



PwC TLS

Avvocati e Commercialisti

Tax Transparency Report Peru - 2022

May 2023



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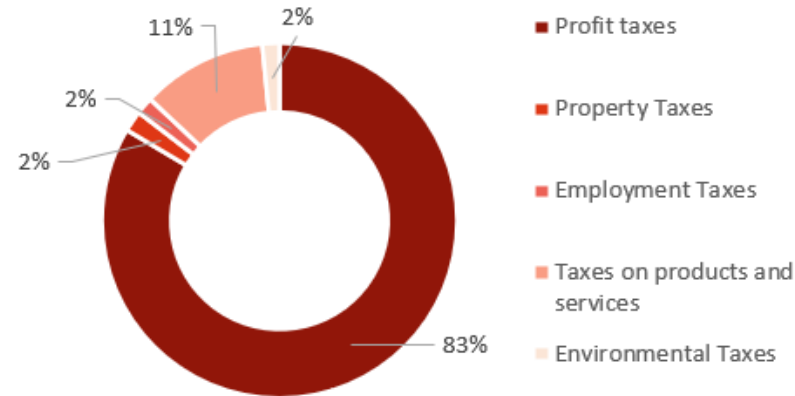
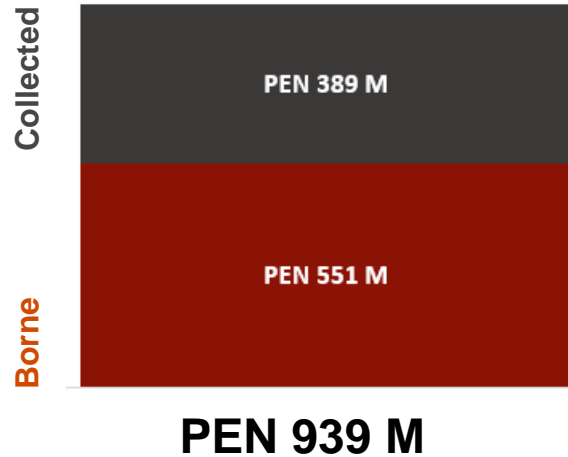
1. Executive Summary



Executive Summary

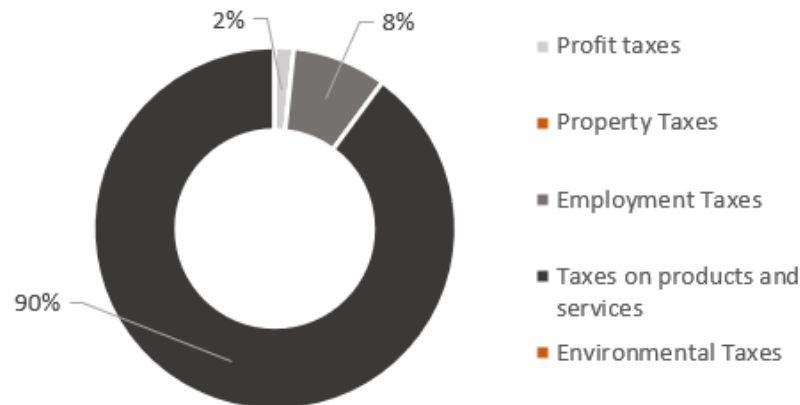
Total Tax Contribution in 2022

Total Tax Rate (**Total Tax Rate or TTR**) of the Enel Group in Peru (hereinafter, Enel Peru or Company) in 2022 amounted to **PEN 939 million***, with an increase of **9%** compared to 2021. In 2022, **59%** of the Total Tax Contribution corresponds to tax borne and the remaining **41%** to taxes collected.



Taxes borne in 2022

Taxes borne by Enel en 2022 amounted a PEN 551 M of which profit taxes accounted for 83%.

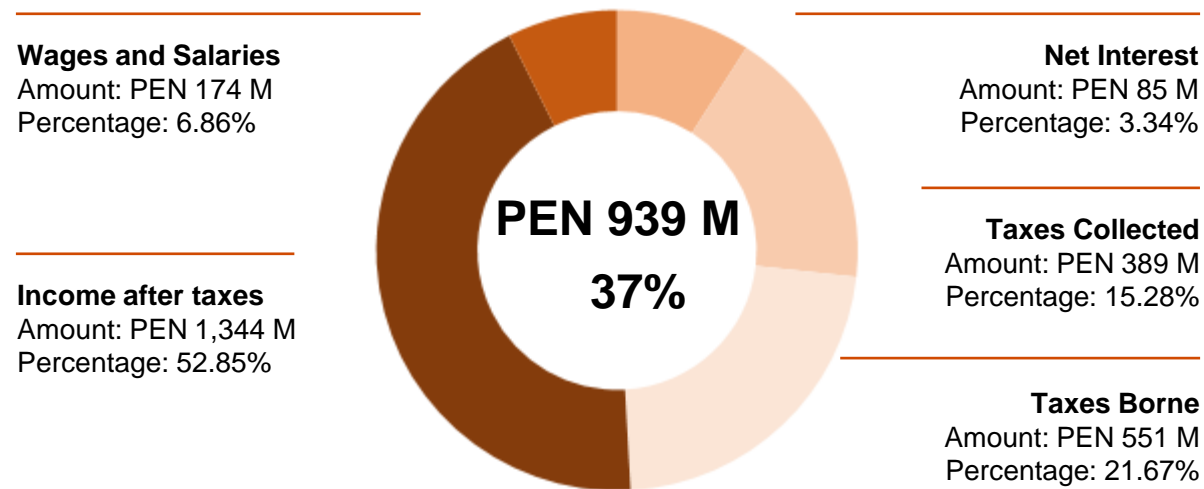


Taxes Collected in 2022

Taxes collected by Enel in 2022 amounted to PEN 389 M of which taxes on products and services accounted for 90%

Executive Summary

Distributed Tax Value¹ in 2022



Enel has paid to the public administrations around **37% of the value distributed¹ in 2022** in the form of taxes either borne or collected.²

Distributed tax value of Enel increased in approximately **26%** in 2022 compared to the previous year.³

For every **PEN 100** of value distributed, **PEN 37** were used for payment of taxes each year.

[1] The concept of "Value distributed" is explained on page 23.

[2] Payments to the public administration based on the distributed tax value were decreased by 5% in 2022, compared to the previous year. In 2021, these payments represented 42% of the tax value distributed, while in 2022, these payments represented 37% of the tax value distributed.

[3] In 2022, the distributed tax value amounted to PEN 2.5 MM, while in 2021 it was PEN 2.0 MM.

27%

Total Tax Contribution Rate in 2022

Enel had a Total Tax Contribution Rate (TTCR) of **27%** in 2022 and 38% in 2021. TTCR reveals the proportion of taxes borne on total profit before taxes borne.

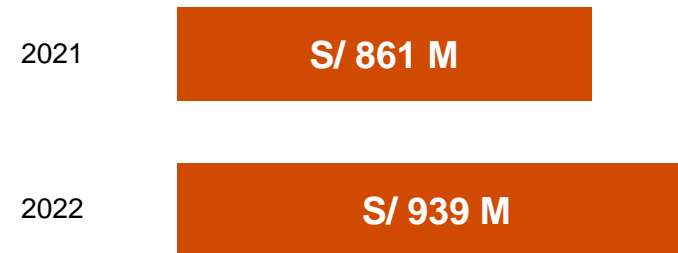
Executive Summary

Tax Contribution of Enel with respect to turnover in 2022



In 2022, taxes paid to the public administrations represented 14% of the total revenues generated*. For every PEN 100 of revenue generated, PEN 14 were used in payment of taxes, of which PEN 8 were taxes borne and PEN 6 were taxes collected.

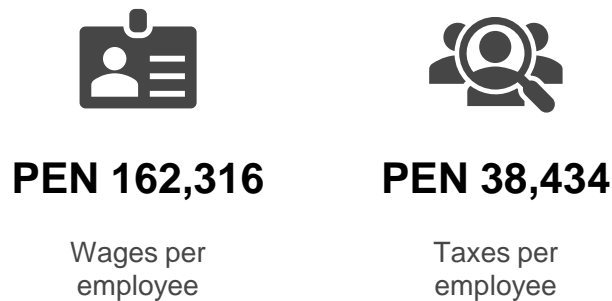
Trend in TTR 2021-2022



In 2022, Enel's TTR increased in **9%** en compared to 2021.

This trend is attributable to the decrease of PEN 13 M in taxes borne and the increase of PEN 96 M in taxes collected.

