2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2020

Condensed Consolidated Income Statement

Millions of euro	Notes	1st Quarter	
		2020	2019
Total revenue[1]	7.a	19,985	22,755
Total costs[1]	7.b	16,084	19,488
Net income/(expense) from commodity risk management[1]	7.c	(792)	(286)
Operating income		**3,109**	**2,981**
Financial income		1,439	1,251
Financial expense		2,075	1,922
Net income/(expense) from hyperinflation	2	18	24
Total financial income/(expense)	7.d	**(618)**	**(647)**
Share of income/(expense) from equity investments accounted for using the equity method	7.e	**(3)**	**(63)**
Income before taxes		**2,488**	**2,271**
Income taxes	7.f	801	621
Net income from continuing operations		**1,687**	**1,650**
Net income from discontinued operations		**-**	**-**
Net income for the period (shareholders of the Parent Company and non-controlling interests)		**1,687**	**1,650**
Attributable to the shareholders of the Parent Company		1,247	1,256
Attributable to non-controlling interests		440	394
Basic earnings/(loss) per share attributable to the shareholders of the Parent Company (euro)		*0.12*	*0.12*
Diluted earnings/(loss) per share attributable to the shareholders of the Parent Company (euro)		*0.12*	*0.12*
Basic earnings/(loss) per share from continuing operations attributable to the shareholders of the Parent Company (euro)		*0.12*	*0.12*
Diluted earnings/(loss) per share from continuing operations attributable to the shareholders of the Parent Company (euro)		*0.12*	*0.12*

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 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 2 of the condensed consolidated financial statements at March 31, 2020).

Statement of Consolidated Comprehensive Income

Millions of euro	1st Quarter	
	2020	2019
Net income for the period	**1,687**	**1,650**
Other comprehensive income recyclable to profit or loss (net of taxes)		
Effective portion of change in the fair value of cash flow hedges	1,002	364
Change in fair value of hedging costs	(107)	28
Share of the other comprehensive income of equity investments accounted for using the equity method	(20)	1
Change in the fair value of financial assets at FVOCI	(9)	5
Change in translation reserve	(2,765)	461
Other comprehensive income not recyclable to profit or loss (net of taxes)		
Remeasurement of net liabilities/(assets) for employee benefits	10	-
Change in fair value of equity investments in other entities	-	-
Total other comprehensive income/(loss) for the period	**(1,889)**	**859**
Total comprehensive income/(loss) for the period	**(202)**	**2,509**
Attributable to:		
- shareholders of the Parent Company	615	1,886
- non-controlling interests	(817)	623

Condensed Consolidated Balance Sheet

Millions of euro	Notes	at Mar. 31, 2020	at Dec. 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment and intangible assets		95,938	99,010
Goodwill		14,146	14,241
Equity investments accounted for using the equity method		1,647	1,682
Other non-current assets(1)		20,707	19,689
Total non-current assets	8.a	**132,438**	**134,622**
Current assets			
Inventories		2,559	2,531
Trade receivables		12,527	13,083
Cash and cash equivalents		7,642	9,029
Other current assets(2)		19,023	12,060
Total current assets	8.b	**41,751**	**36,703**
Assets classified as held for sale	8.c	**12**	**101**
TOTAL ASSETS		**174,201**	**171,426**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to the shareholders of the Parent Company	8.d	30,855	30,377
Non-controlling interests		14,968	16,561
Total shareholders' equity		**45,823**	**46,938**
Non-current liabilities			
Long-term borrowings		54,595	54,174
Provisions and deferred tax liabilities		16,161	17,409
Other non-current liabilities		12,714	12,414
Total non-current liabilities	8.e	**83,470**	**83,997**
Current liabilities			
Short-term borrowings and current portion of long-term borrowings		8,367	7,326
Trade payables		11,043	12,960
Other current liabilities		25,495	20,202
Total current liabilities	8.f	**44,905**	**40,488**
Liabilities held for sale	8.g	**3**	**3**
TOTAL LIABILITIES		**128,378**	**124,488**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**174,201**	**171,426**

(1) Of which long-term financial receivables and other securities at March 31, 2020 equal respectively to €2,787 million (€2,769 million at December 31, 2019) and €400 million (€416 million at December 31, 2019).
(2) Of which short-term portion of long-term financial receivables, short-term financial receivables and other securities at March 31, 2020 equal respectively to €1,674 million (€1,585 million at December 31, 2019), €3,340 million (€2,522 million at December 31, 2019) and €59 million (€51 million at December 31, 2019).

Statement of Changes in Consolidated Shareholders' Equity

Millions of euro	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	Reserve from measurement of costs of hedging financial instruments
	Share capital and reserves attributable to the shareholders of the Parent Company							
At December 31, 2018	**10,167**	**7,489**	**-**	**2,034**	**2,262**	**(3,317)**	**(1,745)**	**(258)**
Distribution of dividends	-	-	-	-	-	-	-	-
Monetary revaluation for hyperinflation	-	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	(81)	-	-
Comprehensive income for the period	-	-	-	-	-	248	345	30
of which:								
- other comprehensive income/(loss)	-	-	-	-	-	*248*	*345*	*30*
- net income/(loss) for the period	-	-	-	-	-	-	-	-
At March 31, 2019	**10,167**	**7,489**	**-**	**2,034**	**2,262**	**(3,150)**	**(1,400)**	**(228)**
At December 31, 2019	**10,167**	**7,487**	**(1)**	**2,034**	**2,262**	**(3,802)**	**(1,610)**	**(147)**
Distribution of interim dividends	-	-	-	-	-	-	-	-
Reserve for share-based payments (LTI Bonus)	-	-	-	-	1	-	-	-
Reclassification as result of curtailment of certain defined benefit plans (IAS 19) following signing of 5th Endesa Collective Bargaining Agreement	-	-	-	-	-	-	-	-
Monetary revaluation for hyperinflation	-	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	(111)	(9)	-
Comprehensive income for the period	-	-	-	-	-	(1,600)	1,097	(108)
of which:								
- other comprehensive income/(loss)	-	-	-	-	-	*(1,600)*	*1,097*	*(108)*
- net income/(loss) for the period	-	-	-	-	-	-	-	-
At March 31, 2020	**10,167**	**7,487**	**(1)**	**2,034**	**2,263**	**(5,513)**	**(522)**	**(255)**

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 the shareholders of the Parent Company**	**Non-controlling interests**	**Total shareholders' equity**
16	**(63)**	**(714)**	**(2,381)**	**(1,623)**	**19,853**	**31,720**	**16,132**	**47,852**
-	-	-	-	-	-	**-**	**(195)**	**(195)**
-	-	-	-	-	26	**26**	**45**	**71**
-	-	(4)	-	67	(1)	**(19)**	**(103)**	**(122)**
5	2	-	-	-	1,256	**1,886**	**623**	**2,509**
5	*2*	-	-	-	-	***630***	***229***	***859***
-	-	-	-	-	*1,256*	***1,256***	***394***	***1,650***
21	**(61)**	**(718)**	**(2,381)**	**(1,556)**	**21,134**	**33,613**	**16,502**	**50,115**
21	**(119)**	**(1,043)**	**(2,381)**	**(1,572)**	**19,081**	**30,377**	**16,561**	**46,938**
-	-	-	-	-	-	**-**	**(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***
12	**(138)**	**(940)**	**(2,381)**	**(1,605)**	**20,247**	**30,855**	**14,968**	**45,823**

