2020

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	8,234	1,756	4,591	4,847	189	377	(9)	19,985
Revenue and other income from transactions with other segments	340	63	371	3,514	34	18	(4,340)	-
<b>Total revenue</b>	<b>8,574</b>	<b>1,819</b>	<b>4,962</b>	<b>8,361</b>	<b>223</b>	<b>395</b>	<b>(4,349)</b>	<b>19,985</b>
Total costs	7,156	690	3,017	7,353	216	367	(4,314)	14,485
Net income/(expense) from commodity risk management	(726)	9	-	(75)	-	(5)	5	(792)
Depreciation and amortization	227	314	680	89	32	39	8	1,389
Impairment losses	11	1	7	257	1	1	(1)	277
Impairment gains	(21)	(3)	(5)	(40)	-	-	2	(67)
<b>Operating profit/(loss)</b>	<b>475</b>	<b>826</b>	<b>1,263</b>	<b>627</b>	<b>(26)</b>	<b>(17)</b>	<b>(39)</b>	<b>3,109</b>
<b>Capital expenditure</b>	<b>82</b>	<b>750</b>	<b>886</b>	<b>93</b>	<b>49</b>	<b>6</b>	<b>4</b>	<b>1,870</b>

## Financial position by Business Line

AT MARCH 31, 2021

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	10,656	31,783	36,972	147	517	683	8	80,766
Intangible assets	178	5,009	21,162	3,794	719	415	74	31,351
Non-current and current contract assets	3	(2)	359	-	80	23	117	580
Trade receivables	2,734	1,873	6,772	4,214	423	753	(4,509)	12,260
Other	2,629	752	2,610	890	334	800	(712)	7,303
<b>Operating assets</b>	<b>16,200<sup>(1)</sup></b>	<b>39,415<sup>(2)</sup></b>	<b>67,875</b>	<b>9,045</b>	<b>2,073</b>	<b>2,674</b>	<b>(5,022)</b>	<b>132,260</b>
Trade payables	2,746	2,022	5,791	5,113	472	766	(4,161)	12,749
Non-current and current contract liabilities	95	107	7,138	22	41	7	(42)	7,368
Sundry provisions	3,504	951	3,678	394	47	588	492	9,654
Other	1,370	1,482	7,954	2,224	213	312	529	14,084
<b>Operating liabilities</b>	<b>7,715</b>	<b>4,562<sup>(3)</sup></b>	<b>24,561</b>	<b>7,753</b>	<b>773</b>	<b>1,673</b>	<b>(3,182)</b>	<b>43,855</b>

(1) Of which €5 million regarding units classified as "held for sale".

(2) Of which €883 million regarding units classified as "held for sale".

(3) Of which €32 million regarding units classified as "held for sale".

AT DECEMBER 31, 2020

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	10,747	30,655	36,718	154	516	699	10	79,499
Intangible assets	184	4,883	21,490	3,775	676	418	79	31,505
Non-current and current contract assets	4	1	340	-	42	14	79	480
Trade receivables	2,670	2,053	6,493	4,034	358	755	(4,311)	12,052
Other	1,433	1,095	2,674	756	297	769	(812)	6,212
<b>Operating assets</b>	<b>15,038<sup>(1)</sup></b>	<b>38,687<sup>(2)</sup></b>	<b>67,715</b>	<b>8,719</b>	<b>1,889<sup>(3)</sup></b>	<b>2,655</b>	<b>(4,955)</b>	<b>129,748</b>
Trade payables	2,816	2,751	5,405	4,678	426	868	(4,061)	12,883
Non-current and current contract liabilities	147	152	7,172	42	5	8	(60)	7,466
Sundry provisions	3,528	947	3,794	400	46	603	479	9,797
Other	1,133	1,434	7,856	2,245	179	1,101	284	14,232
<b>Operating liabilities</b>	<b>7,624</b>	<b>5,284<sup>(4)</sup></b>	<b>24,227</b>	<b>7,365</b>	<b>656</b>	<b>2,580</b>	<b>(3,358)</b>	<b>44,378</b>

(1) Of which €3 million regarding units classified as "held for sale".

(2) Of which €855 million regarding units classified as "held for sale".

(3) Of which €11 million regarding units classified as "held for sale".

(4) Of which €35 million regarding units classified as "held for sale".

The following table reconciles segment assets and liabilities and the consolidated figures.

Millions of euro		
	at Mar. 31, 2021	at Dec. 31, 2020
<b>Total assets</b>	<b>167,814</b>	<b>163,453</b>
Equity-accounted investments	848	861
Other non-current financial assets	6,636	6,395
Non-current tax assets included in "Other non-current assets"	1,766	1,539
Other current financial assets	10,235	8,584
Cash and cash equivalents	5,138	5,906
Deferred tax assets	8,200	8,578
Tax assets	2,204	1,294
Financial and tax assets of "Assets held for sale"	527	548
<b>Segment assets</b>	<b>132,260</b>	<b>129,748</b>
<b>Total liabilities</b>	<b>123,106</b>	<b>121,096</b>
Long-term borrowings	50,415	49,519
Non-current financial liabilities	3,217	3,606
Short-term borrowings	4,739	6,345
Current portion of long-term borrowings	3,150	3,168
Other current financial liabilities	6,172	4,153
Deferred tax liabilities	7,692	7,797
Income tax liabilities	846	471
Other tax liabilities	2,226	886
Financial and tax liabilities of "Liabilities included in disposal groups held for sale"	794	773
<b>Segment liabilities</b>	<b>43,855</b>	<b>44,378</b>