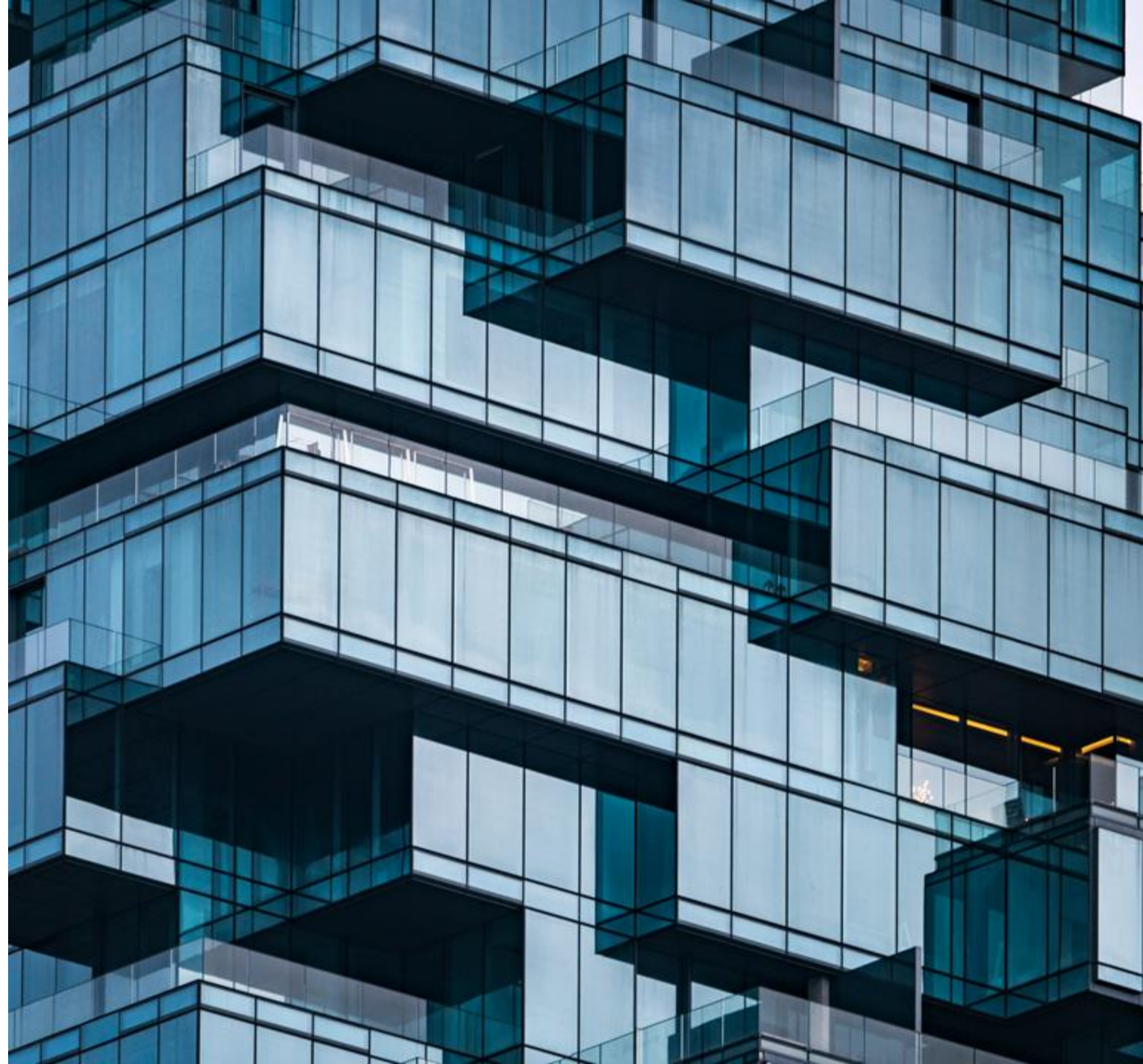
Wages and taxes per employee in 2022 vs 2021



In 2022, annual wages per employee and taxes per employee amounted to PEN 162,316 and PEN 38,434 respectively.

Compared to 2021, the annual wages per employee has increased in 8%, while the annual taxes paid per employee decrease in 0.5%.

2. Background and purpose of this report and methodology



Background and purpose of this report



The Enel Group, in the spirit of its sustainability strategy, manages its tax-related activities in accordance with values of honesty and integrity.

Purpose and scope

The PwC global network through its different studies is eager to create, maintain, and strengthen links between companies and governments as well as between companies and society. While the actions of companies, regardless of their industry sector, are increasingly put under scrutiny, it is essential to facilitate the dialogue between different stakeholders, promote strong values and principles and innovate by sharing analyses and ideas.

The aim of this report is to obtain and analyze the TTR data of Group Enel Peru (hereinafter Enel or the Company or The Group) for 2022. The Group includes the following companies: Enel Generación Perú S.A.A., Enel Perú S.A.C., Enel Distribución Perú S.A.A., Enel Generación Piura S.A.A., Chinango S.A.C., Enel Green Power Perú S.A., Energética Monzón S.A.C., Proyectos y Soluciones Renovables S.A.C., Compañía Energética Veracruz S.A.C., Empresa de Generación Eléctrica Marcona S.A.C., Enel X Peru S.A.C., Empresa de Generación Eléctrica Los Pinos S.A., SL Energy S.A.C. and Enel X Way Perú S.A.C.¹

The data for 2022, and the analysis of contribution profiles and certain indicators have been compared with the equivalent data for 2021, and a study made of the trend reflected.

The contribution made by major sectors of activity to the public purse in the jurisdictions in which they are present, and the way in which their tax contribution is distributed, are currently central topics of socio-economic debate.

¹ Enel Green Power Peru S.A., Energética Monzon S.A.C., Proyectos y Soluciones Renovables S.A.C, Empresa de Generacion Electrica Marcona S.A.C. are renewable companies which have a functional currency in united states dollars. Their financial statements in soles are being used for these purposes, as the local legislation requires that the accounting books must be registered in soles.

In this context, regarding the tax strategy of Enel which is declared to public and shared in the official website of the company, compliance with the tax legislations in which Enel operates carries an utmost importance for the company.

Fully aware of the fact that the tax revenue is one of the main contributors of the economic and social development in the regions in which the Group operates, Enel gives great importance to tax reporting and transparency.

Enel has decided to publish this TTR Report to show the importance the Company attaches to tax matters and the extent of its commitment to its main stakeholders. Information available in this report renders it possible to identify measure and communicate the business asset, which is Enel's tax contribution, so that it can have a significant impact on its reputational value. The purpose of this report is to enlarge the concept of Corporate Social Responsibility and to reveal the value of the social function deriving from Enel's tax contribution.

The way in which the tax information is provided in this report intends to make it more versatile and facilitate its integration so that it can be presented in accordance with the different parameters required by different stakeholders.

Background and purpose of this report

The data compiled by PwC includes information received from Enel obtained from its own IT system and its internal working procedures. Our work has consisted in the analysis of the information supplied by Enel and verification of the consistency of the trends and figures reflected. Their origin has been neither verified nor audited.

In relation to the above, this report is based on the tax contribution figures provided on 17th March, 2023. Our fieldwork was concluded on 17th of March 2023, and there could be significant events that have taken place since this date, which would not be reflected in this report.



Methodology

The TTR methodology measures the total impact of the payment of taxes by a company. This valuation takes into account the total contribution of taxes paid to different Administrations, either directly or indirectly, as a result of Enel's economic activity.

The key points to be borne in mind in relation to this methodology are:

1. It distinguishes between those taxes that constitute a cost for Enel and those taxes that it collects

Taxes borne are the taxes that Enel has paid to the Administrations of the different jurisdictions in which it operates. These are taxes that represent an effective cost for the Company, e.g. Corporate Income Tax.

Taxes collected are those that have been paid in because of Enel's economic activity but without entailing a cost to the company other than their management.

These are nevertheless amounts which are paid into the public purse as a result of Enel's economic activity and should therefore be taken into consideration when analyzing its tax contribution. Taxes withheld on the earned income paid to workers are one example of what we refer to as a tax collected. They constitute tax revenues obtained by the Administration thanks to the economic value generated by Enel.

In this respect, the TTR methodology is consistent with the approach adopted by the OECD, which highlights the relevance of the role played by business groups in the taxation system, both as contributors of taxes which imply a cost ("Legal Tax Liability"), and as "collectors" of taxes on behalf of others ("Legal Remittance Responsibility") as reflected in working paper no. 32. "Legal tax liability, remittance responsibility and tax incidence".²

In the TTR 2022, IT withholdings made to non-domiciled related companies have been excluded, as part of the change in the applied methodology.

²https://www.oecd-ilibrary.org/taxation/legal-tax-liability-legal-remittance-responsibility-and-tax-incidence_e7ced3ea-en

Background and purpose of this report

2. Since taxes are known by different names in different countries, taxes borne and taxes collected have been grouped into 5 main categories:

(i) Profit taxes:

This includes taxes borne on the income obtained by on companies, such as corporate income tax, the tax on economic activities and taxes collected in the form of withholding on payments made to third parties. It also includes IT assumed by the Company in financial services operations provided by non-domiciled related companies as “other taxes”.