Condensed Consolidated Statement of Cash Flows

Millions of euro	1st Quarter	
	2020	2019
Income before taxes for the period	**2,488**	**2,271**
Adjustments for:		
Net impairment/(reversals) of trade receivables and other receivables	232	144
Depreciation, amortization and other impairment losses	1,367	1,423
Financial (income)/expense	618	647
Net income of equity investments accounted for using the equity method	3	63
Changes in net working capital:		
- inventories	(106)	15
- trade receivables	(472)	(1,974)
- trade payables	(1,617)	(912)
- other contract assets(1)	(9)	4
- other contract liabilities(1)	(181)	168
- other assets/(liabilities)	946	1,461
Interest and other financial expense and income paid and collected	(375)	(467)
Other changes	(841)	(465)
Cash flows from operating activities (A)	**2,053**	**2,378**
Investments in property, plant and equipment, intangible assets and non-current contract assets	(1,870)	(1,872)
Investments in entities (or business units) less cash and cash equivalents acquired	(4)	(223)
Disposals of entities (or business units) less cash and cash equivalents sold	39	166
(Increase)/Decrease in other investing activities	12	5
Cash flows from investing/disinvesting activities (B)	**(1,823)**	**(1,924)**
Financial debt (new long-term borrowing)	1,511	1,945
Repayments of financial debt(1)	(1,123)	(820)
Other changes in net financial debt(1)	602	2,002
Receipts from disposal of equity investments without loss of control(1)	-	-
Payments for acquisitions of equity investments without change of control and other transactions with non-controlling interests(1)	(130)	(10)
Sale/(Purchase) of own shares	-	-
Dividends and interim dividends paid	(2,182)	(1,757)
Cash flows from financing activities (C)	**(1,322)**	**1,360**
Impact of exchange rate fluctuations on cash and cash equivalents (D)	**(287)**	**34**
Increase/(Decrease) in cash and cash equivalents (A+B+C+D)	**(1,379)**	**1,848**
Cash and cash equivalents at the beginning of the period(2)	9,080	6,714
Cash and cash equivalents at the end of the period(3)	7,701	8,562

(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 2019 in order to ensure the uniformity and comparability of the data with the previous year.

(2) Of which cash and cash equivalents equal to €9,029 million at January 1, 2020 (€6,630 million at January 1, 2019), short-term securities equal to €51 million at January 1, 2020 (€63 million at January 1, 2019) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €21 million at January 1, 2019.

(3) Of which cash and cash equivalents equal to €7,642 million at March 31, 2020 (€8,471 million at March 31, 2019), short-term securities equal to €59 million at March 31, 2020 (€59 million at March 31, 2019) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €32 million at March 31, 2019.

Notes to the condensed consolidated financial statements at March 31, 2020

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, 2020 are the same as those adopted for the consolidated financial statements at December 31, 2019 (please see the related report for more information). In addition, the following amendments of existing standards relevant to the Enel Group took effect as from January 1, 2020.

> "Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform", issued in September 2019. The amendments: (i) allow temporary exceptions that permit hedge relationships eligible for hedge accounting to continue during the period of uncertainty until alternative risk-free rates are determined in the Interbank Offered Rates (IBORs) Reform; and (ii) impose additional disclosure requirements for hedging relationships that are directly influenced by the uncertainty. The reform will impact fair value measurement, the effects of hedge accounting and net financial performance when the alternative rates are established.

> "Amendments to IAS 1 and IAS 8 - Definition of Material", issued in October 2018 to align the definition of "material" between accounting standards and the Conceptual Framework for Financial Reporting and clarify a number of aspects of its definition. The new 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". More specifically, the amendments clarify that:
  - "obscuring information" regards situations in which the effect for the primary users of financial statements is similar to that of the omission or misstatement of information whose materiality is assessed in the context of the financial statements taken as a whole;
  - the "primary users of financial statements" are existing and potential investors, lenders and other creditors who must rely on general purpose financial reports for much of the financial information they need; and
  - "materiality" depends on the nature or magnitude of information, taken individually or in combination with other information, in the context of the financial statements; a misstatement of information is material if it could reasonably be expected to influence the decisions made by the primary users of financial statements.

> "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 and in effect as from January 1, 2020, which includes some new concepts, provides updated definitions and recognition criteria and clarifies some important concepts. The main amendments include:
  - increasing the importance of the stewardship of economic resources by management for the purposes of financial reporting;
  - restoring prudence as an element supporting neutrality;
  - defining the reporting entity, which may be a legal entity or part of such an entity;
  - revising the definition of asset and liability;
  - removing the probability threshold for the purposes of recognition and, at the same time, adding guidelines for derecognition;
  - adding guidelines on measurement bases; and
  - affirming that profit or loss is the primary indicator of performance and that, in principle, revenue and costs

in other comprehensive income shall be recycled to profit or loss where that would increase the relevance or faithful representation of information in the financial statements.

Seasonal effects

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 impact these variations have on performance, which are generally negligible, given the fact that the Group operates in both the globe's northern and southern hemispheres, no additional disclosure (as required under IAS 34.21) for developments in the 12 months ended March 31, 2020 is provided.

2. Effects of the application of new accounting standards and interpretations

In its Agenda Decision of 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 income statement

Millions of euro	Notes	1st Quarter		
		2019	Effect of IFRIC application	2019
Total revenue	7.a	20,891	1,864	22,755
Total costs	7.b	17,997	1,491	19,488
Net income/(expense) from commodity risk management	7.c	87	(373)	(286)
Operating income		**2,981**	**-**	**2,981**
Financial income		1,251	-	1,251
Financial expense		1,922	-	1,922
Net income/(expense) from hyperinflation	2	24	-	24
Total financial income/(expense)	7.d	**(647)**	**-**	**(647)**
Share of income/(expense) from equity investments accounted for using the equity method	7.e	**(63)**	**-**	**(63)**
Income before taxes		**2,271**	**-**	**2,271**
Income taxes	7.f	621	-	621
Net income from continuing operations		**1,650**	**-**	**1,650**
Net income from discontinued operations		**-**	**-**	**-**
Net income for the period (shareholders of the Parent Company and non-controlling interests)		**1,650**	**-**	**1,650**
Attributable to the shareholders of the Parent Company		1,256	-	1,256
Attributable to non-controlling interests		394	-	394
Basic earnings/(loss) per share attributable to the shareholders of the Parent Company (euro)		*0.12*	-	*0.12*
Diluted earnings/(loss) per share attributable to the shareholders of the Parent Company (euro)		*0.12*	-	*0.12*
Basic earnings/(loss) per share from continuing operations attributable to the shareholders of the Parent Company (euro)		*0.12*	-	*0.12*
Diluted earnings/(loss) per share from continuing operations attributable to the shareholders of the Parent Company (euro)		*0.12*	-	*0.12*

With regard to the details in notes 7.a and 7.b 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 settlement that fall within the scope of IFRS 9.