# Revenue

## 6.a Revenue - €17,107 million

Millions of euro	1st Quarter			
	2021	2020	Change	
Sale of electricity	9,095	9,168	(73)	-0.8%
Transport of electricity	2,666	2,580	86	3.3%
Fees from network operators	225	252	(27)	-10.7%
Transfers from institutional market operators	330	437	(107)	-24.5%
Sale of gas	1,197	1,231	(34)	-2.8%
Transport of gas	237	251	(14)	-5.6%
Sale of fuels	241	209	32	15.3%
Connection fees to electricity and gas networks	184	186	(2)	-1.1%
Construction contracts	159	185	(26)	-14.1%
Sale of environmental certificates	27	12	15	-
Sale of value-added services <sup>(1)</sup>	219	194	25	12.9%
Other sales and services <sup>(1)</sup>	179	181	(2)	-1.1%
<b>Total IFRS 15 revenue</b>	<b>14,759</b>	<b>14,886</b>	<b>(127)</b>	<b>-0.9%</b>
Sale of energy commodities under contracts with physical settlement (IFRS 9)	3,300	2,009	1,291	64.3%
Fair value gain/(loss) on derivatives on sale of commodities with physical settlement (IFRS 9)	(1,293)	2,744	(4,037)	-
Grants for environmental certificates	67	103	(36)	-35.0%
Sundry reimbursements	73	74	(1)	-1.4%
Gain on sale of subsidiaries, associates, joint ventures, joint operations and non-current assets held for sale	-	4	(4)	-
Gain on sale of property, plant and equipment and intangible assets	1	1	-	-
Other revenue	200	164	36	22.0%
<b>Total revenue</b>	<b>17,107</b>	<b>19,985</b>	<b>(2,878)</b>	<b>-14.4%</b>

(1) The figure for 2020 reflects the reclassification of €134 million from "Other sales and services" to "Sale of value-added services".

In the 1st Quarter of 2021 revenue from the "sale of electricity" amounted to €9,095 million, down €73 million on the same period of the previous year (-0.8%). The reduction is mainly due to:

- > a significant reduction in revenue in Latin America (€214 million), largely reflecting the depreciation of local currencies against the euro, mainly in Brazil, Argentina, Colombia and Peru;
- > a reduction in revenue from the sale of electricity to end users, mainly due to the reduction in volumes sold in Spain and Romania.

These effects were partially offset by:

- > the recognition of an indemnity paid to Endesa (€188 million) to offset the reduction of the past remuneration in re-

spect of CO<sub>2</sub> emission rights granted to Endesa under "Plan Nacional de Asignación de Derechos de Emisión" (PNA);

- > an increase in revenue from the sale of electricity to end users in Italy, mainly due to a rise in volumes sold on the free market (+€74 million) and greater equalization payments connected with the increase in purchase costs in the regulated market (+€72 million);
- > an increase in revenue registered by Enel Global Trading (+€23 million) mainly due to an improvement in performance achieved on the spot market in Italy.

The increase of €86 million in revenue from "transport of electricity" (+3.3%) compared with the 1st Quarter of 2021 essentially reflects an increase in the mandatory rates established for 2021 in Italy.

“Transfers from institutional market operators” decreased by €107 million compared with the 1st Quarter of 2020, mainly due to a reduction in reimbursements of costs for extra-peninsular generation in Spain as a result of a decline in costs incurred.

The decrease of 34 million (-2.8%) in revenue from the “sale of gas” compared with the 1st Quarter of 2020 is mainly attributable to a reduction in quantities sold and the decline in prices in Italy (-€115 million). These negative effects were partially offset by an increase in sales volumes and prices in Spain (+€80 million).

The increase in revenue from the “sale of energy commodities under contracts with physical settlement” (+€1,291 million) mainly regards gas sales. This positive effect was more than offset by the loss on the fair value measurements of these contracts (-€4,037 million), mainly for gas.

The following table shows the net income in respect of contracts for the purchase and sale of commodities with physical settlement measured at fair value through profit or loss within the scope of IFRS 9.



Millions of euro	1st Quarter			Change
	2021	2020		
<b>Contracts for sale of energy commodities with physical settlement (within the scope of IFRS 9)</b>				
<b>Electricity</b>				
Sale of electricity	508	611	(103)	-20.3%
Fair value gain/(loss) on contracts for sale of electricity	(150)	502	(652)	-
<b>Total electricity</b>	<b>358</b>	<b>1,113</b>	<b>(755)</b>	<b>-</b>
<b>Gas</b>				
Sale of gas	2,788	1,396	1,392	49.9%
Fair value gain/(loss) on contracts for sale of gas	(1,010)	2,130	(3,140)	-
<b>Total gas</b>	<b>1,778</b>	<b>3,526</b>	<b>(1,748)</b>	<b>-98.3%</b>
<b>Environmental certificates</b>				
Sale of environmental certificates	4	2	2	50.0%
Fair value gain/(loss) on contracts for sale of environmental certificates	(133)	112	(245)	-
<b>Total environmental certificates</b>	<b>(129)</b>	<b>114</b>	<b>(243)</b>	<b>-</b>
<b>Total revenue</b>	<b>2,007</b>	<b>4,753</b>	<b>(2,746)</b>	<b>-</b>
<b>Contracts for purchase of energy commodities with physical settlement (within the scope of IFRS 9)</b>				
<b>Electricity</b>				
Purchase of electricity	278	921	(643)	-
Fair value gain/(loss) on contracts for purchase of electricity	(88)	(21)	(67)	-76.1%
<b>Total electricity</b>	<b>190</b>	<b>900</b>	<b>(710)</b>	<b>-</b>
<b>Gas</b>				
Purchase of gas	1,920	1,516	404	21.0%
Fair value gain/(loss) on contracts for purchase of gas	(778)	1,819	(2,597)	-
<b>Total gas</b>	<b>1,142</b>	<b>3,335</b>	<b>(2,193)</b>	<b>-</b>
<b>Environmental certificates</b>				
Purchase of environmental certificates	(166)	24	(190)	-
Fair value gain/(loss) on contracts for purchase of environmental certificates	(118)	111	(229)	-
<b>Total environmental certificates</b>	<b>(284)</b>	<b>135</b>	<b>(419)</b>	<b>-</b>
<b>Total charges</b>	<b>1,048</b>	<b>4,370</b>	<b>(3,322)</b>	<b>-</b>
<b>Net revenue</b>	<b>959</b>	<b>383</b>	<b>576</b>	<b>60.1%</b>

“Grants for environmental certificates”, equal to €67 million, decreased by €36 million compared with the previous year, mainly at e-distribuzione due to a decrease in grants received from the Energy and Environmental Services Fund for energy efficiency certificates (EECs), mainly reflecting the decrease in quantities handled.