(ii) Property taxes:

These are taxes on the ownership, sale, transfer or tenancy of property.

(iii) Employment Taxes:

Taxes linked to employment comprise both taxes borne and those collected, including personal income tax withholding on payments to employees and the social contributions payable by both the employee and the company.

(iv) Taxes on products and services:

There are indirect taxes levied on the production and consumption of goods and services, including VAT, customs, duties, etc.

(v) Environmental taxes:

Taxes levied on the supply, use or consumption of products and services which are considered to have an environmental impact.

The classing of taxes as environmental is based on the definition agreed upon for the purposes of the harmonized statistical framework developed jointly, in 1997, by Eurostat, the European Commission, the Organization for Economic Cooperation and Development (OECD), and the International Energy Agency (IEA), according to which environmental taxes “A tax whose tax base is a physical unit (or a proxy of it) that has a proven specific negative impact on the environment. Four subsets of environmental taxes are distinguished: energy taxes, transport taxes, pollution taxes and resources taxes. Taxes should not be confounded neither with payments of rent nor with purchase of an environmental protection service”.³

3. It includes all tax payments made to Public Administrations

When considering the figures reflected in this report, it should be borne in mind that they include tax payments made to Public Administrations in respect of items which, given historic or circumstantial reasons, they are not classified as such.

4. It can be tailored to the specific circumstances of the organization

In relation to the composition of Group Enel Peru and the calculation of its overall TTR, it should be borne in mind that:

This reports takes into account 100% of the tax contribution made by all Peruvian Enel companies. In relation to the overall amount of payments to the Administration taken into consideration for the purposes of this study, a list of all Peruvian taxes covered by this analysis is attached hereto illustration purposes in the form of an appendix.

5. The special characteristics of Value Added Tax and equivalent taxes are taken into account

Value Added Tax/VAT (and equivalent taxes) is classed as a tax on products and services collected, and its amount reflects the net payments made by Enel to the tax authorities of each of the jurisdictions in which it operates in the corresponding period.

³ <https://stats.oecd.org/glossary/detail.asp?ID=6437>

Background and purpose of this report

In view of the way in which VAT works, the figure presented in this respect for a particular country includes the positive amount paid in to the corresponding Tax Authority, arrived at by subtracting VAT deducted from VAT accrued.

If the overall calculation for the year for a particular country, the net figure arrived at by subtracting VAT deducted from VAT accrued is negative, owing to a refund, no figure is shown.

On the other hand, amounts of VAT which are not recoverable because the continuation of the value chain through the charging of output tax is not possible, are regarded as a tax on products and services borne, since they represent a cost for the company.

6. Main premises taken during the preparation of this report

(i) Perimeter: This report takes into account 100% of the tax contribution made by companies whose accounts are consolidated with those of the parent company by the full consolidation method or other Peruvian companies in which Enel has a significant presence, provided that it has been possible to obtain the necessary information. In particular, this report considers the tax contributions made by 12 entities in 2021 and 14 entities in 2022, aligned with the scope of the CbCR.

(ii) Currency: This report considers Soles as the currency to be referred.

(iii) Certain Economic Indicators:

1) Revenues: Considering that consolidated financial statements are not prepared at the level of Peru, the respective amount is reported as the sum of revenue of each entity in scope, excluding - as far as possible - revenues between related entities resident in the same country (i.e. in-country intercompany revenues).

2) Wages and salaries: Considering that consolidated financial statements are not prepared at the level of Peru, the respective amount is reported as the sum of wages and salaries of each entity in scope, (excluding social security contributions, incentives or benefits). **In this case, the "number of employees" included in the report is the FTE as of the year-end.**

3) Profit before Taxes: Report considers data on profit before taxes which is provided as "EBT/ earnings before tax" in the local reporting (PEN 1,918 M).

Considering that consolidated financial statements are not prepared at the level of Peru, the respective amount is reported as the sum of profit before taxes of each entity in scope. **Note that the scope of companies included in the TTR reporting is aligned with the scope of the CbCR.**

The amount of profit before tax excludes intercompany dividends in order to avoid double-counting of the same income of various entities, if that income was distributed as dividends to Peruvian entities. Such calculation allows to reflect the objective amount of Profit before taxes at the country level, and to calculate the objective ETR since dividends are usually subject to beneficial tax treatment compared to the other types of income (so-called 'participation exemption' regime).

3. TTR of Enel Peru in 2022



TTR of Enel Peru in 2022

TTR of Enel Group in 2022 2022 Country Report		
Country	<i>Peru</i>	31/12/2022
Economic data		Amount (local currency)
Revenues		6,690,468,976
Wages and salaries		174,489,483
Number of employees		1,075
Income before tax		1,917,726,578
Income before tax borne		2,008,681,422
Total tax borne		550,851,550
Total tax collected		388,511,915
Income after tax		1,343,531,091
Total Tax Contribution		939,363,465
TTC indicators		Percentage
1	TTC ratio	27%
2	TTC in relation to revenues	14%
2'	Taxes borne in relation to revenues	8%
2''	Taxes collected in relation to revenues	6%
3	Tax value distributed to society	37%
4	Wages and salaries per employee	162,316
5	Taxes paid per employee	38,434

¹ Total taxes borne / Income before taxes borne

² Total Tax Contribution / Revenue

^{2'} Taxes borne / Revenue

^{2''} Taxes collected / Revenue

³ Tax borne and collected / Total value distributed (regarded as the sum of: income after tax or shareholder value, wages and salaries, net interest, taxes borne and taxes collected)

⁴ Wages and salaries / Number of employees

⁵ Total taxes linked to employment (borne and collected) / Number of employees

TTR of Enel Peru in 2022

	2022
	Local currency
Taxes borne	
Profit taxes	460,105,414
Corporate Income Tax	459,896,706
Tax on Economic Activities	
Temporary Tax on Net Assets	
Other taxes	208,708
Property taxes	10,502,314
Tax on real property	4,563,607
Municipal Fees	2,355,295
Temporary Tax on Net Assets	3,583,413
Employment Taxes	8,653,689
Employer's social security Contribution	8,544,360
Other taxes	109,329
Taxes on products and services	63,022,894
Non deductible VAT/IGIC	
Tax on the utilization of airspace, soil and subsoil	
Regulation contributions to public entities	60,061,036
Tax on Financial Transactions	1,703,723
Custom duties	1,258,136
Other public domain charges	
Environmental taxes	8,567,239
Tax on value of electricity generation	
Other environmental taxes (regional)	8,567,239
Tax on nuclear services	
Other taxes	
TOTAL	550,851,550

	2022
	Local currency
Taxes collected	
Profit taxes	6,542,441
Withholdings on payments to non residents (without PE)	5,198,785
Revenues from Investment capital	1,280,728
Withholdings on payments to independent individuals	62,927
Property Taxes	
Revenues from property investments	
Employment Taxes	32,662,990
Withholdings on earned Income	32,662,990
Employee social security contributions	
Taxes on products and services	349,306,484
VAT withholdings (Net position)	349,306,484
VAT drawdowns	
Environmental taxes	
Taxes on electricity	
TOTAL	388,511,915

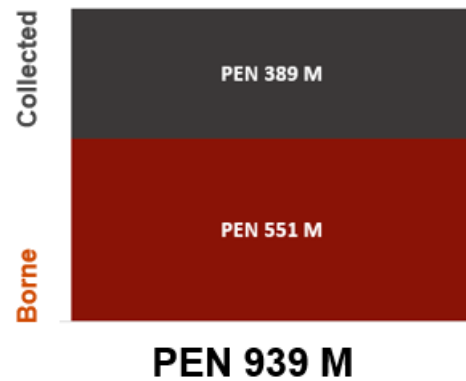
Total Tax Rate in Peru	939,363,465
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Other regulatory payments	-
Payment to energy fund	
Other	

Total payments to Public Authorities	939,363,465
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TTR of Enel Peru en 2022

Analysis of the Total Tax Rate in 2022



Enel's TTC in Peru amounted to **PEN 939 M in 2022**.

Of this, **59%** corresponds to taxes borne, which represents a cost for the Company and the remaining **41%** corresponds to taxes collected by the Group with the development of its economic activity.

Trend in total tax rate

The amounts taken into account for the purpose of analyzing the trend in TTR over the years 2021 and 2022, include taxes borne and collected by all Peruvian Enel Companies.

