

# **Interim Condensed Financial Statements of Enel Finance International N.V. at 30 June 2020**



## Contents

Director's report	3
General information	4
Significant events in the first half of 2020	4
Overview of the Company's performance and financial position	5
Main Risks and uncertainties	8
Related Parties	8
Outlook	8
Board of Directors composition	8
Subsequent events	9
Reporting of non-financial information	9
Personnel	9
Statement of the Board of Directors	9
Financial statements for the first half of 2020	11
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15
Notes to the financial statements	16



## **Director's report**

## **General information**

The Management of the Company hereby presents its interim condensed financial statements for the period ended on 30 June 2020.

Enel Finance International N.V. ("the Company") is a public company with limited liability, where 74.99% of the shares are held by Enel Holding Finance S.r.l and 25.01% of the shares are held by Enel S.p.A., parents companies, having their seats in Rome, Italy.

Enel S.p.A. is the ultimate controlling shareholder of the Company.

The Company is registered with the trade register of the Dutch chamber of commerce under number 34313428. The Company operates as a financing company for the Enel Group, raising funds through bond issuances, loans and other facilities and on turn lending the funds so raised to the companies belonging to the Enel Group.

## **Significant events in the first half of 2020**

### **Financial assets sale and new loan to Enel Italia S.p.A.**

On 1 January 2020 Enel S.p.A transferred several loans with outstanding nominal amount of Euro 2,400 million to Enel Italia S.p.A.

On 1 February 2020 Enel Green Power S.p.A. transferred several loans with total outstanding amount of Euro 1,358 million to Enel S.p.A.

On 20 April 2020 long-term loans granted to E-Distribuzione S.p.A, Enel Produzione S.p.A and Enel Sole S.p.A. with outstanding nominal value of Euro 7,600 million were sold to Enel Italia S.p.A.

At the same date a new long-term loan was granted to Enel Italia S.p.A with the total amount up to Euro 6,500 million.

These transactions were performed in frame of corporate reorganization of Country Italy and Country North America.

## Overview of the Company's performance and financial position

### Analysis of the Company financial position

Millions of euro

	at Jun. 30, 2020	at Dec. 31, 2019	Change
<b>Net non-current assets:</b>			
-other non-current financial assets	1,558	534	1,024
-other non-current financial liabilities	(931)	(899)	(32)
<b>Total net non-current assets/ (liabilities)</b>	<b>627</b>	<b>(365)</b>	<b>992</b>
<b>Net current assets:</b>			
-net tax receivable/ (payable)	(130)	(16)	(114)
-other current financial assets	208	240	(32)
-other current financial liabilities	(493)	(423)	(70)
-other current liabilities	(2)	(1)	(1)
<b>Total net current assets/ (liabilities)</b>	<b>(417)</b>	<b>(200)</b>	<b>(217)</b>
<b>Gross capital employed</b>	<b>210</b>	<b>(565)</b>	<b>775</b>
<b>Sundry provisions:</b>			
-deferred tax assets/ (liabilities)	68	318	(250)
<b>Total provisions</b>	<b>68</b>	<b>318</b>	
<b>Net Capital Employed</b>	<b>278</b>	<b>(247)</b>	<b>525</b>
<b>Total Shareholders' Equity</b>	<b>3,202</b>	<b>1,870</b>	<b>1,332</b>
<b>Net financial debt</b>	<b>(2,924)</b>	<b>(2,117)</b>	<b>(807)</b>

Net non-current assets at 30 June 2020 increased by Euro 992 million compared to 31 December 2019. The change is attributed to a decrease in net fair value of derivatives (Euro 990 million) and a decrease of financial prepaid expenses (Euro 2 million).

Net current liabilities totaled Euro 417 million with an increase of Euro 217 million compared to 31 December 2019 mainly due to increase of tax payable (Euro 114 million) and an increase of interests accrued for bonds and deposits (Euro 61 million), a decrease of interest receivables (Euro 23 million), a decrease of derivatives (Euro 19 million).