“Other revenue” showed an increase of €36 million, mainly due to:

- > the recognition of €26 million in revenue from new commercial initiatives at Enel X Italia;
- > an increase of €14 million in revenue from tax partnerships at Enel Green Power North America.

# Costs

## 6.b Costs - €14,864 million

Millions of euro	1st Quarter			
	2021	2020	Change	
Electricity purchases	4,239	4,234	5	0.1%
Consumption of fuel for electricity generation	663	753	(90)	-12.0%
Fuel for trading and gas for sale to end users	2,800	4,108	(1,308)	-31.8%
Materials	360	540	(180)	-33.3%
Personnel	1,158	742	416	56.1%
Services, leases and rentals	3,972	3,915	57	1.5%
Depreciation, amortization and impairment losses	1,566	1,599	(33)	-2.1%
Costs of environmental certificates	175	170	5	2.9%
Other operating expenses	452	472	(20)	-4.2%
Capitalized costs	(521)	(449)	(72)	16.0%
<b>Total</b>	<b>14,864</b>	<b>16,084</b>	<b>(1,220)</b>	<b>-7.6%</b>

The decrease in costs for the “consumption of fuel for electricity generation” is mainly attributable to the decrease in the volume of thermal generation in Spain.

The decline in costs for the purchase of “fuel for trading and gas for sale to end users” reflects the decrease in volumes handled, mainly due to the reduction in gas purchase costs.

Costs for “materials” essentially decreased due to a decline in costs for the purchase of CO<sub>2</sub> allowances (-€245 million), mainly reflecting the fair value measurement of contracts with physical settlement (IFRS 9).

In the first three months of 2021, the increase in “personnel” costs mainly reflected the effect of the lower costs incurred in Spain in the 1st Quarter of last year due to the modification of the electricity discount benefit for employees and former employees following the renewal and the entry into force of the 5th Endesa Collective Bargaining Agreement, which produced a reduction of €515 million in the associated liability, only partially offset by the increase of €133 million in costs incurred in Spain in the 1st Quarter of last year in respect of charges for early termination incentives.

The Enel Group workforce at March 31, 2021 numbered 66,438, of whom 38,307 employed abroad. In the first three months of 2021, the workforce contracted by 279, reflecting the balance between new hires and terminations (-302), partially offset by the change in the consolidation scope (+23), mainly reflecting the sale of Enel Green Power Bulgaria and the acquisition of CityPoste Payment SpA in Italy.

The overall change compared with December 31, 2020 breaks down as follows:

<b>Balance at December 31, 2020</b>	<b>66,717</b>
Hirings	878
Terminations	(1,180)
Change in consolidation scope	23
<b>Balance at March 31, 2021</b>	<b>66,438</b>

The increase in costs for “services, leases and rentals” is mainly due to an increase in costs for wheeling, mainly in Italy and Spain as a result of an increase volumes purchased and prices charged.

The reduction in “depreciation, amortization and impairment losses” mainly reflected the lower impairment losses recognized on trade receivables in the 1st Quarter of 2021.

In the first three months of 2021, “capitalized costs” increased by €72 million compared with the same period of the previous year, almost entirely attributable to the Infrastructure and Networks Business Line, mainly reflecting investments, notably in Italy.

## 6.c Net income/(expense) from commodity derivatives - €282 million

**Net income from commodity derivatives** amounted to €282 million in the first three months of 2021 (net expen-

se of €792 million in the same period of 2020) and breaks down as follows:

- > net expense on cash flow hedge derivatives in the amount of €54 million (net income of €7 million in the first three months of 2020);
- > net income on derivatives at fair value through profit or loss in the amount of €336 million (net expense of €799 million in the first three months of 2020).

## 6.d Net financial expense - €421 million

**Net financial expense** decreased by €197 million on the same period of 2020.

More specifically, financial income in the first three months of 2021 amounted to €2,047 million, an increase of €608 million on the same period of 2020 (€1,439 million). The change mainly reflect the following factors:

- > an increase of €483 million in income from derivative instruments, mainly in respect of the measurement of outstanding contracts to hedge the risk of fluctuations in exchange rates for loans denominated in foreign currencies;
- > the recognition of financial income of €70 million in Spain for default interest accrued on Endesa's right to be indemnified for the past reduction in its remuneration concerning the grant of CO<sub>2</sub> emissions allowances under "Plan Nacional de Asignación de Derechos de Emisión" (PNA);
- > an increase of €42 million in exchange gains.

Financial expense in the first three months of 2021 amounted to €2,483 million, an increase of €408 million compared with the first three months of 2020. The change is mainly attributable to the following factors:

- > an increase of €357 million in exchange losses;
- > an increase of €84 million in expense on derivative instruments, mainly attributable to the measurement of outstanding contracts to hedge the risk of fluctuations in exchange rates for loans denominated in foreign currencies.

These effects were partially offset by a decrease of €48 million in interest expense on financial liabilities, essentially reflecting the reduction in interest on bonds (€62 million), while interest on bank borrowings increased by €13 million, mainly due to an increase in interest on revolving credit lines.