Trend in TTC 2021-2022

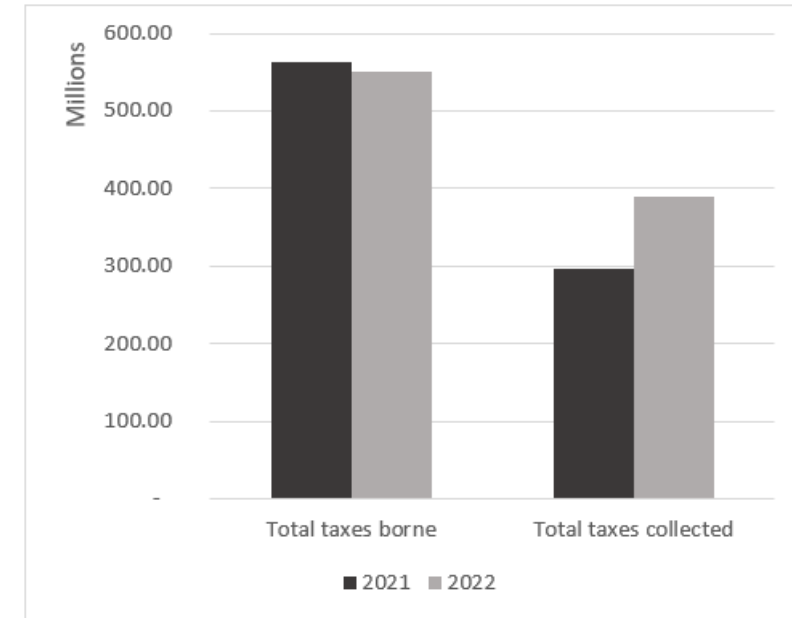


Chart 1: Evolution of Enel's TTC

Compared to 2021, in 2022 there was an increase in the TTR. The difference is mainly explained by the country's economic recovery in 2022, as well as the increase in operating income of the Company in 2022, compared to the previous year, which was affected by the impact of the spread of the covid-19 on the economy.

TTR of Enel Peru in 2022

Analysis of taxes borne in 2022

Profile of Taxes borne

As has been indicated above, taxes borne by Enel in 2022 amounted to **PEN 551 M.**

Corporate Income Tax (IT) borne by Enel Peru amounts to **PEN 460 M**, accounting for **86% of total taxes borne.**

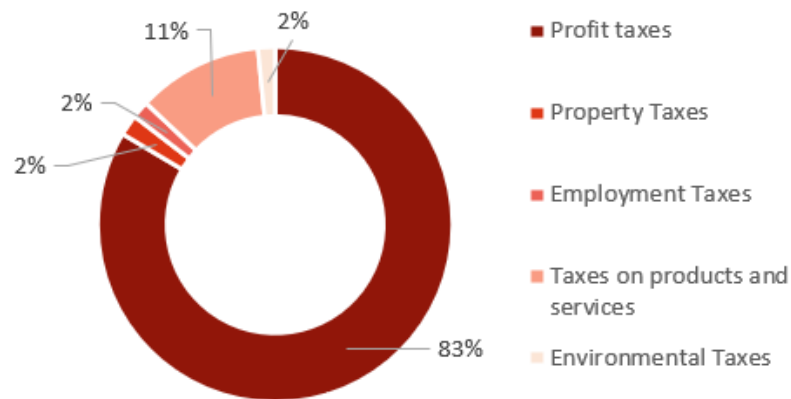


Chart 2: Type of taxes borne by Enel in 2022.



It is profit taxes that protrude most prominently, amounting to **PEN 460 M**, and corresponding to almost **83% of the total taxes borne.**

Profit Taxes include most notably, the payments performed to the Tax Authority in respect of Corporate IT and the IT payment assumed by EGP for the financial services provided by EFI, as well as “other taxes” for the amount of PEN 0.2 M.



Employment Taxes account for 2% approximately of Enel's TTC insofar as relates to taxes borne during the year. This amount comprises contributions amounting to **PEN 8.6 M approximately** paid to the Social Security authorities (or similar bodies) and other types of taxes.



Property taxes include primarily Temporary Tax on Net Assets, Tax on Real Property and Municipal fees. This amount **accounts for 2%** of total tax payments made by the Company related to taxes borne and amounts **PEN 10.5 M.**



Taxes on products and services consist of the regulation contributions to public entities, tax on financial transactions and custom duties. This concept amounts to **PEN 63 M**, accounting for **11% of total taxes borne.**



On the other hand, **environmental taxes**, which consist on payments of tax on the use of water, **accounts to 2%** of total tax payments made by the Company corresponding to taxes borne and amount to **PEN 8.5 M.**

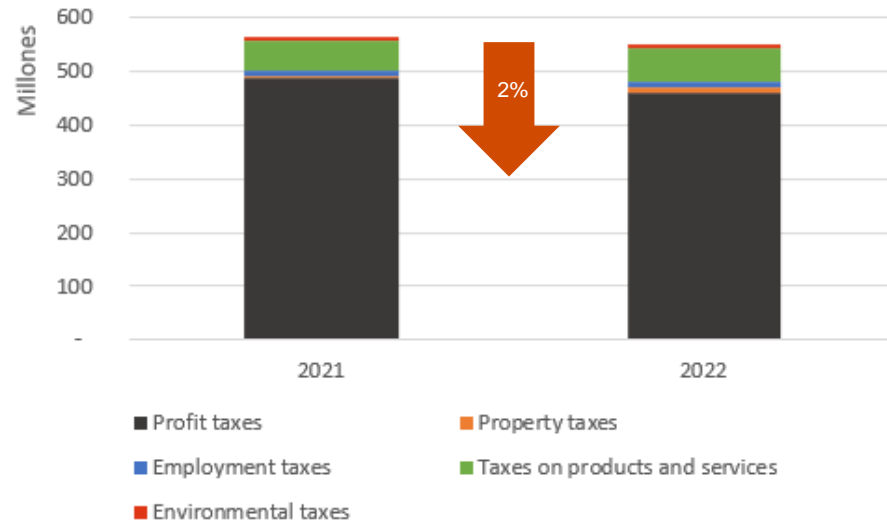
TTR of Enel Peru in 2022

Analysis of taxes borne in 2022

Trend in taxes borne

Taxes borne reflect a **downward trend** over the past year, having a decrease of approximately **PEN 13 M**, which represents a decrease of **2%** in 2022 in relation to 2021.

Charts 3 and 4: Evolution of taxes borne by Enel



Profit taxes: In FY 2022, IT decreased in 5.6% compared to the tax paid in FY 2021. The variation was due to the following: (i) In FY 2022, Enel Generación Peru and Chinango determined a balance in favor of IT for a total of PEN 35 M, unlike the FY 2021, where IT payable of PEN 72 M was determined. This is mainly explained by the deduction of the expense related to the option agreements entered into with the distribution companies in FY 2022. (ii) In FY 2022, the performance of its economic activities generated a higher taxable income for Enel Group companies in Peru, which caused an increase in the payment in advance of IT for PEN 61 M, compared to the FY 2021. Additionally, in March 2022 Enel Distribución Perú and Enel Generación Piura determined IT payable for a total of PEN 8M, opposite from FY 2021, where a balance in favor of IT was determined (PEN 16 M).



Employment taxes: In FY 2022, the employment tax increased by 7.6% for an amount of PEN 0.6 M. The variation is due to the fact that in comparison to FY 2021, more workers were hired in FY 2022.



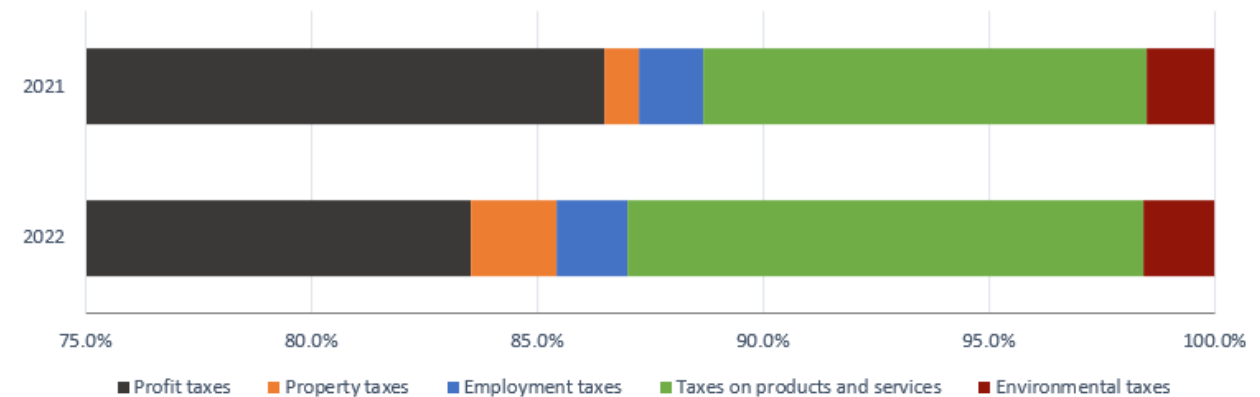
Property taxes: In FY 2022, the property tax increased by 141% compared to the previous year. This variation is mainly due to the fact that in FY 2022, the company Enel Green Power Peru made a Temporary Tax on Net Assets payment of PEN 3.5M, while in FY 2021, Enel Green Power Perú and Enel Perú received a refund from Temporary Tax on Net Assets of PEN 2M.