Millions of euro	Notes	1st Quarter		
		2019	Effect of IFRIC application	2019
Sale of electricity	7.a	11,560	(1,190)	10,370
Sale of fuels	7.a	2,746	(2,455)	291
Sale of environmental certificates	7.a	13	(4)	9
Sale of energy commodities under contracts with physical settlement	7.a	-	3,339	3,339
Gain/(Loss) on derivatives on sale of commodities with physical settlement	7.a	-	2,174	2,174
Total impact of IFRIC application on sales		**14,319**	**1,864**	**16,183**

Millions of euro	Notes	1st Quarter		
		2019	Effect of IFRIC application	2019
Purchases of electricity	7.b	5,520	90	5,610
Gain/(Loss) on derivatives on sale of commodities with physical settlement	7.b	-	282	282
Total purchases of electricity		5,520	372	5,892
Consumption of fuel for generation and trading and gas for sale to end users	7.b	5,057	(364)	4,693
Gain/(Loss) on derivatives on purchase of fuel with physical settlement	7.b	-	1,445	1,445
Total consumption of fuel for generation and trading and gas for sale to end users		5,057	1,081	6,138
Materials				
Purchases of environmental certificates	7.b	208	(6)	202
Gain/(Loss) on derivatives on purchase of environmental certificates with physical settlement	7.b	-	44	44
Total purchases of environmental certificates		208	38	246
Total impact of IFRIC application on purchases		**10,785**	**1,491**	**12,276**
Net income/(expense) from commodity risk management	7.c	**87**	**(373)**	**(286)**
TOTAL IMPACT OF IFRIC APPLICATION ON PROFIT OR LOSS		**3,621**	**-**	**3,621**

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 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 2020 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, 2019 and March 31, 2020 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 March 31, 2020	6.76%

In the 1st Quarter of 2020, the application of IAS 29 generated net financial income (gross of tax) of €18 million.

The following tables report the effects of IAS 29 on the balance sheet at March 31, 2020 and the impact of hyperinflation on the main income statement items for the 1st Quarter of 2020, 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, 2019	Hyperinflation effect for the period	Exchange differences	Cumulative hyperinflation effect at Mar. 31, 2020
Total assets	857	93	(40)	**910**
Total liabilities	164	14	(7)	**171**
Shareholders' equity	693	79(1)	(33)	**739**

(1) The figure includes the net loss for the 1st Quarter of 2020 of €5 million.

Millions of euro

	1st Quarter 2020		
	IAS 29	Exchange rate differences	Total
Revenue	6	(12)	(6)
Costs	26(1)	(11)(2)	15
Operating income	**(20)**	**(1)**	**(21)**
Net financial income/(expense)	(1)	-	(1)
Net income/(expense) from hyperinflation	18	-	18
Income before taxes	**(3)**	**(1)**	**(4)**
Income taxes	2	(1)	1
Net income for the year (shareholders of the Parent Company and non-controlling interests)	**(5)**	**-**	**(5)**
Attributable to the shareholders of the Parent Company	2	-	2
Attributable to non-controlling interests	(7)	-	(7)

(1) Includes impact on depreciation, amortization and impairment losses of €15 million.
(2) Includes impact on depreciation, amortization and impairment losses of €(2) million.

3. Restatement of comparative disclosures

The figures presented in the comments and tables of the notes to the condensed consolidated financial statements at March 31, 2020 are consistent and comparable.

Note that the income statement figures at March 31, 2019 have been adjusted for the following circumstances:

1) in the light of the introduction of the new accounting policy, as a result of the IFRIC Agenda Decision of 2019, 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 settlement, analogous reclassifications of the comparative balances for 2019 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 note 2 for further details;

2) 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 therefore adopted the following reporting sectors:

> primary sector: business area;

> secondary sector: geographical area.

The business area is therefore the main discriminant in the analyses 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;

3) with effect from September 30, 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);

4) with effect from March 31, 2020, in Latin America the figures pertaining to large customers managed by the generation companies have been reallocated to the End-user Markets Global Business Line.

The changes in segment reporting referred to in points 2, 3 and 4 did not have any impact on the overall figures for the Group, although amounts were reclassified within the various Business Lines.

4. Main changes in the scope of consolidation

At March 31, 2020, the scope of consolidation had changed with respect to March 31, 2019 and December 31, 2019, as a result of the following main transactions.

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. As provided for in the preliminary agreement reached on May 30, 2018, the provisional price for the transaction was €162 million, equal to the value of the business unit at January 1, 2018. At June 30, 2019, that price was adjusted on the basis of a number of specified variables;

> acquisition, on March 14, 2019, by Enel Green Power SpA, acting through its US renewables subsidiary Enel North America (formerly Enel Green Power North America), of 100% of seven companies that own operating renewable generation plants from Enel Green Power North America Renewable Energy Partners (EGPNA REP), a joint venture 50% owned by Enel North America (formerly Enel Green Power North America) 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 Enel North America (formerly Enel Green Power North America), 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;

- on April 30, 2019, Enel X Italy acquired 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.

2020

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

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:

- disposal, in January 2020, of a number of 50% owned joint ventures in Enel North America's hydroelectric portfolio. In December 2019, the entire portfolio had been classified as held for sale in accordance with IFRS 5. The gain recognized in profit or loss was €4 million;
- in March 2020, Enel SpA increased its interest in Enel Américas by 2.29% under the provisions of share swaps entered into with a financial institution. The Group's total stake is therefore now 62.26%;
- Enel SpA increased its interest in Enel Chile by 2.09% under the provisions of two share swaps entered into with a financial institution. The Group's total stake is therefore now 64.13%.

5. COVID-19

In line with the recommendations of ESMA, contained in the public statements[1] published in March 2020, and of CONSOB, contained in Notice no. 6/20 of April 9, 2020, the Group has carefully monitored the evolution of the situation regarding the main areas affecting it and in the main countries in which it operates, based on the scope of analysis reported in the "Events after the reporting period" section of the notes to the 2019 consolidated financial statements, in order to assess, based on specific company circumstances and the availability of reliable information, the scale of the impacts of COVID-19 on the Group's business, financial position and performance as of March 31, 2020.

The most significant impacts identified, distinguished by main Global Business Line, and the most significant actions taken to contain their effects are discussed below:

- with regard to Thermal Generation and Trading and Enel Green Power, as part of O&M activities, renewable energy plants are being managed remotely and backup teams have been organized to be ready in the event of an emergency. Construction activities are continuing, in compliance with the restrictions issued by local authorities, albeit with some delays in the operation of construction sites and in the supply of certain critical components, although this is being managed and mitigated through backup procurement plans, delivery/shipment optimization and acceleration plans for the installation program;
- with regard to Infrastructure and Networks, there are currently some delays in the procurement of materials. although this has not affected the continuity of electricity services. In addition, infrastructure operations are being supported by operating centers and backup teams in order to increase the resilience of networks in case of emergency;
- with regard to the End-user Markets in which the Group operates, the impact on electricity demand of the various measures to contain the spread of contagion adopted at the local level is being monitored on a continuous basis. The measures envisaged by the various countries for the collection of receivables for the supply of electricity and gas produced a temporary increase in collection times, especially in countries where customers use traditional payment channels, with a consequent impact on cash flows from operating activities.

With regard to the assessment of the impact of COVID-19, forecasts for the future evolution of the macroeconomic, financial and business environment in which the Group operates are characterized by a high degree of uncertainty, which

(1) ESMA 71-99-1290 of March 11 2020, ESMA 32-63-951 of March 25, 2020 and ESMA 31-67-742 of March 27, 2020.

could affect the valuations and estimates performed by management in determining the carrying amounts of assets and liabilities affected by greater volatility.

At March 31, 2020, the areas of the financial statements that, based on the information available at that date and considering the constantly evolving scenario, are most affected by management estimates and judgments are the following:

> measurement of non-financial assets: based on the above considerations, there is no evidence the assets recognized in the balance sheet may have incurred a reduction in their value that would make it necessary to perform a new estimate of their recoverable value pursuant to "IAS 36 - Impairment of Assets";
> measurement of financial assets: analyses continue to be conducted both to monitor and, if necessary, update the assumptions underlying the measurement models for trade receivables in accordance with the provisions of "IFRS 9 - Financial Instruments", and to recognize the effects of the measures taken by the various countries concerning new collection methods and/or deadlines based on any new information available;
> employee benefits: analyses continue to be conducted to monitor the potential impact on estimates, including actuarial assumptions, used in measuring employee benefits pursuant to "IAS 19 - Employee Benefits";
> income tax: analyses continue to be conducted to monitor the recognition of any tax relief measures, the timing of the reversal of deductible temporary differences and the recoverability of deferred tax assets, in accordance with "IAS 12 - Income Taxes".