Finally, net income from hyperinflation adjustments recognized by the Argentine companies in application of IAS 29 concerning accounting for hyperinflationary economies amounted to €15 million in the first three months of 2021, a decrease of €3 million on the same period of 2020 (€18 million).

## 6.e Share of profit/(loss) of equity-accounted investments - €34 million

The **share of net profit of equity-accounted investments** in the first three months of 2021 amounted to €34 million. The improvement of €37 million is mainly due to the profit posted by Slovak Power Holding.

## 6.f Income taxes - €643 million

**Income taxes** for the 1st Quarter of 2021 amounted to €643 million, equal to 30.1% of pre-tax profit (compared with 32.2% for the first three months of 2020). The decrease in the tax rate mainly reflected:

- > the recognition of deferred tax assets (€26 million) on property, plant and equipment by the electricity distribution company in Argentina;
- > the application of the "presumed profit" tax regime in Brazil (€10 million);
- > a decrease in withholding tax (24 million), mainly on dividends distributed during the period or to be distributed.

These effects were only partially offset by the reversal of a tax credit of Enel Green Power SpA (€22 million) following the Astrid transaction, which was completed in April 2021 with the aim of reorganizing the Enel Green Power Business Line in Latin America.

# Assets

## 7.a Non-current assets - €130,107 million

Property, plant and equipment and intangible assets, including investment property, amounted to €97,570 million at March 31, 2021, an increase of €1,081 million. The change is mainly attributable to investments in the period (€1,914 million), exchange gains (€56 million) and changes in the consolidation scope (€331 million). The latter are attributable to the consolidation of the Bungala companies in Australia, which had previously been accounted for using the equity method, and the acquisition by Enel Green Power España of a number of wind and photovoltaic plants.

These positive impacts were partially offset by depreciation, amortization and impairment losses of €1,373 million.

Goodwill amounted to €13,783 million, an increase of €4 million attributable to the change in the consolidation scope associated with the acquisition of CityPoste Payment SpA. This was partially offset by exchange losses recorded in the

Latin American countries, notably Brazil, and in Romania.

Equity accounted investments amounted to €848 million, a decrease of €13 million compared with the end of the previous year, mainly reflecting:

- > changes in OCI connected with cash flow hedge derivatives (€23 million);
- > the negative effects of the consolidation scope changes recorded in Australia (€32 million) associated with the consolidation of the Bungala companies, which had previously been accounted for using the equity method;
- > dividends distributed in the period in the amount of €9 million, mainly by Rusenergosbyt and to a smaller extent by a number of Spanish companies. These effects were offset by:
  - > exchange gains (€15 million);
  - > the profits attributable to the Group of equity accounted companies, with the greatest contribution coming from Rusenergosbyt and Slovak Power Holding, only partially offset by the losses of other companies.

Other non-current assets include:

Millions of euro

	at Mar. 31, 2021	at Dec. 31, 2020	Change	
Deferred tax assets	8,200	8,578	(378)	-4.4%
Receivables and securities included in net financial debt	2,773	2,745	28	1.0%
Other non-current financial assets	3,863	3,650	213	5.8%
Receivables due from institutional market operators	191	186	5	2.7%
Other long-term receivables	2,879 <sup>(1)</sup>	2,612 <sup>(1)</sup>	267	10.2%
<b>Total</b>	<b>17,906</b>	<b>17,771</b>	<b>135</b>	<b>0.8%</b>

(1) The item includes investments in contract assets of €354 million at Mar. 31, 2021 and €462 million at Dec. 31, 2020.

The increase in the period, equal to €135 million, essentially reflects:

- > an increase in "other non-current financial assets", essentially attributable to developments in the fair value of cash flow hedge derivatives on exchange rates and commodity prices (€245 million);
- > an increase in "other long-term receivables", mainly attributable to an increase in tax assets (€227 million) recorded in Brazil in connection with the outcome of the PIS/COFINS dispute and in Italy by Enel X Italia Srl associated with ecobonus, earthquake bonus and the 110% super bonus tax credits for certain categories of building works;
- > a decrease in "deferred tax assets", attributable to unfavorable exchange rate developments in Latin America, the reversal of deferred tax assets on differences in the value of non-current assets, mainly in Italy and Spain, a

decrease in deferred tax assets linked to the developments in the fair value of cash flow hedge derivatives and the reversal of deferred tax assets by Enel Iberia, the parent of the consolidated tax group in Spain.

## 7.b Current assets - €36,293 million

Inventories amounted to €2,702 million, an increase of €301 million, most of which was recognized in Italy, essentially reflecting the increase in inventories of CO<sub>2</sub> emissions allowances.

Trade receivables amounted to €12,257 million, an increase of €211 million, mainly recognized in Italy and Spain, partly offset by the decrease registered in Latin America, es-

essentially as a result of the depreciation of local currencies, especially in Brazil.

Other current assets break down as follows.