Taxes on products and services: In FY 2022, the tax on products and services increased in 13.6%. The variation is mainly due to Enel Perú's higher consumption for the supply of energy, power and similar, which caused an increase in contributions of PEN 7.5 M, compared to the previous year.

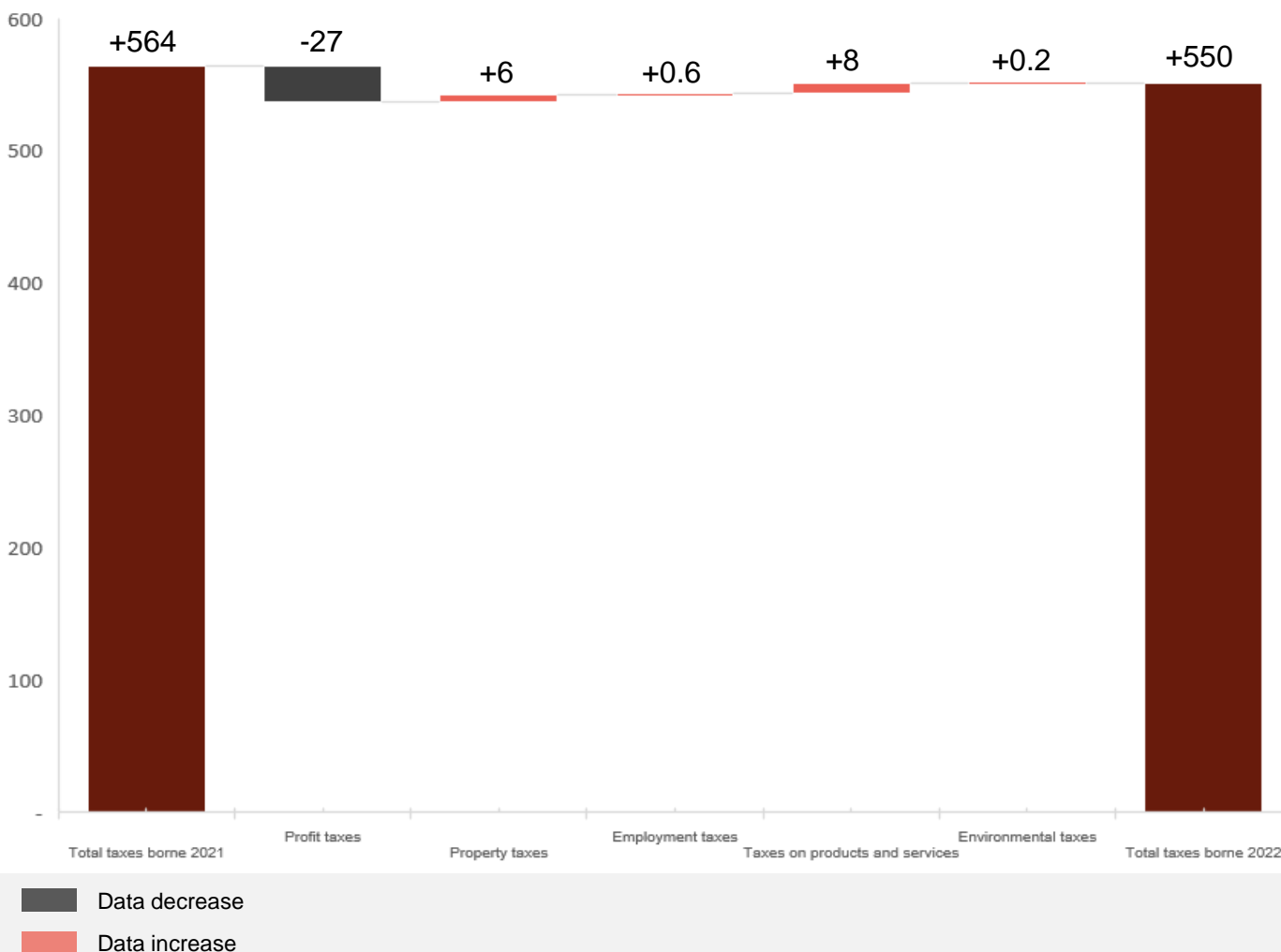


Environmental taxes: In FY 2022, environmental taxes increased in 2.5%. Although electricity production decreased in FY 2022 compared to the previous year, in FY 2022 there was an increase in rates for the use of water resources (water canon).



TTR of Enel Peru in 2022

Analysis of taxes borne in 2022



Taxes Borne in Peru in **2022** decreased in relation to 2021, in **2%**.

Compared to 2021, in 2022 there was a decrease in the TTR. The difference is explained mostly on the reduction of the profit tax in 2022 in comparison to 2021.

The aforementioned explains a large part of the variation in income taxes between 2022 and 2021, which affected the total taxes paid in 2022.

TTR of Enel Peru in 2022

Analysis of taxes collected in 2022

Profile of taxes collected

Taxes collected in the year amounted to a total of **PEN 389 M.**

Enel Peru paid **PEN 349 M** in **VAT** to the Public Administration in Peru, which accounts for **90%** of total taxes collected.

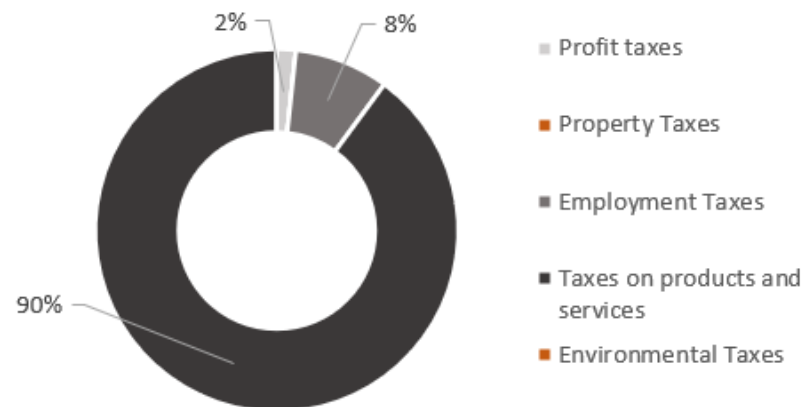


Chart 6: Types of Taxes Collected by Enel in 2022.



Profit taxes account for **2%** of the total taxes collected and amounting to **PEN 6.5 M.** Profit taxes correspond to withholding on payments to non-residents without permanent establishments, revenues from investment capital and withholdings regarding services rendered by independent individuals.



As can be seen from the chart, **taxes on products and services (VAT)** are the most important of the taxes collected by the Company during 2022, which account for **90%** of total taxes collected, amounting to **PEN 349 M.**



Employment taxes, account for **8%** of total taxes collected in 2022. Employment taxes include most notably withholdings on the employee's retribution, amounting for **PEN 33 M** for the year.