In the coming months, constant monitoring of changes in macroeconomic and business variables will continue 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.

6. Segment information

The presentation 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. 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 area

1st Quarter of 2020[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	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)	-
Total revenue	**8,574**	**1,819**	**4,962**	**8,361**	**223**	**395**	**(4,349)**	**19,985**
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
Reversals of impairment losses	(21)	(3)	(5)	(40)	-	-	2	(67)
Operating income	**475**	**826**	**1,263**	**627**	**(26)**	**(17)**	**(39)**	**3,109**
Capital expenditure	**82**	**750**	**886**	**93**	**49**	**6**	**4**	**1,870**

(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.

1st Quarter of 2019[1] [2] [3] [4]

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	9,808	1,884	4,852	5,668	161	369	13	22,755
Revenue and other income from transactions with other segments	260	133	399	3,615	32	20	(4,459)	-
Total revenue	**10,068**	**2,017**	**5,251**	**9,283**	**193**	**389**	**(4,446)**	**22,755**
Total costs	9,203	760	3,425	8,370	190	390	(4,417)	17,921
Net income/(expense) from commodity risk management	(270)	(9)	-	(52)	-	45	-	(286)
Depreciation and amortization	290	303	675	75	33	43	6	1,425
Impairment losses	191	2	26	180	-	-	(187)	212
Reversals of impairment losses	(186)	(2)	(15)	(50)	(3)	1	185	(70)
Operating income	**300**	**945**	**1,140**	**656**	**(27)**	**-**	**(33)**	**2,981**
Capital expenditure	**81**	**801**[5]	**836**	**85**	**52**	**12**	**4**	**1,871**

(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 for "Revenue and other income" and "Net income/(expense) from commodity risk management" in the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 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 2 of the condensed consolidated financial statements at March 31, 2020).

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

(4) The figures have been adjusted to take account of the fact that in Latin America the figures pertaining to large customers managed by the generation companies have been reallocated to the End-user Markets Global Business Line.

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

Financial position by segment

At March 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	11,300	29,709	36,109	159	455	640	11	78,383
Intangible assets	121	4,697	22,026	3,652	635	449	24	31,604
Non-current and current contract assets	4	-	475	-	39	40	79	637
Trade receivables	3,154	1,661	6,317	3,815	1,195	589	(4,204)	12,527
Other	1,773	1,414	1,428	486	1,236	691	(603)	6,425
Operating assets	**16,352**[1]	**37,481**	**66,355**[2]	**8,112**	**3,560**	**2,409**	**(4,693)**	**129,576**
Trade payables	2,823	1,511	4,963	4,539	307	787	(3,887)	11,043
Non-current and current contract liabilities	131	137	7,186	13	4	7	(35)	7,443
Sundry provisions	2,991	939	3,642	456	32	553	458	9,071
Other	1,173	1,565	7,753	2,670	438	575	(188)	13,986
Operating liabilities	**7,118**	**4,152**	**23,544**[3]	**7,678**	**781**	**1,922**	**(3,652)**	**41,543**

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

(2) Of which €8 million regarding units classified as "held for sale".

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

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[1]	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**[2]	**38,195**[1]	**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 €7 million regarding units classified as "held for sale".
(2) Of which €4 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".

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

Millions of euro	at Mar. 31, 2020	at Dec. 31, 2019
Total assets	**174,201**	**171,426**
Equity investments accounted for using the equity method	1,647	1,682
Other non-current financial assets	8,964	7,389
Long-term tax receivables included in "Other non-current assets"	1,687	1,587
Current financial assets	14,971	8,370
Cash and cash equivalents	7,642	9,029
Deferred tax assets	8,529	9,112
Tax receivables	1,185	1,206
Financial and tax assets of "Assets held for sale"	-	80
Segment assets	**129,576**	**132,971**
Total liabilities	**128,378**	**124,488**
Long-term borrowings	54,595	54,174
Non-current financial liabilities	2,735	2,407
Short-term borrowings	5,585	3,917
Current portion of long-term borrowings	2,782	3,409
Current financial liabilities	10,075	4,308
Deferred tax liabilities	8,217	8,314
Income tax payable	728	209
Other tax payables	2,118	1,082
Financial and tax liabilities of "Liabilities held for sale"	-	-
Segment liabilities	**41,543**	**46,668**

Revenue

7.a Revenue - *€19,985 million*

Millions of euro	1st Quarter			
	2020	2019	Change	
Sale of electricity[1]	9,168	10,370	(1,202)	-11.6%
Transport of electricity	2,580	2,572	8	0.3%
Fees from network operators	252	228	24	10.5%
Transfers from institutional market operators	437	354	83	23.4%
Sale of gas	1,231	1,686	(455)	-27.0%
Transport of gas	251	267	(16)	-6.0%
Sale of fuels[1]	209	291	(82)	-28.2%
Connection fees to electricity and gas networks	186	179	7	3.9%
Construction contracts	185	167	18	10.8%
Sale of environmental certificates[1]	12	9	3	33.3%
Sale of value-added services	60	56	4	7.1%
Other sales and services	315	327	(12)	-3.7%
Total IFRS 15 revenue	**14,886**	**16,506**	**(1,620)**	**-9.8%**
Sale of energy commodities under contracts with physical settlement (IFRS 9)[1]	2,009	3,339	(1,330)	-39.8%
Gain/(Loss) on derivatives on sale of commodities with physical settlement (IFRS 9)[1]	2,744	2,174	570	26.2%
Grants for environmental certificates	103	147	(44)	-29.9%
Sundry reimbursements	74	243	(169)	-69.5%
Gains on disposal of subsidiaries, associates, joint ventures, joint operations and non-current assets held for sale	4	215	(211)	-98.1%
Gains on the disposal of property, plant and equipment, and intangible assets	1	1	-	-
Other revenue and income	164	130	34	26.2%
Total revenue	**19,985**	**22,755**	**(2,770)**	**-12.2%**

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 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 2 of the condensed consolidated financial statements at March 31, 2020).

In the 1st Quarter of 2020 revenue from the sale of electricity amounted to €9,168 million, down €1,202 million compared with the same period of the previous year (-11.6%). The reduction largely reflected the following factors:

- a decrease in revenue from the sale of electricity to end users, mainly due to the reduction in volumes sold in Italy (€298 million) and Spain (€229 million);
- a significant reduction in revenue in Latin America (€498 million), mainly owing to the depreciation of local currencies against the euro, especially in Brazil, Chile and Colombia;
- a reduction in revenue posted by Enel Global Trading (€60 million), reflecting the decrease in sales on the spot market in Italy, mainly due to the decline in electricity prices;
- a decrease in revenue in Russia (€88 million) mainly due to the sale of the Reftinskaya GRES coal-fired plant in October 2019.

The decline in revenue from the sale of gas (€455 million or -27%) on the 1st Quarter of 2019, primarily in Spain, reflected the decrease in quantities sold owing to unfavorable weather conditions and the closure of commercial and production activities owing to the COVID-19 emergency.

Revenue from the sale of fuels in the 1st Quarter of 2020 amounted to €209 million, a decrease of €82 million compared with the same period of 2019 (-28.2%). The decline is mainly due to the decrease in volumes traded by Enel Global Trading.

The item "Sale of energy commodities under contracts with physical settlement (IFRS 9)" regards contracts for the sale of electricity, gas and CO_2 allowances measured at fair value in accordance with IFRS 9 and includes the fair value at the settlement date in relation to the application of the IFRIC Agenda Decision of 2019. The decrease in that item compared with the same period of the previous year mainly reflects the reduction in volumes sold.