Millions of euro				
	at Mar. 31, 2021	at Dec. 31, 2020	Change	
Current financial assets included in debt	4,513	4,971	(458)	-9.2%
Other current financial assets	5,721	3,613	2,108	58.3%
Tax assets	2,204	1,294	910	70.3%
Amounts due from institutional market operators	1,616	1,258	358	28.5%
Other short-term amounts due	2,142	1,648	494	30.0%
<b>Total</b>	<b>16,196</b>	<b>12,784</b>	<b>3,412</b>	<b>26.7%</b>

The increase in the period of €3,412 million is due to:

- > an increase in "other current financial assets", essentially attributable to the fair value measurement of derivative financial instruments (equal to €5,544 million at March 31, 2021 and €3,471 million at December 31, 2020);
- > an increase in "tax assets" relating essentially to VAT credits (€743 million);
- > an increase in "amounts due from institutional market operators", which mainly include amounts due from the Italian electrical system of €1,032 million (€890 million at December 31, 2020) and the Spanish electrical system of €566 million (€337 million at December 31, 2020). More specifically, in Italy the increase is mainly attributable to an increase in amounts due from the Energy and Environmental Services Fund, mainly claimed by Servizio Elettrico Nazionale and essentially connected with purchase equalization mechanisms, while in Spain the increase is mainly attributable to the indemnity paid to Endesa for the CO<sub>2</sub> emission allowances granted under the "Plan Nacional de Asignación de Derechos de Emisión" (PNA);
- > an increase in "other short-term amounts due" mainly regards an increase in prepaid expenses, largely in respect of fees for water diversion for industrial use, items connected with personnel and insurance premiums and advances paid to third parties and sundry other receivables;
- > a decrease in "current financial assets included in debt", mainly due to the reduction of other current financial assets (€447 million), essentially related to a decrease in cash collateral paid to counterparties for transactions in derivative contracts.

### 7.c Assets classified as held for sale - €1,414 million

The item essentially includes assets measured at their estimated realizable value based on the current state of negotiations that, in view of the decisions taken by management, meet the requirements of IFRS 5 for classification under this item.

The balance at March 31, 2021 regards a number of renewable energy companies in Africa held for sale (€926 million), the equity accounted investment in OpEn Fiber (€482 million) and the plants held for sale connected with the Enel Produzione business unit represented by the Etto-re Majorana site of Termini Imerese, as well as the plant held by the Panamanian company Liano Sanchez Solar Power One SA.



# Liabilities and equity

## 7.d Equity attributable to the owners of the Parent - €31,357 million

The increase of €3,032 million in the first three months of 2021 in equity attributable to the owners of the Parent mainly reflects profit recognized through profit or loss for the period (€1,176 million), the recognition of the profit recognized through other comprehensive income (€55 million) and the subscription of a new perpetual hybrid bond in the amount, net of transaction costs, of €2,214 million. These factors were only partially offset by the decrease in the translation reserve for financial statements denominated in foreign currencies pertaining to the owners of the Parent following the change in the consolidation scope with the purchase of 10% of Enel Américas.

## 7.e Non-current liabilities - €79,665 million

*Long-term borrowings* amounted to €50,415 million (€49,519 million at December 31, 2020). They consist of bonds totaling €38,964 million (€38,357 million at December 31, 2020), bank borrowings of €8,945 million (€8,663 million at December 31, 2020) and other borrowings of €2,506 million (€2,499 million at December 31, 2020). The item increased by €896 million, mainly due to the increase in bonds (€607 million), essentially due to exchange losses, and bank borrowings (€282 million), primarily due to new borrowing.

*Provisions and deferred tax liabilities* amounted to €16,210 million at March 31, 2021 (€16,535 million at December 31, 2020) and include:

- > employee benefits totaling €2,880 million, down €84 million on December 31, 2020, mainly in Latin America due to exchange gains;
- > provisions for risks and charges amounting to €5,638 million (€5,774 million at December 31, 2020). The item includes, among others:
  - the litigation provision of €734 million (€734 million at December 31, 2020);
  - the nuclear decommissioning provision of €542 million (€596 million at December 31, 2020), with the reduction mainly reflecting the recalculation of future costs in Spain;
  - the plant dismantling and site restoration provision of €2,037 million (€2,017 million at December 31, 2020);

- the provision for taxes and duties of €249 million (€288 million at December 31, 2020);
- the provision for early termination incentives and other restructuring plans €545 million (€623 million at December 31, 2020), with the increase mainly attributable to Spain following the reclassification of amounts expected to be used in the year to current provisions;
- the provision for restructuring programs connected with the energy transition of €769 million (€759 million at December 31, 2020), the increase in which was connected with the provisions recognized in Brazil in the 1st Quarter of 2021. The current component of the provision amounts to €32 million, reflecting provisions recognized in Italy and Brazil in the 1st Quarter of 2021;
- > deferred tax liabilities amounting to €7,692 million (€7,797 million at December 31, 2020), with the reduction of €105 million mainly attributable to Chile for offsetting against analogous deferred tax assets.

*Other non-current liabilities* amounted to €13,040 million (€13,255 million at December 31, 2020), a decrease of €215 million, largely reflecting the change in the fair value of financial derivatives (€390 million), mainly in respect of derivatives designated as cash flow hedges of exchange and interest rate risk, as well as the depreciation of the currencies of the Latin American countries against the euro.

These factors were partially offset by an increase in liabilities connected with the outcome of the PIS/COFINS dispute in Brazil (already discussed under “non-current assets”).

## 7.f Current liabilities - €42,615 million

*Short-term borrowings and current portion of long-term borrowings* amounted to €7,889 million (€9,513 million at December 31, 2020) and included short-term borrowings of €4,739 million (€6,345 million at December 31, 2020) and the current portion of long-term borrowings of €3,150 million (€3,168 million at December 31, 2020). The item decreased by €1,624 million, primarily reflecting the contraction in commercial paper (€1,525 million).

*Trade payables* amounted to €12,726 million (€12,859 million at December 31, 2020), down €133 million, reflecting normal developments in the supply chain, accentuated by a decline in costs for fuel provisioning and the depreciation of the currencies of the Latin American countries against the euro.

*Other current liabilities* break down as follows.