Deferred taxes decreased by Euro 250 million reflecting temporary differences in cash flow hedge transaction accrued directly in other comprehensive income and temporary differences mainly attributed to impairment of financial assets accrued in profit and loss.

Net capital employed stood at negative Euro 278 million at 30 June 2019.

Shareholder's equity in amount of Euro 3,202 million and net financial debt stood at negative Euro 2,924 million.

The debt-to-equity ratio at 30 June 2020 came to a negative 91% (negative 113% at 31 December 2019).

## Net financial debt

Millions of euro

	at Jun. 30, 2020	at Dec. 31, 2019	Change
<b>Long-term debt:</b>			
- bonds	29,996	30,066	(70)
<i>Long-term debt</i>	29,996	30,066	(70)
- loans to Group companies	(25,594)	(24,398)	(1,196)
<i>Long term financial receivables</i>	(25,594)	(24,398)	(1,196)
<b>Net long-term financial debt</b>	<b>4,402</b>	<b>5,668</b>	<b>(1,266)</b>
<b>Short-term debt/(liquidity):</b>			
- bonds (short-term portion)	-	674	(674)
- l/t receivables due from Group companies (short-term portion)	(539)	(2,544)	2,005
<i>Current amount of long-term net financial debt</i>	(539)	(1,870)	1,331
- commercial paper	2,322	500	1,822
- short-term loans from Group companies	430	2,547	(2,117)
<i>Short-term loans</i>	2,752	3,047	(295)
- short-term financial receivables due from Group companies	(2,809)	(3,333)	524
- cash collateral on derivatives	534	(283)	817
- financial Service Agreement with Enel S.p.A.	(7,079)	(5,136)	(1,943)
- cash and cash equivalents	(185)	(210)	25
<i>Cash and cash equivalents and short-term financial receivables</i>	(9,539)	(8,962)	(577)
<b>Net short-term financial debt/(liquidity)</b>	<b>(7,326)</b>	<b>(7,785)</b>	<b>459</b>
<b>NET FINANCIAL DEBT</b>	<b>(2,924)</b>	<b>(2,117)</b>	<b>(807)</b>

**Net financial debt** showed a net creditor position of Euro 2,924 million at 30 June 2020 (Euro 2,117 million at 31 December 2019).

**Net long-term financial debt** totaled to Euro 4,402 million, having a decrease of Euro 1,266 million due to the combined effect of a decrease of Euro 1,196 million in long-term financial receivables and a decrease of Euro 70 million in long-term debt.

Bonds amounted to Euro 29,996 million. The decrease of Euro 70 million referred to exchange rate gain of Euro 123 million (including exchange differences on the current portion of bonds) partly offset by Euro 48 million of amortised costs and capitalized interest of zero coupon bonds (Euro 5 million);

Long-term financial receivables totals to Euro 25,594 million increased by Euro 1,196 million compared to the 31 December 2019 as a result of:

- loan granted to Enel Italia S.p.A (Euro 6,500 million);
- increase of loan granted to Enel Chile (Euro 537 million);
- increase of loans granted to Slovak Power Holding BV (Euro 93 million);
- reversal of allowance for impairment over long-term financial receivables (Euro 6 million).

This increase was partly offset by:

- sale of loans granted to E-Distribuzione S.p.A. (Euro 5,500 million) and Enel Sole S.r.l. (Euro 100 million);
- repayment of loan granted to Iberia S.r.l. (Euro 175 million);

- reclassification to current portion of loans maturing in the following 12 months (Euro 143 million);
- net exchange loss of Euro 22 million;

**Net short-term creditor position** decreased by Euro 459 million to Euro 7,326 million with the change principally referring to:

- sale of loans granted to Enel Produzione S.p.A. (Euro 2,000 million);
- issue of commercial papers (Euro 1,822 million);
- decrease of cash collateral paid to counterparties in over-the-counter derivatives transactions on interest rates, exchange rates and commodities (Euro 817 million);
- decrease of outstanding amount of revolving lines granted to Group companies and other receivables (Euro 507 million);
- decrease in cash and cash equivalents (Euro 25 million);
- net exchange loss (Euro 16 million);

The above mentioned decrease was partly offset by:

- repayment of bonds maturing in the first half of 2020 (Euro 675 million);
- decrease of deposits collected from Group companies (Euro 2,117 million);
- increase of outstanding amount for service agreement with Enel Spa (Euro 1,943 million)
- reversal of allowance for impairment over short-term financial receivables and current portion of long-term loans (Euro 2 million).