The item "Gain/(Loss) on derivatives on sale of commodities with physical settlement (IFRS 9)" regards the change in the fair value of commodity sales contracts (IFRS 9).

The change in "Sundry reimbursements" and gains on the sale of entities reflects the effect of the recognition in 2019 of the following income:

> the contractual indemnity received following the exercise of the option to withdraw from an electricity supply contract by a major industrial customer of Enel Generación Chile (€160 million, of which €80 million pertaining to the Thermal Generation and Trading Business Line and €80 million pertaining to the Enel Green Power Business Line);
> the gain on the disposal of Mercure Srl, the vehicle company to which Enel Produzione had previously transferred the Valle del Mercure biomass plant (€108 million);
> negative goodwill (€106 million) from the definitive allocation of the purchase price, performed by independent experts, in the acquisition by Enel North America (formerly Enel Green Power North America) of a number of companies sold by Enel Green Power North America Renewable Energy Partners LLC (EGPNA REP) in the 1st Quarter of 2019.

Costs

7.b Costs - *€16,084 million*

Millions of euro	1st Quarter			
	2020	2019	Change	
Electricity purchases[1]	4,234	5,892	(1,658)	-28.1%
Consumption of fuel for electricity generation	753	1,140	(387)	-33.9%
Fuel for trading and gas for sale to end users[1]	4,108	4,998	(890)	-17.8%
Materials[1]	540	380	160	42.1%
Personnel	742	1,174	(432)	-36.8%
Services, leases and rentals	3,915	4,107	(192)	-4.7%
Depreciation, amortization and impairment losses	1,599	1,567	32	2.0%
Costs of environmental certificates	171	327	(156)	-47.7%
Other operating expenses	471	377	94	24.9%
Capitalized costs	(449)	(474)	25	5.3%
Total	**16,084**	**19,488**	**(3,404)**	**-17.5%**

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 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 2 of the condensed consolidated financial statements at March 31, 2020).

Costs for electricity purchases declined following the decrease in volumes purchased in the 1st Quarter of 2020. The item includes purchases measured at fair value in accordance with IFRS 9, which following the IFRIC Agenda Decision of 2019 are measured under that item at their fair value at the settlement date of transactions. Note that the change in fair value in respect of outstanding transactions amounted to -€303 million compared with the same period of the previous year.

The decrease in costs for the consumption of fuel for electricity generation is mainly attributable to the decrease in the volume of thermal generation. That decline reflects the decrease in the use of thermal generation plants as a result of the impairment recognized in 2019.

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 gas. The change also includes purchase of gas measured at fair value in accordance with IFRS 9, of which €374 million regarding the measurement of outstanding contracts on the basis of the application of the IFRIC Agenda Decision.

Costs for materials essentially increased due to the increase in prices for purchases of CO_2 (€135 million), despite the decline in generation from renewables. The change also includes purchase of CO_2 measured at fair value in accordance with IFRS 9, of which €67 million regarding the measurement of outstanding contracts on the basis of the application of the IFRIC Agenda Decision.

In the first three months of 2020, the decline in personnel costs mainly reflects:

> a decrease in costs in Spain, due to the modification of electricity discount benefits for employees and former employees following the contractual renewal and entry into force of the 5th Endesa Collective Bargaining Agreement, which led to the adjustment of the associated liability in the amount of €515 million;

> a decrease in costs in Italy, mainly in the electricity distribution area and connected with a decrease in the average workforce (-2%).

This change was only partly offset by the increase in costs in Spain, equal to €133 million, due to charges for early termination incentives.

The Enel Group workforce at March 31, 2020 numbered 67,921, of whom 38,307 employed abroad. In the first three months of 2020, the workforce contacted by 332, mainly reflecting the balance between new hires and terminations (-278) and changes in the scope of consolidation (54), mainly due to the disposal of hydroelectric plants in the United States and the disposal of the Reftinskaya GRES plant in Russia, which saw the exit of an initial group in the 1st Quarter of 2020.
The overall change compared with December 31, 2019 breaks down as follows:

Balance at December 31, 2019	**68,253**
Hirings	563
Terminations	(841)
Changes in the scope of consolidation	(54)
Balance at March 31, 2020	**67,921**

The decrease in costs for services, leases and rentals is largely attributable to a reduction in costs for wheeling (-€116 million), mainly in Spain, reflecting a decrease in quantities transported, and to a decrease in the costs of services connected with the electricity and gas business (-€49 million), mainly registered by Enel Chile.

Depreciation, amortization and impairment losses were impacted significantly by the increase in impairment losses on receivables, only partly offset by a decrease in depreciation and amortization as a result of writedowns recognized in 2019.

Costs of environmental certificates mainly decreased due to the reduction in CO_2 compliance charges (-€102 million), essentially reflecting the decline in thermal generation.

Other operating expenses rose largely as a result of an increase in charges for taxes and duties (€54 million), mainly in Spain, reflecting the effects of the suspension in the 1st Quarter of 2019 of the application of taxes on electricity generation and the consumption of hydrocarbons in generation under the provisions of Royal Decree 15/2018 of October 5, 2018.

In the first three months of 2020, capitalized costs showed a decrease of €25 million compared with the same period of the previous year, almost entirely attributable to e-distribuzione, which experienced a slowdown in work in the 1st Quarter of 2020 as a result of the COVID-19 emergency.

7.c Net income/(expense) from commodity risk management - *€792 million*

Net expense from commodity risk management amounted to €792 million in the first three months of 2020 (net expense of €286 million in the same period of 2019) and breaks down as follows:

> net income on cash flow hedge derivatives in the amount of €7 million (net income of €64 million in the first three months of 2019);

- net expense on derivatives at fair value through profit or loss in the amount of €799 million (net expense of €350 million in the first three months of 2019).

The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 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 2 of the condensed consolidated financial statements at March 31, 2020).

7.d Net financial expense - *€618 million*

Net financial expense decreased by €29 million on the same period of 2019.

More specifically, financial income in the first three months of 2020 amounted to €1,439 million, an increase of €188 million compared with the same period of the previous year (€1,251 million). That change main reflects the following factors:

- an increase of €113 million in exchange rate gains, mainly reflecting developments in exchange rates for foreign-currency loans. The rise mainly regards Enel Finance International (€86 million), Enel SpA (€68 million) and Enel Chile (€40 million);
- an increase of €95 million in income from derivatives, which are largely used to hedge exchange rate risk on borrowings denominated in foreign currency.

These factors were partly offset by a decrease in interest on financial assets of €17 million, connected essentially with long-term financial and short-term investments.

Financial expense in the first three months of 2020 amounted to €2,075 million, an increase of €153 million on the same period of 2019. The rise is essentially attributable to an increase of €318 million in exchange rate losses, which mainly regarded Enel Américas (€147 million), Enel Green Power Brasil (€114 million) and Enel Finance International (€55 million).
This was partly offset by the following factors:

- a reduction of €46 million in income from derivatives, which are largely used to hedge exchange rate risk on borrowings denominated in foreign currency;
- a decrease of €32 million in interest expense on financial debt, which mainly regarded a reduction in interest on bank borrowings (€29 million), mainly regarding the companies in Latin America;
- a decrease in financial expense connected with the discounting of liabilities for employee benefits (€19 million), mainly in Spain, and of the provision for risks and charges (€28 million), largely regarding Enel Américas;
- an increase of €10 million in capitalized financial expense.