Millions of euro				
	at Mar. 31, 2021	at Dec. 31, 2020	Change	
Amounts due to customers	1,520	1,481	39	2.6%
Amounts due to institutional market operators	3,961	4,012	(51)	-1.3%
Current financial liabilities	6,172	4,153	2,019	48.6%
Amounts due to employees and social security institutions	655	644	11	1.7%
Tax liabilities	3,072	1,357	1,715	-
Other	6,620	6,960	(340)	-4.9%
<b>Total</b>	<b>22,000</b>	<b>18,607</b>	<b>3,393</b>	<b>18.2%</b>

The change in the period is essentially due to:

- > an increase in "current financial liabilities", largely attributable to the increase in the fair value of derivative financial instruments of €1,871 million, relating to derivatives at the FVTPL (€1,906 million) mainly hedging commodity price risk, as well as the increase in accrued financial liabilities of €153 million;
- > an increase in "tax liabilities", primarily regarding liabilities for value-added tax (€1,063 million) as well as the estimated income tax liability for the period (€375 million);
- > a reduction in "other" liabilities, essentially attributable to dividends paid during the 1st Quarter of 2021;
- > a decrease in "amounts due to institutional market operators", especially in Spain.

### 7.g Liabilities included in disposal groups held for sale - €826 million

The balance at March 31, 2021 includes the liabilities connected with a number of companies held for sale that operate in the renewable generation sector in Africa.

## 8. Net financial position

Pursuant to the CONSOB instructions of July 28, 2006, the

following table reports the net financial position at March 31, 2021 and December 31, 2020, reconciled with net financial debt as prepared in accordance with the presentation procedures of the Enel Group.

Millions of euro				
	at Mar. 31, 2021	at Dec. 31, 2020	Change	
Cash and cash equivalents on hand	8	42	(34)	-81.0%
Bank and post office deposits	4,556	5,699	(1,143)	-20.1%
Other investments of liquidity	574	165	409	-
Securities	74	67	7	10.4%
<b>Liquidity</b>	<b>5,212</b>	<b>5,973</b>	<b>(761)</b>	<b>-12.7%</b>
Short-term loan assets	3,029	3,476	(447)	-12.9%
Current portion of long-term loan assets	1,410	1,428	(18)	-1.3%
<b>Current loan assets</b>	<b>4,439</b>	<b>4,904</b>	<b>(465)</b>	<b>-9.5%</b>
Bank borrowings	(726)	(711)	(15)	-2.1%
Commercial paper	(3,329)	(4,854)	1,525	31.4%
Current portion of long-term bank borrowings	(1,314)	(1,369)	55	4.0%
Bonds issued (current portion)	(1,480)	(1,412)	(68)	-4.8%
Other borrowings (current portion)	(356)	(387)	31	8.0%
Other short-term borrowings <sup>(1)</sup>	(688)	(785)	97	12.4%
<b>Total current financial debt</b>	<b>(7,893)</b>	<b>(9,518)</b>	<b>1,625</b>	<b>-17.1%</b>
<b>Net current financial position</b>	<b>1,758</b>	<b>1,359</b>	<b>399</b>	<b>29.4%</b>
Bank borrowings	(8,945)	(8,663)	(282)	-3.3%
Bonds	(38,964)	(38,357)	(607)	-1.6%
Other borrowings	(2,506)	(2,499)	(7)	-0.3%
<b>Non-current financial position</b>	<b>(50,415)</b>	<b>(49,519)</b>	<b>(896)</b>	<b>-1.8%</b>
<b>NET FINANCIAL POSITION as per CONSOB instructions</b>	<b>(48,657)</b>	<b>(48,160)</b>	<b>(497)</b>	<b>-1.0%</b>
<b>Non-current financial assets and securities</b>	<b>2,773</b>	<b>2,745</b>	<b>28</b>	<b>1.0%</b>
<b>NET FINANCIAL DEBT</b>	<b>(45,884)</b>	<b>(45,415)</b>	<b>(469)</b>	<b>-1.0%</b>

(1) Includes current borrowings included under other current financial liabilities.

# OTHER INFORMATION

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.

## 9. Related parties

As an operator in the field of generation, distribution, transport and sale of electricity and the sale of natural gas,

Related party	Relationship	Nature of the 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

Finally, Enel also maintains relationships with the pension funds FOPEN and FONDENEL, as well as 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.

The following tables summarize transactions with related parties, associated companies and joint arrangements carried out in the first three months of 2021 and 2020 and outstanding at March 31, 2021 and December 31, 2020.

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group	Other	Key management personnel	Total 1st Quarter 2021	Associates and joint arrangements	Overall total 1st Quarter 2021	Total in financial statements	% of total
<b>Income statement</b>											
Total revenue	-	302	75	579	51	-	1,007	48	1,055	17,107	6.2%
Financial income	-	-	-	-	-	-	-	29	29	2,210	1.3%
Electricity, gas and fuel	838	698	-	273	-	-	1,809	29	1,838	8,518	21.6%
Services and other materials	-	10	-	709	13	-	732	35	767	3,516	21.8%
Other operating expenses	1	42	-	3	-	-	46	-	46	627	7.3%
Net income/ (expense) from commodity derivatives	-	-	-	3	-	-	3	-	3	282	1.1%
Financial expense	-	-	-	2	-	-	2	6	8	2,631	0.3%

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group	Other	Key management personnel	Total at Mar. 31, 2021	Associates and joint arrangements	Overall total at Mar. 31 2021	Total in financial statements	% of total
<b>Balance sheet</b>											
Other non-current asset	-	-	-	-	-	-	-	1,197	1,197	17,906	6.7%
Trade receivables	-	42	20	682	31	-	775	282	1,057	12,257	8.6%
Other current assets	-	24	70	64	3	-	161	215	376	16,196	2.3%
Other non-current liabilities	-	-	-	-	5	-	5	160	165	13,040	1.3%
Long-term borrowings	-	-	-	625	-	-	625	354	979	50,415	1.9%
Short-term borrowings	-	-	-	-	-	-	-	18	18	-	-
Current portion of long-term borrowings	-	-	-	89	-	-	89	19	108	3,150	3.4%
Trade payables	848	85	1,011	657	5	-	2,606	70	2,676	12,726	21.0%
Other current liabilities	-	-	-	22	25	-	47	27	74	22,000	0.3%
<b>Other information</b>											
Guarantees given	-	250	-	11	75	-	336	-	336	-	-
Guarantees received	-	-	-	147	36	-	183	-	183	-	-
Commitments	-	-	-	88	3	-	91	-	91	-	-