## **Main Risks and uncertainties**

In compliance with the new provisions in Dutch Accounting Standard 400, the Company has drawn up elements of its risk section.

Significant risks, risk appetite which could have a material effect on financial position and results as well as risk mitigation strategy have been described in the annual financial statements for 2019. Those categories and risks remain valid and should be read in conjunction with this interim report.

## **Related Parties**

The main activity of Enel Finance International N.V. is to operate as financing company of the Enel Group, raising funds through bonds issuance, loans and other facilities and on turn lending the funds so raised to the companies belonging to Enel Group; all the transactions are part of the ordinary operations of the Company and are settled on the basis of Standard intra-Group contract market prices.

## **Outlook**

The Company should evolve normally during the second half of 2020, with the aim to maintain the same funding and lending activities currently ongoing, keeping on supporting Enel Group in its developing and consolidation process.

The outbreak of Coronavirus does not impact the assessment of the ability to continue as a going concern. Notwithstanding in a context of greater uncertainty and volatility it is not possible to make a reasonable estimate of the quantitative impact.

## **Board of Directors composition**

The Company's organization is characterized by a Board of Directors charged with managing the Company and a Shareholders' Meeting.

The Company is a so-called Public Interest Entity ("Organisatie van Openbaar Belang") which requires the establishment of an audit committee. The Company however makes use of the exemption in Article 3(a) of the Dutch Decree on the Audit Committee ("Besluit instelling auditcommissie") as foreseen in Article 39(3)(a) of Directive 2006/43/CE, as amended by Directive 2014/56/EU of the European Parliament and of the Council, as its Parent Company (Enel S.p.A.) is an entity that fulfils the requirements set out in paragraphs 39(1), (2) and (5) of Directive 2006/43/CE, as amended by Directive 2014/56 EU, Article 11(1), Article 11(2) and Article 16(5) of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

Pursuant to Article 19, subsection 2 of Italian Legislative Decree 39/2010 - as amended by Legislative Decree 135/2016, implementing Directive 2014/56 EU - the audit committee of Enel S.p.A. coincides with the "collegio sindacale" (board of statutory auditors).\* According to the legislation in force, the members of the board of statutory auditors of Enel S.p.A. must possess the requisites of integrity, professionalism and independence imposed upon the statutory auditors of listed companies, as supplemented (only as regards the professionalism requisites) by specific provisions of the bylaws.

The gender diversity within the Board members of the Company is currently 20%. Nonetheless, the Company believes that the composition of its Board of directors has a broad diversity of experience, expertise and backgrounds, and that the backgrounds and qualifications of the directors, considered



as a group, provide a significant mix of experience, knowledge, abilities and independence that we believe will allow our board of directors to fulfill its responsibilities and properly execute its duties.

Remuneration of Directors is defined in accordance with Remuneration policy of the management board of Enel Finance International N.V., recently amended by the Shareholder (Resolution of the Sole Shareholder 23.01.2017)

## **The Company's control system**

The appropriateness of the administrative and accounting procedures used in the preparation of the financial statements has been verified in the assessment of the internal control system for financial reporting. The assessment of the international control system for financial reporting did not identify any material issues.

16 December 2016 the Company adopted the new Enel Global Compliance Program ("EGCP"), addressed to the foreign subsidiaries of the Enel Group. The aim of EGCP is to reinforce commitment of the Company to the highest ethical, legal and professional standards for enhancing and preserving the reputation as well as the prevention of criminal behaviour abroad, which may lead to a corporate criminal liability to the Company.