Finally, net income from hyperinflation adjustments recognized by the Argentine companies in application of IAS 29 concerning accounting for hyperinflationary economies amounted to €18 million in the first three months of 2020, a decrease of €6 million on the same period of 2019 (€24 million).

7.e Share of income/(expense) from equity investments accounted for using the equity method - *€(3) million*

The share of income/(expense) from equity investments accounted for using the equity method in the first three months of 2020 showed net expense of €3 million. The improvement of €60 million mainly reflects the effect of the recognition in the 1st Quarter of 2019 of the loss posted by EGPNA REP on the repurchase by Enel North America (formerly Enel Green Power North America) of control of 13 companies previously held by it.
Other changes reflect the portion pertaining to the Group of the net income of companies measured using the equity method.

7.f Income taxes - *€801 million*

Income taxes for the 1st Quarter of 2020 amounted to €801 million, representing an effective tax rate of 32.2% (27.3% for the first three months of 2019). The increase in the tax rate mainly reflects the effects of the following developments in the 1st Quarter of 2019:

- a decrease in taxes in Argentina following application of the "*revalúo*" by Costanera and Dock Sud;
- a decrease in taxes in Italy following application of preferential tax treatment (participation exemption - PEX) to the gain on the disposal of Mercure Srl by Enel Produzione.

Assets

8.a Non-current assets - *€132,438 million*

Property, plant and equipment and intangible assets, including investment property, amounted to €95,938 million at March 31, 2020, a decrease of €3,072 million. The change mainly reflects depreciation, amortization and impairment on those assets (€1,372 million) and exchange rate losses (€3,541 million). These effects were partly offset by investments during the period (€1,870 million).

Goodwill amounted to €14,146 million, a decrease of €95 million, which was entirely ascribable to exchange rate losses in the Latin American countries. More specifically, the change in goodwill is mainly a reflection of the adverse developments in the exchange rate of the Brazilian real for the Brazilian companies of the Enel Group.

Equity investments accounted for using the equity method amounted to €1,647 million, down €35 million on their value at the end of 2019, mainly reflecting changes in OCI connected with cash flow hedge derivatives (€8 million), exchange rate losses (€8 million) and the change in the scope of consolidation, which mainly regarded North America.
The change also reflected the loss pertaining to the Group of the companies measured using the equity method.

Other non-current assets include:

Millions of euro

	at Mar. 31, 2020	at Dec. 31, 2019	Change	
Deferred tax assets	8,529	9,112	(583)	-6.4%
Receivables and securities included in net financial debt	3,187	3,185	2	0.1%
Other non-current financial assets	5,778	4,204	1,574	37.4%
Receivables due from institutional market operators	264	232	32	13.8%
Other long-term receivables	2,949[1]	2,956	(7)	-0.2%
Total	**20,707**	**19,689**	**1,018**	**5.2%**

(1) The item includes investments in assets from contracts with customers of €462 million.

The increase for the period was essentially attributable to:

> an increase in other non-current financial assets, essentially reflecting developments in the fair value of cash flow hedge derivatives of Enel Finance International (€1.6 billion). That change was only partly offset by exchange rate losses in Latin America;

> a decrease in deferred tax assets, due to adverse exchange rate losses, mainly in Latin America, and the impact on deferred tax assets in respect of cash flow hedge reserves of the increase in the derivative assets of Enel Finance International, noted in the previous point;

> an increase of €32 million in non-current receivables due from institutional market operators, mainly due to the increase in receivables and prepaid expenses in respect of CSEA following the purchase by e-distribuzione of energy efficiency certificates and projects falling due beyond 12 months.

8.b Current assets - *€41,751 million*

Inventories amounted to €2,559 million, an increase of €28 million, mainly in Italy and in Iberia, essentially reflecting the increase in inventories of materials for operations and maintenance, partly offset by a reduction in inventories of the Europe and Euro-Mediterranean Affairs area, especially in Russia following the disposal of the Reftinskaya GRES plant in the last Quarter of 2019.

Trade receivables amounted to €12,527 million, down €556 million, essentially in Latin America (€475 million) and Italy (€80 million), mainly reflecting normal developments in accounts receivables and the depreciation of currencies in Latin America, especially Brazil.

Other current assets break down as follows:

Millions of euro

	at Mar. 31, 2020	at Dec. 31, 2019	Change	
Current financial assets included in debt	5,073	4,158	915	22.0%
Other current financial assets	9,898	4,212	5,686	-
Tax receivables	1,185	1,206	(21)	-1.7%
Receivables due from institutional market operators	734	732	2	0.3%
Other short-term receivables	2,133	1,752	381	21.7%
Total	**19,023**	**12,060**	**6,963**	**57.7%**

The increase for the period, equal to €6,963 million, mainly reflected:

> an increase in other current financial assets, essentially due to the fair value measurement of financial derivatives (€9,726 million at March 31, 2020, from €4,065 million at December 31, 2019);

> an increase in current financial assets included in debt, due mainly to the rise in short-term financial receivables (€803 million), essentially connected with the increase in cash collateral paid to counterparties in derivatives transactions, and in the current portion of medium/long-term financial receivables (€89 million), due primarily to the increase in financial receivables in respect of the Spanish electrical system for financing the rate deficit;

> an increase in other short-term receivables, mainly due to an increase in prepayments (€223 million), largely in respect of fees for water diversion for industrial use and insurance premiums, as well as an increase in other receivables and other current assets in respect of third parties (€141 million).

8.c Assets held for sale - *€12 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, 2020 mainly regard the Rionegro plant in Colombia (€8 million), which in view the decisions taken by management meet the requirements of IFRS 5 for classification under this item, and plants held for sale pertaining to the Enel Produzione business unit, represented by the eastern tank farm of the Ettore Majorana site of Termini Imerese (€4 million).

The change in the period largely regarded the sale of a number of hydroelectric investments held by Enel North America, which had previously been classified as held for sale, on which a gain of about €4 million was recognized.

Liabilities and shareholders' equity

8.d Equity attributable to the shareholders of the Parent Company - *€30,855 million*

The increase in the first three months of 2020 in equity attributable to the shareholders of the Parent Company amounted to €478 million, mainly reflecting net income for the period recognized through profit or loss (€1,247 million), only partly offset by the recognition of a loss through other comprehensive income (-€632 million), attributable in particular to the decrease in the reserve from the translation of financial statements denominated in foreign currency as a result of the net appreciation of the functional currency against the foreign currencies of the subsidiaries.

8.e Non-current liabilities - *€83,470 million*

Long-term borrowings amounted to €54,595 million (€54,174 million at December 31, 2019). They consist of bonds in the amount of €42,892 million (€43,294 million at December 31, 2019) and bank debt and other borrowings in the amount of €11,703 million (€10,880 million at December 31, 2019). The change in the first three months of the year is largely due to the increase of €830 million in bank borrowings, mainly as a result of drawings on revolving credit lines (€548 million), partly offset by a reduction of €402 million in bonds, mainly due to the reclassification of the short-term portion and the recognition of exchange rate gains.