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group	Other	Key management personnel	<b>Total 1st Quarter 2020</b>	Associates and joint arrangements	<b>Overall total 1st Quarter 2020</b>	<b>Total in financial statements</b>	<b>% of total</b>
<b>Income statement</b>											
Total revenue	-	158	97	666	53	-	<b>974</b>	53	<b>1,027</b>	<b>19,985</b>	<b>5.1%</b>
Financial income	-	-	-	-	-	-	<b>-</b>	22	<b>22</b>	<b>1,562</b>	<b>1.4%</b>
Electricity, gas and fuel	515	561	4	302	-	-	<b>1,382</b>	30	<b>1,412</b>	<b>7,230</b>	<b>19.5%</b>
Services and other materials	1	5	3	862	62	-	<b>933</b>	57	<b>990</b>	<b>6,320</b>	<b>15.7%</b>
Other operating expenses	-	54	1	2	-	-	<b>57</b>	-	<b>57</b>	<b>642</b>	<b>8.9%</b>
Net income/ (expense) from commodity derivatives	-	-	-	-	-	-	<b>-</b>	(1)	<b>(1)</b>	<b>(792)</b>	<b>0.1%</b>
Financial expense	-	-	-	3	-	-	<b>3</b>	8	<b>11</b>	<b>2,180</b>	<b>0.5%</b>

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group	Other	Key management personnel	<b>Total at Dec. 31, 2020</b>	Associates and joint arrangements	<b>Overall total at Dec. 31 2020</b>	<b>Total in financial statements</b>	<b>% of total</b>
<b>Balance sheet</b>											
Other non-current asset	-	-	-	-	-	-	<b>-</b>	1,165	<b>1,165</b>	<b>17,771</b>	<b>6.6%</b>
Trade receivables	-	35	15	569	29	-	<b>648</b>	215	<b>863</b>	<b>12,046</b>	<b>7.2%</b>
Other current assets	-	9	84	63	3	-	<b>159</b>	195	<b>354</b>	<b>12,784</b>	<b>2.8%</b>
Other non-current liabilities	-	-	-	4	6	-	<b>10</b>	151	<b>161</b>	<b>13,255</b>	<b>1.2%</b>
Long-term borrowings	-	-	-	625	-	-	<b>625</b>	359	<b>984</b>	<b>49,519</b>	<b>2.0%</b>
Current portion of long-term borrowings	-	-	-	89	-	-	<b>89</b>	19	<b>108</b>	<b>3,168</b>	<b>3.4%</b>
Trade payables	554	83	746	748	5	-	<b>2,136</b>	69	<b>2,205</b>	<b>12,859</b>	<b>17.1%</b>
Other current liabilities	-	-	-	15	14	-	<b>29</b>	24	<b>53</b>	<b>18,607</b>	<b>0.3%</b>
<b>Other information</b>											
Guarantees given	-	250	-	13	83	-	<b>346</b>	-	<b>346</b>		
Guarantees received	-	-	-	157	36	-	<b>193</b>	-	<b>193</b>		
Commitments	-	-	-	102	2	-	<b>104</b>	-	<b>104</b>		

In November 2010, the Board of Directors of Enel SpA approved (and subsequently updated) a procedure governing the authorization 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 the 1st Quarter of 2021, 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.

## 10. 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 Mar. 31, 2021	at Dec. 31, 2020	Change
<b>Guarantees given:</b>			
- sureties and other guarantees granted to third parties	9,124	11,451	(2,327)
<b>Commitments to suppliers for:</b>			
- electricity purchases	67,429	67,400	29
- fuel purchases	46,049	41,855	4,194
- various supplies	1,452	1,511	(59)
- tenders	3,857	3,604	253
- other	5,373	4,348	1,025
<b>Total</b>	<b>124,160</b>	<b>118,718</b>	<b>5,442</b>
<b>TOTAL</b>	<b>133,284</b>	<b>130,169</b>	<b>3,115</b>

Commitments for electricity amounted to €67,429 million at March 31, 2021, of which €18,347 million refer to the period April 1, 2021-2025, €16,169 million to the period 2026-2030, €13,081 million to the period 2031-2035 and the remaining €19,832 million beyond 2035.

Commitments for the purchase of fuels are determined with reference to the contractual parameters and exchange rates applicable at the end of the period (as prices are variable and mainly denominated in foreign currency). At

March 31, 2021 they amounted to €46,049 million, of which €22,376 million refer to the period April 1, 2021-2025, €13,710 million to the period 2026-2030, €5,909 million to the period 2031-2035 and the remaining €4,054 million beyond 2035.



## 11. Contingent assets and liabilities

Compared with the consolidated financial statements at December 31, 2020, which the reader is invited to consult for more information, the following main changes have occurred in contingent assets and liabilities.

### Brindisi Sud thermal generation plant – Criminal proceedings against Enel employees

With reference to the criminal proceeding pending before the Court of Vibo Valentia involving a number of employees of Enel Produzione for the crime of illegal waste disposal following alleged violations regarding the handling of the disposal of waste produced by the Brindisi thermoelectric plant, arguments are being heard and the next hearing is set for May 13, 2021.