## **Subsequent events**

### **Loan granted to Enel SpA.**

On 23 July 2020 two new loans were granted to Enel SpA in total amount of Euro 4,000 million:

- Euro 3,000 million loan maturing at 23 July 2030 and a fixed-rate coupon equal to 1.300%;
- Euro 1,000 million loan maturing at 23 July 2030 and a variable-rate coupon equal to 6MEuribor plus the margin of 140 bps

### **COVID-19**

The Covid-19 and the subsequent lockdown have brought unexpected variables to businesses and economy. A high degree of uncertainty remains and the management is closely monitoring the situation, taking into account the possible consequences of Covid-19.

The safety and well-being of people is the top priority. Business continuity was managed this with a view to ensuring the health and safety of employees thanks above all to remote working, virtual onboarding of new employees, digitalized infrastructures and extensive employment of cloud-based solutions.

Valuation of fair value of financial instruments are marked as Covid-19 affected credit spreads on financial instruments and market interest rates.

At 30 June 2020, there is no current evidence of significant impacts of COVID-19 on the Company's net profit.

## **Reporting of non-financial information**

Enel Group, in implementation of the new EU (Directive 2014/97/EU) and national legislation that has introduced mandatory of non-financial information as from 2019 financial year for large public-interest

entities, has drafted a "Consolidated Non-Financial Statement" that covers the areas provided for in that decree, accompanying the Group's Sustainability Report.

Report can be obtained from the investor relations section of Enel S.p.A. official website (<http://www.enel.com>).

## Personnel

At 30 June 2020 the Company had, other than the directors, ten employees (eleven employees at 31 December 2019). Average headcount comprised eleven people (ten people for the first half of 2019). All people worked in the Netherlands.

## Statement of the Board of Directors

Statement ex Article 5:25d Paragraph 2 sub c Financial Markets Supervision Act ("Wet op het Financieel Toezicht").

To our knowledge,

- > the interim condensed financial statements give a true and fair view of the assets, liabilities, financial position and result of Enel Finance International N.V.;
- > the Director's Report gives a true and fair view of the Company's position as per 30 June 2020 and the developments during the financial period ended 30 June 2020;
- > the Director's Report describes the principal risks the Company is facing.

This interim condensed financial statements is prepared according to International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and it is externally not audited. Furthermore this interim report complies with the EU Transparency Directive enacted in the Netherlands in 2008 and subsequently came into force as from 1 January 2009. The Company's main obligations under the aforementioned Transparency Directive can be summarized as follows:

- > filing its approved interim condensed financial statements electronically with the AFM (Autoriteit Financiële Markten) in the Netherlands within five days after their approval;
- > making its interim condensed financial report generally available to the public by posting it on Enel S.p.A. official website within 2 months after the end of first six months of the 2020 fiscal year (by 31 August 2020);

making its interim condensed financial report generally available to the public by issuing an information notice on a financial newspaper or on a financial system at European level within 2 months after the end of first six months of the 2020 fiscal year (by 31 August 2020).

Amsterdam, 27 July 2020

A. Canta

H. Marseille

E. Di Giacomo

A.J.M. Nieuwenhuizen

J. Homan



**Interim Condensed Financial statements  
for the period ended 30 June 2020  
prepared in accordance with International  
Financial Reporting Standards as adopted by  
the European Union**