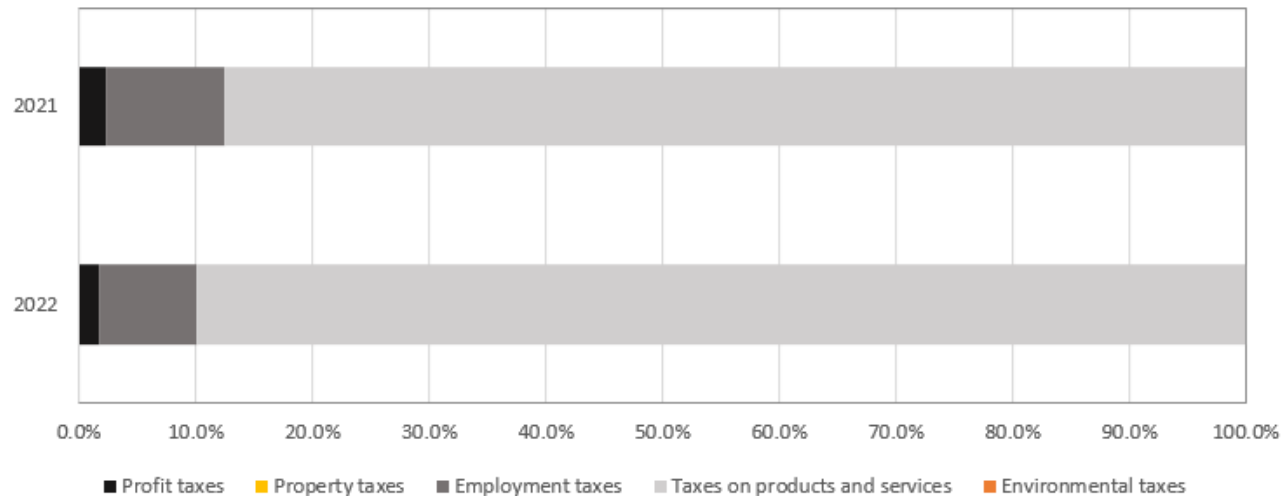
TTR of Enel Peru en 2022

Analysis of taxes collected in 2022

Trend in taxes collected

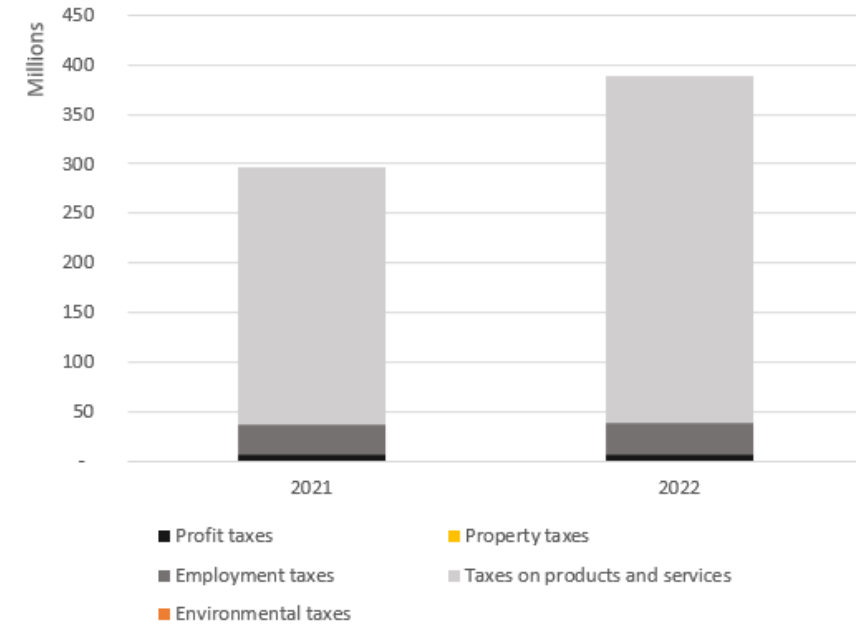
Taxes collected during 2022 have increased by approximately **PEN 91.5 M**. This represents an increase of **30.8%** with respect to 2021.

Chart 7: Evolution of the profile of taxes collected by Enel



Profit taxes have decreased by **5%** with respect to the previous year, which amounts to **PEN 0.3 M**. The variation corresponds mainly to a lower invoicing of services provided by non-residents, which originated a lower IT withholding.

Chart 8: Evolution of taxes collected by Enel

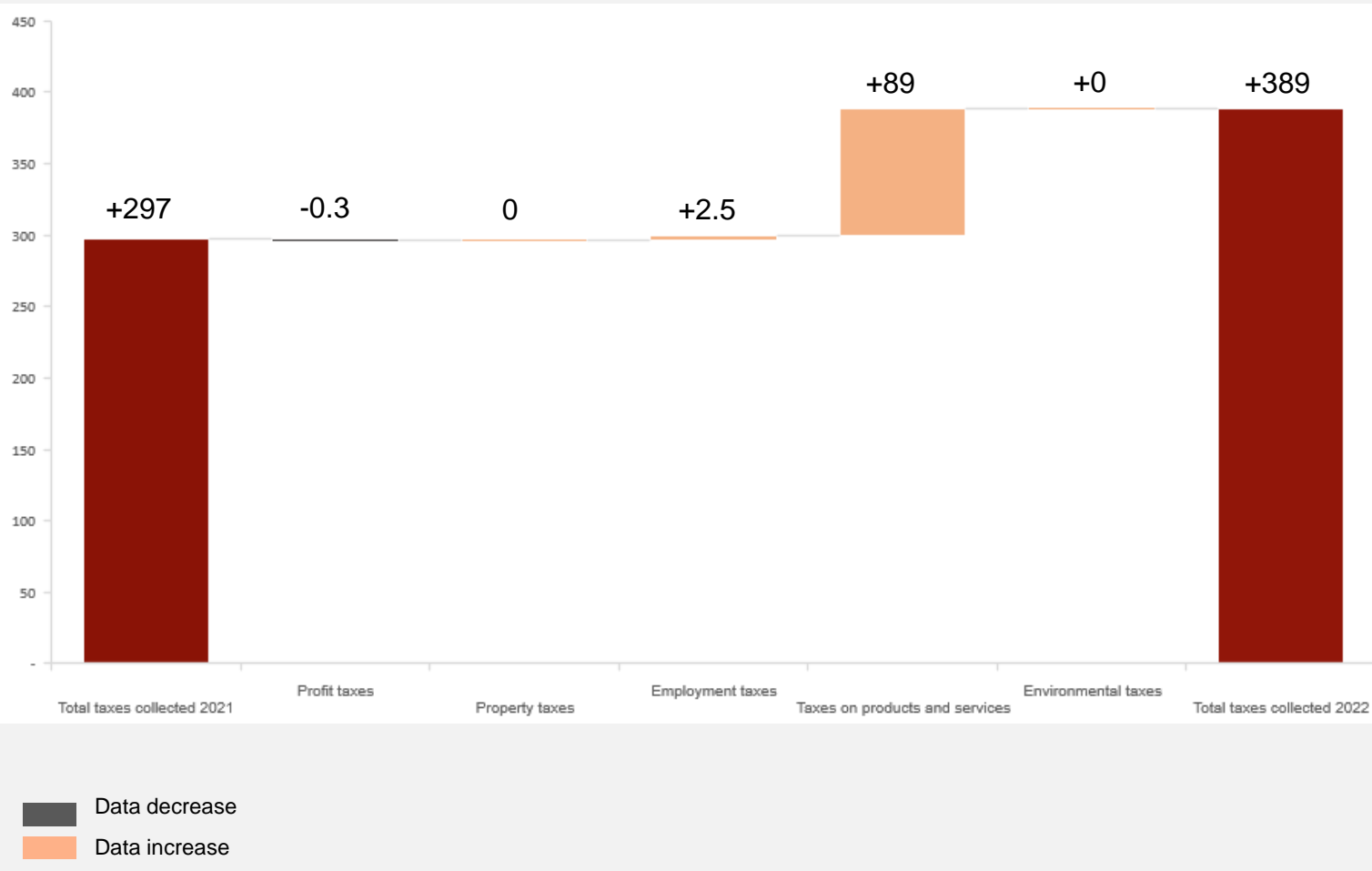


In 2022, the collection of taxes on products and services (VAT) increased in 34%, which amounts to PEN 89 M. This is mainly due to the higher payment of VAT as a result of the increase in billing and purchases by companies of the Enel Group in Peru, which resulted in an increase of PEN 41 M. Likewise, in 2021, Enel Green Power Perú received a refund of PEN 31 M for unapplied withholdings and VAT perceptions, while in 2022 it only received a refund of PEN 4.8M. Additionally, withholdings payments and VAT perceptions have increased by PEN 21M, mainly in Enel Green Power.

The collection of taxes associated with employment increased in 8% in 2022, for the amount of PEN 2.5M. The variation is due to the following: (i) IT withholdings for distribution of profits in favor of the workers increased by PEN 1.8M, as a result of the profit distribution in FY 2022, also (ii) in the same year, the number of workers increased; this, generated a higher IT withholding on the payment of wages (PEN 0.5 M).

TTR of Enel Peru in 2022

Analysis of taxes collected in 2022



Taxes collected in Peru in **2022** increase in relation in **2021**, in **30.8%**.

This difference is mainly explained by the country's economic recovery in 2022, compared to 2021, which was affected by the impact of the spread of the covid-19 virus on the Peruvian economy, as well as the increase in the Company's operating income in 2022, which implied an increase in the taxes on products and services for the amount of **PEN 89 M**.

TTR of Enel Peru in 2022

TTR Indicators

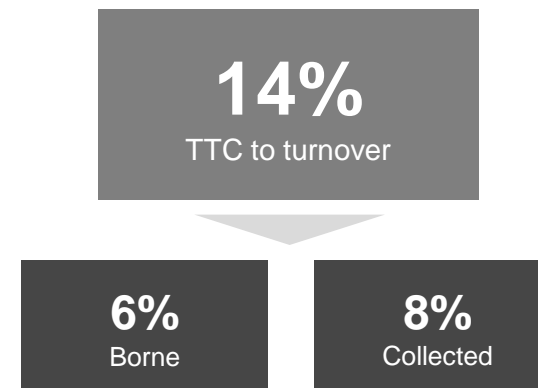
TTR with respect to turnover



Enel pays PEN 14 in taxes for every PEN 100 of net revenues, of which PEN 6 to represent a direct cost for the company.

TTR with respect to turnover is an indicator that reflects the extent of the contribution made by the Company in relation to the size of its business.