Provisions and deferred tax liabilities amounted to €16,161 million at March 31, 2020 (€17,409 million at December 31, 2019) and include:

> post-employment and other employee benefits totaling €2,884 million, down €888 million on December 31, 2019, mainly in Iberia as a result of the reversal of the electricity discount provision following the contractual renewal and the signing of the 5th Endesa Collective Bargaining Agreement, which provides for the modification of certain employee benefits, notably the electricity discount. Another factor was highly adverse exchange rate developments in Latin America;

> provisions for risks and charges amounting to €5,060 million (€5,324 million at December 31, 2019). The item includes, among others, the litigation provision of €862 million (€938 million at December 31, 2019), whose decrease essentially reflects adverse exchange rate developments in Brazil, the nuclear decommissioning provision of €574 million (€640 million at December 31, 2019), the plant dismantling and site restoration provision of €1,744 million (€1,840 million at December 31, 2019), with the decrease largely reflecting the recalculation of future dismantling costs in Iberia following the revision of the inflation rate, the provision for taxes and duties of €275 million (€312 million at December 31, 2019) and the early retirement incentive provision of €868 million (€832 million at December 31, 2019), with the increase mainly attributable to Spain following a new agreement for voluntary early terminations;

> deferred tax liabilities amounting to €8,217 million (€8,314 million at December 31, 2019), a decrease of €97 million due to adverse exchange rate developments in Latin America, partly offset by an increase mainly attributable to the reversal of the electricity discount provision in Spain.

Other non-current liabilities amounted to €12,714 million (€12,414 million at December 31, 2019), an increase of €300 million, largely reflecting the change in the fair value of financial derivatives (€329 million), essentially in respect of cash flow hedge derivatives (€231 million) and derivatives at FVTPL (€96 million), partly offset by a reduction in liabilities in respect of contracts with customers (€23 million), primarily regarding revenue from services for connections to the power grid.

8.f Current liabilities - *€44,905 million*

Short-term borrowings and current portion of long-term borrowings increased by €1,041 million. The change was connected with:

> an increase of €1,668 million in short-term financing, mainly accounted for by:
  - drawings on revolving credit lines (€1,003 million);
  - an increase in liabilities for cash collateral on derivatives transactions (€1,166 million);
  - a reduction in commercial paper issues (€391 million);

> a reduction of €627 million in the short-term portion of long-term financing, primarily reflecting:
  - a decrease in bonds (€893 million), mainly due to repayments of maturing securities and exchange rate gains;
  - an increase in bank borrowings (€286 million).

Trade payables amounted to €11,043 million (€12,960 million at December 31, 2019), down €1,917 million, reflecting normal developments in the supply chain, accentuated by a decline in costs for electricity provisioning and exchange rate developments in Latin America.

Other current liabilities break down as follows:

Millions of euro

	at Mar. 31, 2020	at Dec. 31, 2019	Change	
Payables due to customers	1,577	1,669	(92)	-5.5%
Payables due to institutional market operators	4,299	4,507	(208)	-4.6%
Current financial liabilities	10,075	4,308	5,767	-
Social security contributions payable and payables to employees	647	707	(60)	-8.5%
Tax payables	2,846	1,291	1,555	-
Other	6,051	7,720	(1,669)	-21.6%
Total	**25,495**	**20,202**	**5,293**	**26.2%**

The change for the period is essentially due to:

- an increase in current financial liabilities, mainly attributable to the increase in the fair value of financial derivatives (€5,662 million), associated mainly with derivatives at FVTPL (€5,201 million) and derivatives designated as cash flow hedges (€461 million), as well as an increase in accrued financial liabilities (€126 million). This was partly offset by a decrease in financial payables for interest payable (€13 million) and financial payables to the Spanish electrical system (€9 million);
- an increase in tax payables, essentially related to liabilities for value added tax and the estimated income tax liability for the period net of tax payments made;
- a reduction in other payables, essentially attributable to dividends paid during the 1st Quarter of 2020;
- a decrease in liabilities in respect of institutional market operators, notably in Italy;
- a decrease in social security contributions payable and payables to employees, particularly concentrated in Latin America and linked to early termination incentives.

8.g Liabilities held for sale - *€3 million*

The balance at March 31, 2020 mainly regard the Rionegro plant in Colombia (€3 million), which following decisions by management meets the requirements set out in IFRS 5 for classification under this item.

9. Net financial position

Pursuant to the CONSOB instructions of July 28, 2006, the following table reports the net financial position at March 31, 2020 and December 31, 2019, reconciled with net financial debt as prepared in accordance with the presentation procedures of the Enel Group.

Millions of euro

	at Mar. 31, 2020	at Dec. 31, 2019	Change	
Cash and cash equivalents on hand	63	87	(24)	-27.6%
Bank and post office deposits	6,476	7,910	(1,434)	-18.1%
Other investments of liquidity	1,103	1,032	71	6.9%
Securities	59	51	8	15.7%
Liquidity	**7,701**	**9,080**	**(1,379)**	**-15.2%**
Short-term financial receivables	3,340	2,522	818	32.4%
Current portion of long-term financial receivables	1,674	1,585	89	5.6%
Current financial receivables	**5,014**	**4,107**	**907**	**22.1%**
Bank debt	(1,625)	(579)	(1,046)	-
Commercial paper	(1,893)	(2,284)	391	17.1%
Current portion of long-term bank borrowings	(1,407)	(1,121)	(286)	-25.5%
Bonds issued (current portion)	(1,013)	(1,906)	893	46.9%
Other borrowings (current portion)	(362)	(382)	20	5.2%
Other short-term financial payables(1)	(2,104)	(1,101)	(1,003)	-91.1%
Total current financial debt	**(8,404)**	**(7,373)**	**(1,031)**	**-14.0%**
Net current financial position	**4,311**	**5,814**	**(1,503)**	**-25.9%**
Debt to banks and financing entities	(9,237)	(8,407)	(830)	-9.9%
Bonds	(42,892)	(43,294)	402	0.9%
Other borrowings	(2,466)	(2,473)	7	0.3%
Non-current financial position	**(54,595)**	**(54,174)**	**(421)**	**-0.8%**
NET FINANCIAL POSITION as per CONSOB instructions	**(50,284)**	**(48,360)**	**(1,924)**	**-4.0%**
Long-term financial receivables and securities	**3,187**	**3,185**	**2**	**0.1%**
NET FINANCIAL DEBT	**(47,097)**	**(45,175)**	**(1,922)**	**-4.3%**

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

Other information

10. 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

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 2020 and 2019 and outstanding at March 31, 2020 and December 31, 2019.

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Income statement					
Total revenue	-	158	666	97	53
Financial income	-	-	-	-	-
Purchases of electricity, gas and fuel	515	561	302	4	-
Costs for services and other materials	1	5	862	3	62
Other operating expenses	-	54	2	1	-
Net income/(expense) from commodity risk management	-	-	-	-	-
Financial expense	-	-	3	-	-

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Balance sheet					
Other non-current asset	-	-	-	-	-
Trade receivables	-	18	628	21	19
Other current assets	-	28	64	86	1
Other non-current liabilities	-	-	3	-	6
Long-term borrowings	-	-	715	-	-
Current portion of long-term borrowings	-	-	89	-	-
Trade payables	530	39	786	1,591	36
Other current liabilities	-	-	16	-	11
Other information					
Guarantees given	-	250	354	-	157
Guarantees received	-	-	126	-	35
Commitments	-	-	56	-	4

Key management personnel	Total 1st Quarter 2020	Associates and joint arrangements	Overall total 1st Quarter 2020	Total in financial statements	% of total
-	**974**	53	**1,027**	**19,985**	**5.1%**
-	**-**	22	**22**	**1,439**	**1.5%**
-	**1,382**	30	**1,412**	**7,230**	**19.5%**
-	**933**	57	**990**	**6,320**	**15.7%**
-	**57**	-	**57**	**642**	**8.9%**
-	**-**	(1)	**(1)**	**(792)**	**0.1%**
-	**3**	8	**11**	**2,075**	**0.5%**