# Statement of comprehensive income

Millions of euro	Note	1st half	
		<b>2020</b>	<b>2019</b>
<b>Costs</b>			
Services	1	(1)	(1)
Personnel	1	0	0
	<i>(Subtotal)</i>	<b>(1)</b>	<b>(1)</b>
<b>Operating income</b>		<b>(1)</b>	<b>(1)</b>
<b>Financial income</b>			
Interest income	2	433	687
Financial income from derivatives	3	359	371
Other financial income	2	935	108
	<i>(Subtotal)</i>	<b>1,727</b>	<b>1,166</b>
<b>Financial expense</b>			
Interest expense	2	(627)	(607)
Financial expense from derivative	3	(371)	(332)
Other financial expense	2	(133)	(124)
	<i>(Subtotal)</i>	<b>(1,131)</b>	<b>(1,063)</b>
<b>Net financial income/ (expense)</b>		<b>596</b>	<b>103</b>
<b>Income/(Loss) before taxes</b>		<b>595</b>	<b>102</b>
Income Taxes	4	155	48
<b>Net income/(loss) for the year (attributable to the shareholder)</b>		<b>440</b>	<b>54</b>
<b>Other components of comprehensive income recyclable to profit or loss in future periods:</b>			
- effective portion of change in fair value of cash flow hedges net of deferred taxes	17	1,080	(237)
- Change in the fair value of costs of hedging net of deferred taxes	17	(188)	(2)
<b>Total comprehensive income/(loss) for the period</b>		<b>1,332</b>	<b>(185)</b>

# Statement of financial position

Millions of Euro

Note

		at Jun.30, 2020	at Dec.31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred tax assets	5	77	327
Long-term loans and financial receivables	6	25,594	24,398
Derivatives	7	1,519	493
Other non-current financial assets	8	39	41
	<i>(Subtotal)</i>	<b>27,229</b>	<b>25,259</b>
<b>Current assets</b>			
Current portion of long-term loans and financial receivables	6	539	2,544
Short-term loans and financial receivables	9	9,888	8,469
Derivatives	7	13	23
Other current financial assets	10	541	793
Other current assets		2	1
Cash and cash equivalents	11	185	210
	<i>(Subtotal)</i>	<b>11,168</b>	<b>12,040</b>
<b>TOTAL ASSETS</b>		<b>38,397</b>	<b>37,299</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Share capital	12	1,479	1,479
Share premium reserve	12	1,026	1,026
Cash flow hedge reserve	12	39	(1,041)
Cost of hedging reserve	12	(270)	(82)
Retained earnings	12	488	408
Net income for the period	12	440	80
<b>Total shareholder's equity</b>		<b>3,202</b>	<b>1,870</b>
<b>Non-current liabilities</b>			
Long-term loans and borrowings	13	29,996	30,066
Deferred tax liabilities	5	9	9
Derivatives	7	877	841
		54	59
	<i>(Subtotal)</i>	<b>30,936</b>	<b>30,975</b>
<b>Current liabilities</b>			
Income tax payable		131	17
Current portion of long-term loans	13	0	674
Short-term loans and borrowings	14	3,633	3,339
Derivatives	7	14	5
Other current financial liabilities	15	479	418
Other current liabilities		2	1
	<i>(Subtotal)</i>	<b>4,259</b>	<b>4,454</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,397</b>	<b>37,299</b>

## Statement of changes in equity

Millions of euro

	Share capital	Share premium reserve	Cash flow hedge reserve	Cost of hedging reserve	Retained earnings	Net income for the period	Equity attributable to the shareholders
<b>At 1 January 2019</b>	<b>1,479</b>	<b>1,026</b>	<b>(1,014)</b>	<b>(154)</b>	<b>309</b>	<b>99</b>	<b>1,745</b>
Allocation of net income from the previous year	-	-	-	-	99	(99)	-
Comprehensive income for the year:	-	-	(237)	(2)	-	-	(239)
of which:							
- other comprehensive income (loss) for the period	-	-	(237)	(2)	-	-	(239)
- net income for period	-	-	-	-	-	54	54
<b>At 30 June 2019</b>	<b>1,479</b>	<b>1,026</b>	<b>(1,251)</b>	<b>(156)</b>	<b>408</b>	<b>54</b>	<b>1,560</b>
<b>At 1 January 2020</b>	<b>1,479</b>	<b>1,026</b>	<b>(1,041)</b>	<b>(82)</b>	<b>408</b>	<b>80</b>	<b>1,870</b>
Allocation of net income from the previous year					80	(80)	
Comprehensive income for the year:			1,080	(188)			892
of which:							
- other comprehensive income (loss) for the period			1,080	(188)			892
- net income for period						440	440
<b>At 30 June 2020</b>	<b>1,479</b>	<b>1,026</b>	<b>39</b>	<b>(270)</b>	<b>488</b>	<b>440</b>	<b>3,202</b>