For Enel, the average TTR in relation to net revenues averages at **14%** for 2022. In other words, for every **PEN 100** of the Company's turnover, **PEN 14** are used to pay taxes, of which **PEN 6** are taxes borne and **PEN 8** are taxes collected.



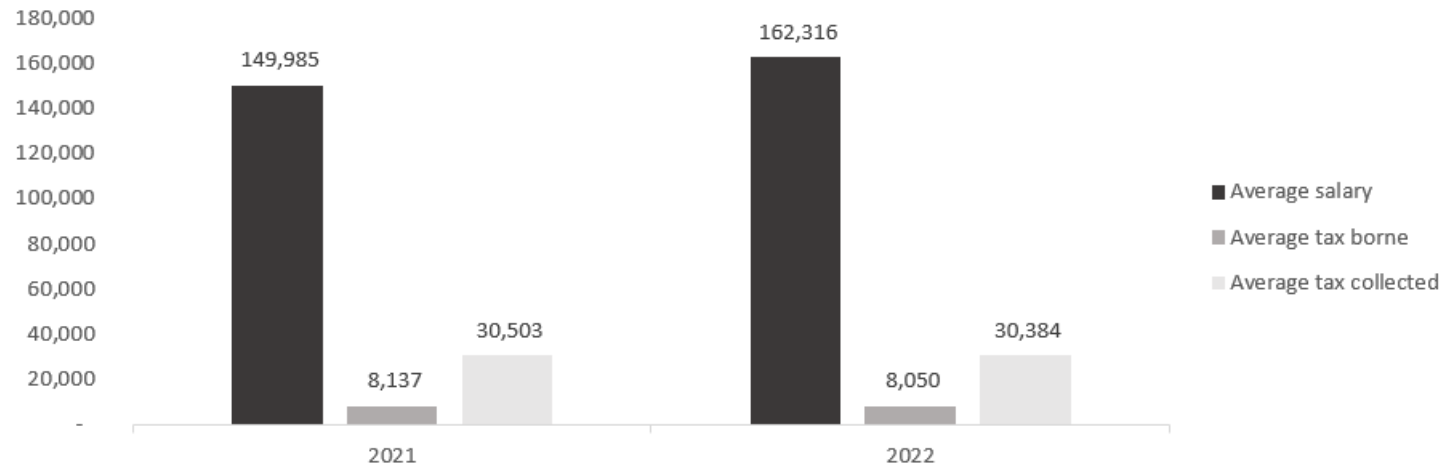
TTR of Enel Peru in 2022

TTR Indicators

Taxes paid in respect of wages and salaries per employee

Taxes paid in respect of **annual wages and salaries per employee** is an indicator that relates the level of employment to associated taxes. This indicator is calculated by dividing total taxes linked to employment (borne and collected) by the number of employees.

Chart 11: Trend in average salary and average taxes linked to employment in Enel



In 2022, Enel paid in employment taxes totaling **PEN 38,434** per employee. From this number, **PEN 30,384** correspond to taxes collected on payments to employees and **PEN 8,050** to taxes borne by Enel.

In relation to the average salary paid by Enel in Peru, which amounted to **PEN 162,316**, employment taxes borne and collected represented **24%**.



Wages and salaries per employee has increased by approximately 8% in 2022.

Employment taxes borne and collected have decreased in 0.5% compared to the previous year.

Although the taxes paid and collected for employment increased in 2022 compared to 2021, the trend between the average of taxes and the average of number of workers remains stable due to the fact that more workers were hired in 2022.

4. Comparative indicators



Comparative Indicators

Corporate Income Tax Effective Rate

In the following pages, the **Effective Tax Rate (ETR)** is analysed, as well as the factors affecting the difference between this rate and the nominal rate.

The ETR is determined on the basis of the ratio of IT in P&L statements (and hence, calculated under accrual and not cash method) and its relation to profit before taxes.

For the purpose of this document, the profit before taxes and the IT in P&L statements are calculated by aggregating the data of P&L statements of each entity included in the scope of the TTC Report. Intercompany dividends have been excluded from this amount in order to avoid the double counting of income distributed as dividends and to make the figure more comparable.

The following comparison of 's ETR is performed with the statutory tax rate in Peru (potential deviations are explained) and the ETR of the main competitors of Enel on the Peruvian market.

Comparative Indicators

Comparison of the ETR of Enel Peru with the nominal tax rate

The benchmarks considered below for the purposes of comparison, correspond to the Corporate Income Tax effective rate in FY 2021 and 2022 of the companies competing in the energy distribution and generation industry in Peru with Enel.

Our methodology is based on the information publicly available; tax expense data is information, which is published by companies in their individual annual accounts, and this enables us to perform comparative analyses, such as that contained in this section. What has been done is a comparison between Enel Country's ETR and peers's ETR.⁴

The rates are resulting from the following calculations for 2021 and 2022:

Year	Profit before taxes (PEN/MM)	Income Tax	ETR (%)
2021	1,415,858	523,638	37.0%
2022	1,917,727	575,891	30.0%
2021 + 2022	3,333,585	1,099,530	33.0%

In relation to the difference between the nominal IT rate in 2022 (29.5%) and the effective tax rate (30.0%), there is a difference of 0.5%, which is related to factors from the descriptions provided by the Enel Group in the reconciliation between the accounting result and the tax expense contained in the consolidated annual accounts.

The main reasons that explain the differences between the ETR of the Enel Group with respect to the nominal rate of IT are the following:

- (i) non-deductible intercompany service expenses,
- (ii) non-deductible commercial energy losses and,
- (iii) deferred IT adjustment from previous years.

These adjustments represent an increase in the ETR rate compared to the nominal rate of approximately 1%.

⁴ Methodology described in appendix V.

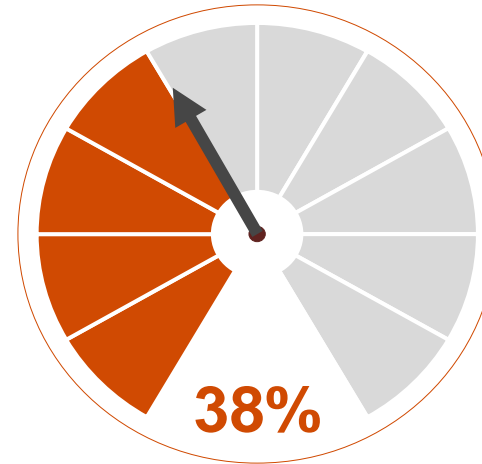
Comparative indicators

Trend in TTCR* 2021 - 2022

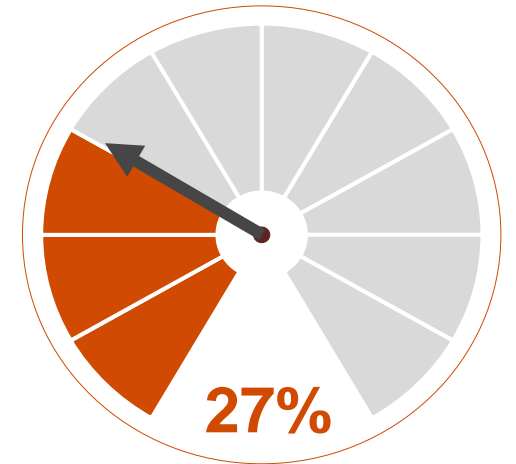
-11%

In 2022, TTCR decreased in 11% percentage points compared to 2021.

This trend is attributed to the 18% increase in the profits obtained in 2022 compared to 2021; as well as the reduction of the IT in 11% for 2022 compared to 2021.



TTCR of Enel Perú in 2021



TTCR of Enel Perú in 2022

*TTCR: Total Tax Contribution Rate (Total Tax Borne/ Income before tax borne)

Comparative Indicators

Comparison of the ETR of Enel Peru with that of the comparable companies in the electricity sector (1/2)



In 2022, the Effective Tax Rate of Enel Peru was higher than the average ETR of other energy market players in Peru for the same period.

In relation to the ETR calculated as the division between the income tax expense and the profit before taxes, the attached chart compares the effective tax rates of Enel Group with the average effective tax rate of nine companies in the energy generation and distribution industry (energy companies), the latter determined from their information available in the SMV⁵, Peruvian organism that regulates the information for public companies.

All the competitors considered while performing the benchmarking study are those that have a significant market share on the Peruvian electric energy market and that counts with its respective financial data available in public sources. In the following slide, the results of the benchmarking study is revealed.