### Bono Social – Spain

With regard to the preliminary ruling requested by the Spanish Supreme Court from the Court of Justice of the European Union (CJEU) to ascertain the incompatibility of Article 45, paragraph 4, of the Electricity Industry Law no. 24 of December 26, 2013 concerning the obligation to finance the “*Bono Social*” (Social Bonus) mechanism with Directive 2009/72/EC of the European Parliament and of the Council of July 13, 2009, on April 15, 2021, the Advocate General issued a favorable opinion for Endesa.

### El Quimbo – Colombia

As regards the *acción popular* 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, on February 1, 2021, Emgesa was notified of the ruling of the Court of Huila, which while acknowledging that the oxygenation system implemented by the company has mitigated the risks associated with the protection of fauna in the Betania basin, imposed a series of obligations on the environmental authorities involved, as

well as on Emgesa itself. In particular, the latter is required to implement a decontamination project to ensure that the water in the basin does not generate risks for the flora and fauna of the river, which will be subject to verification by ANLA, and to make permanent the operation of the oxygenation system, adapting it to comply with the parameters established by ANLA. On March 4, 2021, Emgesa appealed this ruling before the Council of State.

### Gabčíkovo dispute – Slovakia

With regard to the suits filed by Vodohospodárska Výstavba Štátny Podnik (VV) against Slovenské elektrárne (SE) for alleged unjustified enrichment (estimated at about €360 million plus interest) for the period from 2006 to 2015: (i) for the proceeding concerning 2009, the first hearing, scheduled by the Court of Bratislava for October 13, 2020, was postponed a number of times and has now been postponed to a date to be determined in view of the pandemic; (ii) for the proceeding concerning 2015, the court has scheduled an initial hearing for April 22, 2021.

### Kino arbitration – Mexico

With regard to the request for arbitration filed by Parque Solar Don José SA de Cv, Villanueva Solar SA de Cv and Parque Solar Villanueva Tres SA de Cv (together, the “Project Companies”) against Kino Contractor SA de CV, Kino Facilities Manager SA de CV and Enel SpA for violation of two contracts concerning solar projects owned by the three companies filing for arbitration, the claim has been provisionally quantified at about \$140 million, while Kino Contractor and Kino Facilities have provisionally quantified their claim at about \$18 million. The arbitration panel has been formed and the proceeding is in its initial stages.

## 12. Subsequent events

### Enel announces results of voluntary partial tender offer for the shares and American Depositary Shares of Enel Américas

On April 16, 2021, Enel SpA announced the results of the voluntary partial public tender offer (the Offer) for the acquisition of shares of common stock (Shares) and American Depositary Shares (ADSs) of the listed Chilean subsidiary Enel Américas SA.

Based on the final figures, Enel purchased 6,903,312,254 Shares pursuant to the Chilean Offer at a price of 140 Chilean pesos per Share in cash, payable in Chilean pesos, and 14,104,937 ADSs representing 705,246,850 Shares pursuant to the US Offer at a price of 7,000 Chilean pesos per ADS in cash, with the cash consideration payable in US dollars, without interest and less applicable withholding taxes and distribution fees.

The total outlay of 1,065.2 billion Chilean pesos (equal to around €1.3 billion, calculated at the exchange rate prevailing on April 15, 2021 of 847.87 Chilean pesos for 1 euro) was funded through internally generated cash flows and existing borrowing capacity.

Following completion of the voluntary partial public tender offer and the merger of EGP Américas into Enel Américas, Enel holds about 82.3% of Enel Américas' currently outstanding share capital.

### Enel Board of Directors resolves to sell 10% of OpEn Fiber to CPD Equity

On April 30, 2021, the Board of Directors of Enel SpA resolved to initiate the procedures for the sale of 10% of the share capital of OpEn Fiber SpA to CDP Equity SpA (CDPE), granting the CEO specific authority to accomplish this.

Based on the offer received from CDPE, the price for the sale of 10% of the share capital of OpEn Fiber is equal to €530 million and includes the transfer to CDPE of 20% of Enel's portion of the shareholder loan granted to OpEn Fiber, including accrued interest. It was determined as a pro-rated portion of the price of €2,650 million for the sale of 50% of the share capital of OpEn Fiber to Macquarie Infrastructure & Real Assets (MIRA) – including the transfer of 100% of Enel's portion of the shareholder loan granted to OpEn Fiber, including accrued interest – provided for in the final offer of MIRA, which was examined and favorably evaluated by the Board of Directors of Enel at its meeting of December 17, 2020.

CDPE's offer provides for the payment of an earn-out to Enel – analogous to that envisaged in MIRA's final offer – linked to the possible positive conclusion, with a final judgment, of the dispute initiated by OpEn Fiber against TIM SpA for anti-competitive conduct by the latter. In particular, this earn-out would pay Enel 75% of any net compensation that should consequently be collected by OpEn Fiber and is expected to be paid to Enel based on the dividends distributed by OpEn Fiber to its shareholders in any case. The earn-out will be calculated in proportion to the 10% stake in OpEn Fiber sold by Enel to CDPE.

The completion of the sale of 10% of the share capital of OpEn Fiber from Enel to CDPE, expected by the end of November 2021, is subject to the simultaneous completion of the sale of 40% of the share capital of OpEn Fiber by Enel to MIRA as well as the payment to OpEn Fiber, in line with the shareholder commitments already set out in the current business plan, of a capital injection of up to €194 million, of which €97 million pertaining to Enel.

# DECLARATION OF THE OFFICER RESPONSIBLE FOR THE PREPARATION OF THE COMPANY FINANCIAL REPORTS PURSUANT TO THE PROVISIONS OF ARTICLE 154-BIS, PARAGRAPH 2, OF LEGISLATIVE DECREE 58/1998

The officer responsible for the preparation of the Company's financial reports, Alberto De Paoli, hereby certifies, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information contained in the Interim Financial Report at March 31, 2021 corresponds with that contained in the accounting documentation, books and records.



Concept design and realization

**HNTO**

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Disclaimer

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Enel

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