## Statement of cash flows

Millions of euro	Note	1 <sup>st</sup> half	
		2020	2019
<b>Income for the period</b>		<b>440</b>	<b>54</b>
<b>Adjustments for:</b>			
Financial (income)	2,3	(1,727)	(1,166)
Financial expense	2,3	1,131	1,063
Income taxes	4	155	48
<i>Cash flow from operating activities before changes in net current assets</i>		<i>(1)</i>	<i>(1)</i>
(Increase)/Decrease in financial and non-financial assets/liabilities		917	(13)
Interest income and other financial income collected		450	607
Interest expense and other financial expense paid		(455)	(548)
Income taxes paid		(29)	(15)
<b>Cash flows from operating activities (a)</b>		<b>882</b>	<b>30</b>
<i>New loans granted to Enel S.p.A. and affiliates</i>		<i>(9,070)</i>	<i>(3,138)</i>
<i>Repayments and other movements from Enel S.p.A. and affiliates</i>		<i>9,131</i>	<i>2,832</i>
<b>Cash flows from investing/disinvesting activities (b)</b>		<b>61</b>	<b>(306)</b>
Financial debt (new borrowings)	13, 14	1,968	1,742
Financial debt (repayments)	13, 14	(2,936)	(1,397)
<b>Cash flows from financing activities (c)</b>		<b>(968)</b>	<b>345</b>
<b>Increase/(Decrease) in cash and cash equivalents (a+b+c)</b>		<b>(25)</b>	<b>69</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>210</b>	<b>101</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>185</b>	<b>170</b>

# Notes to the financial statements

## Form and content of the financial statement

Enel Finance International N.V. (“the Company”) is as a limited liability company under the laws of the Netherlands on 26 September 2008. The Company is registered with the trade register of the Dutch chamber of commerce under number 34313428 with business address at Herengracht 471, 1017 BS Amsterdam, the Netherlands. The Company is established for an indefinite duration.

Enel Finance International N.V. (“the Company”) is a public company with limited liability, where 74.99% of the shares are held by Enel Holding Finance S.r.l and 25.01% of the shares are held by Enel S.p.A., parents companies, having their seats in Rome, Italy.

Enel S.p.A. is the ultimate controlling shareholder of the Company.

Company’s financial statements are included into the consolidated financial statements of Enel S.p.A., which can be obtained from the investor relations section of Enel S.p.A. official website (<http://www.enel.com>).

### Corporate purpose

The Company operates as a financing company for the Group, raising funds through bond issuances, loans and other facilities and on turn lending the funds so raised to the companies belonging to the Enel Group. The Company is also part of the centralising financial process and acts as the primary reference for the management of financial needs or liquidity generated by the Enel Group companies.

The Company acts solely as a financing company for Enel Group and therefore is not engaged in market competition in the energy sector with third parties.

The Company is managed by a management board composed of five members, appointed by the general meeting of shareholders, which may dismiss them at any time. The management board has the power to perform all acts of administration and disposition in compliance with the corporate objects of the Company.

The joint signatures of any two members of the management board or the single signature of any person to whom such signatory shall have been appointed by the management board may bind the Company.

### **Compliance with IFRS/IAS**

The interim financial statements for the period ended 30 June 2020 have been prepared in accordance with international accounting standards (International Accounting Standards – IAS and International Financial Reporting Standards – IFRS) issued by International Accounting Standards Board (IASB), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the year. All of these standards and interpretations are hereinafter referred to as the “IFRS-EU”. The financial statements have also been prepared in conformity with the statutory provisions of the Netherlands Civil Code, Book 2, Title 9.

These financial statements were approved by the Board of Directors and authorised for issue effective on 27 July 2020



## **Basis of presentation**

The financial statements consist of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the related notes.