Key management personnel	Total at Mar. 31, 2020	Associates and joint arrangements	Overall total at Mar. 31, 2020	Total in financial statements	% of total
-	**-**	26	**26**	**20,707**	**0.1%**
-	**686**	242	**928**	**12,527**	**7.4%**
-	**179**	46	**225**	**19,023**	**1.2%**
-	**9**	164	**173**	**12,714**	**1.4%**
-	**715**	-	**715**	**54,595**	**1.3%**
-	**89**	-	**89**	**2,782**	**3.2%**
-	**2,982**	64	**3,046**	**11,043**	**27.6%**
-	**27**	62	**89**	**25,495**	**0.3%**
-	**761**	-	**761**		
-	**161**	-	**161**		
-	**60**	-	**60**		

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Income statement					
Total revenue	-	444	576	83	38
Financial income	-	-	-	-	-
Purchases of electricity, gas and fuel	879	973	276	-	-
Costs for services and other materials	-	12	589	-	61
Other operating expenses	1	61	2	-	-
Net income/(expense) from commodity risk management	-	-	11	-	-
Financial expense	-	-	16	-	-

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Balance sheet					
Other non-current asset	-	-	-	-	-
Trade receivables	-	45	573	15	13
Other current assets	-	23	69	89	1
Other non-current liabilities	-	-	2	-	6
Long-term borrowings	-	-	715	-	-
Current portion of long-term borrowings	-	-	89	-	-
Trade payables	601	92	726	793	18
Other current liabilities	-	-	16	-	10
Other information					
Guarantees given	-	250	354	-	164
Guarantees received	-	-	125	-	35
Commitments	-	-	9	-	4

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 (available at https://www.enel.com/investors/governance/committees) 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 2020, 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 with Resolution no. 17389 of June 23, 2010.

Key management personnel	Total 1st Quarter 2019	Associates and joint arrangements	Overall total 1st Quarter 2019	Total in financial statements	% of total
-	**1,141**	77	**1,218**	**22,755**	**7.4%**
-	**-**	56	**56**	**1,251**	**4.5%**
-	**2,128**	37	**2,165**	**10,240**	**21.1%**
-	**662**	32	**694**	**6,278**	**11.1%**
-	**64**	-	**64**	**704**	**9.1%**
-	**11**	(2)	**9**	**(286)**	**-3.1%**
-	**16**	6	**22**	**1,922**	**1.1%**

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**	**19,689**	**0.1%**
-	**646**	250	**896**	**13,083**	**6.8%**
-	**182**	36	**218**	**12,060**	**1.8%**
-	**8**	143	**151**	**12,414**	**1.2%**
-	**715**	-	**715**	**54,174**	**1.3%**
-	**89**	-	**89**	**3,409**	**2.6%**
-	**2,230**	61	**2,291**	**12,960**	**17.7%**
-	**26**	51	**77**	**20,202**	**0.4%**
-	**768**	-	**768**		
-	**160**	-	**160**		
-	**13**	-	**13**		

11. 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, 2020	at Dec. 31, 2019	Change
Guarantees given:			
- sureties and other guarantees granted to third parties	12,385	11,078	1,307
Commitments to suppliers for:			
- electricity purchases	79,712	97,472	(17,760)
- fuel purchases	44,025	48,016	(3,991)
- various supplies	924	1,034	(110)
- tenders	3,111	3,522	(411)
- other	3,793	3,391	402
Total	**131,565**	**153,435**	**(21,870)**
TOTAL	**143,950**	**164,513**	**(20,563)**

Commitments for electricity amounted to €79,712 million at March 31, 2020, of which €20,740 million refer to the period April 1, 2020-2024, €18,090 million to the period 2025-2029, €15,173 million to the period 2030-2034 and the remaining €25,709 million beyond 2034.

Commitments for the purchase of fuels are determined with reference to the contractual parameters and exchange rates applicable at the end of the period (given that fuel prices vary and are mainly set in foreign currencies). The total at March 31, 2020 amounted to €44,025 million, of which €23,304 million refer to the period April 1, 2020-2024, €11,945 million to the period 2025-2029, €6,144 million to the period 2030-2034 and the remaining €2,632 million beyond 2034.

12. Contingent assets and liabilities

Compared with the consolidated financial statements at December 31, 2019, 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 regard to the criminal proceeding before the Court of 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, the consultant of the public prosecutor testified at the hearing of February 24, 2020. The trial has been postponed pending notification from the Court of the date of the new hearing as a result of the general postponement of all criminal and civil proceedings as part of the measures to counter the COVID-19 pandemic.

BEG litigation - Italy

With regard to the suit lodged by Enel SpA and Enelpower SpA currently pending before the Rome Court of Appeal 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 action taken by the subsidiary Albania BEG Ambient Shpk, the hearing set for May 7, 2020 has been postponed until February 18, 2021.

BEG litigation - The Netherlands

With regard to the suit filed by Albania BEG Ambient Shpk to render the ruling of the Albanian court enforceable in the Netherlands, 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. On April 3, 2020, Enel and Enelpower appeared before the Supreme Court and the proceeding is under way.

Arbitration proceedings in Colombia

With regard to the arbitration proceedings initiated against Codensa and Emgesa by the Grupo Energía de Bogotá (GEB) and now joindered into two separate proceedings, one for each company, on February 24, 2020, GEB filed a revised version of the arbitration claim filed against Emgesa, including, among other things, claims concerning the failure to pursue the corporate purpose and the abuse of the exercise of voting rights by Enel Américas and its directors. Emgesa filed a defense brief to challenge GEB's new claims. The value of the disputes is undetermined and the proceedings are both in the preliminary phase.

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 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 a decision is pending; (ii) for the proceedings concerning 2010 and 2013, the exchange of final briefs between the parties is under way and the hearing of the court of first instance has been set for May 12, 2020; (iii) for the proceeding concerning 2014, the hearing before the court of first instance set for March 31, 2020 was cancelled with no indication of a new date. 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 set for March 12, 2020 was postponed to May 28, 2020.

GasAtacama Chile - Chile

With regard to the ruling issued on January 15, 2020 by the

Supreme Court of Chile upholding the ruling of the Santiago Court of Appeal reducing from about $6 million to about $300,000 the fine levied by the *Superintendencia de Electricidad y Combustibles* (SEC) on August 4, 2016, on GasAtacama Chile, concerning information provided by the latter to the CDEC-SING (*Centro de Despacho Económico de Carga*) between January 1, 2011 and October 29, 2015, the decision has become final and on March12, 2020 GasAtacama Chile paid the fine in the amount confirmed by the ruling of the Supreme Court of Chile.

13. Subsequent events

Endesa arbitration ruling

On April 1, 2020, three unions ("Comisiones Obreras", "SIE" and "CIG") notified Endesa that they had appealed the arbitration ruling of January 21, 2020, with the conciliation hearing being set for June 24, 2020.

Enel prepares to increase its stake in Enel Américas up to 65%

On April 3, 2020. Enel announced its plans to increase its shareholding in its listed Chilean subsidiary Enel Américas SA (Enel Américas) by up to an additional 2.7%, in order to reach the maximum interest currently allowed by Enel Américas' articles of association, equal to 65%. This transaction is consistent with the Enel Group's objective announced to investors of reducing the presence of minority shareholders in the Group's Latin American companies. To this end, in view of the expected completion of the ongoing share swap transactions to increase Enel's stake in Enel Américas to 62.3% of the subsidiary's share capital by May 2020, Enel has entered into two new share swap transactions (the "Swap Transactions") with a financial institution. Under the provisions of these transactions, Enel may acquire, on dates that are expected to occur no later than the end of 2020, additional shares of Enel Américas' common stock and American Depositary Shares (ADSs).

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, 2020 corresponds with that contained in the accounting documentation, books and records.

Concept design and realization
HNTO – Gruppo HDRÀ

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