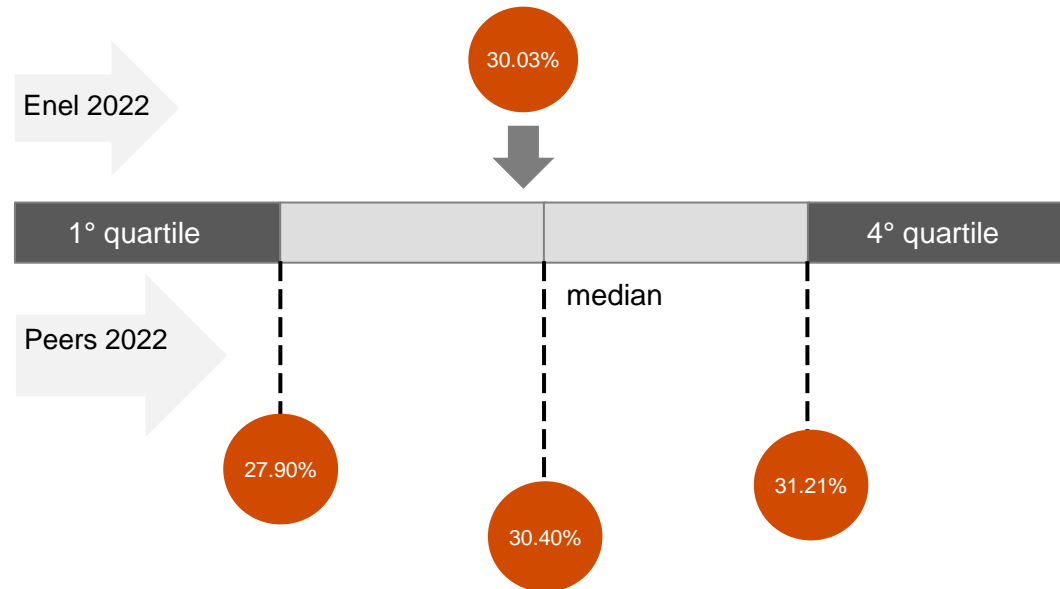
The information about profit before taxes and IT was retrieved from the financial statements of the respective entities, considering the data as of December 31, 2022.

In regard of consistency, the ETR of Enel Peru for 2022 has been compared with the ETR of main competitors for the same period.

⁵ Superintendencia de Mercado de Valores.

Comparative Indicators

Comparison of ETR of Enel Peru with that of the comparable companies in the electricity sector (2/2)



The information about profit before taxes and IT was retrieved from the financial statements of the respective entities, considering the data as of December 31, 2022.

Also, in order to exclude extreme deviations in the ETR of similar companies, neither the peers who made losses nor those for whom the tax item represented income were taken into account (since, in these situations, the ETR shows a negative figure).

The list of competitors included (in the order of reduction of market share): Egesur, EGE San Gaban, Electroperu, Engie Energia Peru, Electro Sur Este, Electro Dunas, Luz del Sur and Electropuno.

The above chart shows that the average effective tax rate of the energy companies for 2022 is 30.40%, which is approximately 0.37% higher than the ETR for Enel Group for 2022, which amounts to 30.03%.

Enel Group's average ETR for the period 2021-2022 amounts to 33%. This is in line with the average rate of the SMV companies for the period 2020-2022, which is 29.89%.

5. Appendices



Appendices

Appendix I: 2022 and 2021 TTR summaries for Enel Peru

Total payments made to public authorities Summary Enel Peru 2022		
	Amount (PEN/ MM)	Percentage (%)
Taxes borne	551	59%
Taxes collected	389	41%
Total Tax Rate	939	100%

Total payments made to public authorities Summary Enel Peru 2021		
	Amount (PEN/ MM)	Percentage (%)
Taxes borne	564	66%
Taxes collected	297	34%
Total Tax Rate	861	100%

Appendices

Appendix II: TTR Report of Enel Peru in 2021 (1/2)

TTR of Enel Group in 2021 2021 Country Report		
Country	<i>Peru</i>	31/12/2021
Economic data		Amount (local currency)
Revenues		5,691,338,880
Wages and salaries		148,184,924
Number of employees		988
Income before tax		1,415,857,980
Income before tax borne		1,492,586,019
Total tax borne		563,808,142
Total tax collected		296,929,417
Income after tax		892,219,487
Total Tax Contribution		860,737,559
TTC indicators		Percentage
¹ TTC ratio		38%
² TTC in relation to revenues		15%
^{2'} Taxes borne in relation to revenues		10%
^{2''} Taxes collected in relation to revenues		5%
³ Tax value distributed to society		42%
⁴ Wages and salaries per employee	S/	149,985
⁵ Taxes paid per employee	S/	38,641
¹	Total taxes borne / Income before taxes borne	
²	Total Tax Contribution / Revenue	
^{2'}	Taxes borne / Revenue	
^{2''}	Taxes collected / Revenue	
³	Tax borne and collected / Total value distributed (regarded as the sum of: income after tax or shareholder value, wages and salaries, net interest, taxes borne and taxes collected)	
⁴	Wages and salaries / Number of employees	
⁵	Total taxes linked to employment (borne and collected) / Number of employees	

Appendices

Appendix II: TTR Report of Enel Peru in 2021 (2/2)

	2021 local currency
Taxes borne	
Profit taxes	487,581,187
Corporate Income tax	487,080,103
Tax on Economic Activities	
Temporary Tax on Net Assets	
Other taxes	501,084
Property taxes	4,353,026
Tax on real property	4,548,146
Municipal Fees	1,931,394
Temporary Tax on Net Assets	- 2,126,514
Employment Taxes	8,039,584
Employer's social security Contribution	7,941,245
Other taxes	98,339
Taxes on products and services	55,474,541
Non deductible VAT/IGIC	-
Tax on the utilization of airspace, soil and subsoil	
Regulation contributions to public entities	53,771,243
Tax on Financial Transactions	1,277,379
Custom duties	425,919
Other public domain charges	
Environmental taxes	8,359,804
Tax on value of electricity generation	
Other environmental taxes (regional)	8,359,804
Tax on nuclear services	
Other taxes	
TOTAL	563,808,142

	2021 local currency
Taxes collected	
Profit taxes	6,857,477
Withholdings on payments to non residents (without PE)	5,611,240
Revenues from investment capital	1,176,386
Withholdings on payments to independent individuals	69,852
Property Taxes	-
Revenues from property investments	
Employment Taxes	30,137,373
Withholdings on earned Income	30,137,373
Employee social security contributions	
Taxes on products and services	259,934,567
VAT withholdings (Net position)	259,934,567
VAT drawdowns	
Environmental taxes	-
Taxes on electricity	
TOTAL	296,929,417

Total Tax Rate in Peru	860,737,559
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Other regulatory payments	-
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Payment to energy fund	
Other	

Total payments to Public Authorities	860,737,559
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Appendices

Appendix III: List of taxes

TAXES	STATE TAX	FEDERAL / REGIONAL TAX	LOCAL TAX	TAX BORNE	TAX COLLECTED	SCOPE
PROFIT TAXES						
Third Category Income Tax Payments on Advance	✓			✓		✓
Third Category Income Tax (Corporate Income Tax)	✓			✓		✓
Dividends Income Tax Withholding	✓				✓	✓
Non-domiciled Income Tax Withholding	✓				✓	✓
Fourth Category Income Tax	✓				✓	✓
PROPERTY TAXES						
Property Tax			✓	✓		✓
Municipal public service taxes			✓	✓		✓
Temporary Tax on Net Assets	✓			✓		✓
EMPLOYMENT TAXES						
Fifth Category Income Tax (dependant individuals)	✓				✓	✓
Health social security contributions (ESSALUD)	✓			✓		✓
Industrial contribution (Senati)	✓			✓		✓
TAXES ON PRODUCTS & SERVICES						
Value Added Tax (VAT)	✓				✓	✓
Custom duties AD Valorem	✓			✓		✓
VAT Withholding	✓				✓	✓
Financial Transaction Tax	✓			✓		✓
Regulation contribution to the Energy and Mining Investment Regulator (OSINERGMIN)	✓			✓		✓
Regulation contribution to the Environmental Regulator (OEFA)	✓			✓		✓
Regulation contribution to the Ministry of Energy and Mining (MEM)	✓			✓		✓
ENVIRONMENTAL TAXES						
WATER TAXES	✓			✓		✓

Appendices

Appendix IV: Methodology used in the comparative analysis of effective Corporate Income Tax rates

The analysis has been based on the publicly available information of competitors of Enel Peru.

The ETR has been calculated as the division of the income tax expense by the profit before tax, both figures taken from the consolidated income statement for the year.

The average figure for the last two years for which data is available (2021 and 2022) has been used to illustrate the findings:

- ***Adjusted arithmetical average***

Our findings in relation to the individual analyses of the companies are based on a statistical analysis of ETRs. In this type of analysis, there are generally elements that distort the average, such as non-recurring transactions or exceptional items, and these must be eliminated to draw reasonable conclusions from the sample studied.

- ***Quartiles***

The upper (75%) and lower (25%) quartiles are also calculated for the sample of companies, indicating the results obtained. This facilitates identification of the range of average results within which the majority of the companies are situated.

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