The financial statements have been prepared on the historical costs basis except for the following material items:

- Derivative financial instruments, valued at fair value;
- Financial assets and financial liabilities recognized at amortized cost.

The assets and liabilities reported in the financial position are classified on a "current/non-current basis". Current assets, which include cash and cash equivalents, are assets that are intended to be used during the normal operating cycle of the Company or in the twelve months following the balance-sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the twelve months following the close of the financial year.

The income statement is classified on the basis of the nature of expenses, while the indirect method is used for the cash flow statement.

The Company initially recognizes financial receivables and deposits when, and only when, the Company becomes party to the contractual provision of the instrument (trade date).

All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### Functional and presentation currency

The financial statements are presented in euro, the functional currency of Enel Finance International N.V. All figures are shown in millions of euro unless stated otherwise.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for IFRS 9 that has been adopted in 2018.

### Going Concern

Enel S.p.A. has provided financial support to the Company should it not be able to meet its obligations. This intent has been formally confirmed by Enel S.p.A. in a support letter issued on 13 February 2019 and valid until next year's approval date of the Financial Statements should the company remain under control of the Enel Group. Based upon this comfort letter received by the parent company, Company's management has prepared the financial statements on the basis of a positive going concern assumption.

### Solvency

Given the objectives of the company, the Company is strictly economically interrelated with Enel S.p.A. In assessing the solvency as well as the general risk profile of the Company, the solvency of the Enel Group as a whole, headed by Enel S.p.A. should be considered.

## **Accounting policies and measurement criteria**

The interim condensed financial statements for the six months ended at 30 June 2020 have been prepared in compliance with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB) recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the period, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) in effect at the same date. All of these standards and interpretations are hereinafter referred to as "IFRS-EU".

More specifically, the interim condensed financial statements have been drawn-up in compliance with IAS 34 – Interim financial reporting and consist of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes.

Please note that the Company adopts the half-year as the reference interim period for the purposes of applying IAS 34 and the definition of interim financial report specified therein.

The accounting standards adopted, the recognition and measurement criteria and methods used for the condensed interim financial statements at June 30, 2020 are the same as those adopted for the financial statements at December 31, 2019 (please see the related report for more information).

These condensed interim financial statements may therefore not include all the information required to be reported in the annual financial statements and must be read together with the financial statements for the year ended December 31, 2019.

## Risk management

### Market risk

Enel Finance International N.V., acting as a financial intermediary, provides the necessary resources to foreign operating Entities of the Group; the funding activity comprises direct access to the international capital markets. Therefore, Enel Finance International N.V. is exposed to interest rate and exchange rates risks, due to its net financial position.

In order to mitigate this risk, the Company employs financial derivative instruments such as interest rate swaps, currency forwards and cross currency interest rate swaps, that are negotiated both with Enel S.p.A. and on the market.

The fair value of a financial derivative is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts.

The fair value of listed instruments is the market price at 30 June 2020. The fair value of over the counter (OTC) instruments is calculated with standard pricing models for each instrument typology.

The transactions compliant with IFRS 9 requirements can be designated as cash flow hedge, otherwise are classified as trading.

#### Interest rate risk

Interest rate risk is the risk born by an interest-bearing financial instrument due to variability of interest rates. The optimal debt structure results from the trade-off between reducing the interest rate exposure and minimizing the average cost of debt.

The Company is exposed to interest rate fluctuation both on liabilities and on assets.

Interest rate swaps are stipulated to mitigate the exposure to interest rates fluctuation, thus reducing the volatility of economic results. Through an interest rate swap, the Company agrees with a counterparty to exchange, with a specified periodicity, floating rate interest flows versus fixed rate interest flows, both calculated on a reference notional amount. In order to ensure effectiveness, all the contracts have notional amount, periodicity and expiry date matching the underlying financial liability and its expected future cash flows.

The notional amount of outstanding contracts is reported below.

Millions of euro	Notional amount	
	Jun. 30 2020	Dec. 31 2019
<b>Interest rate derivatives:</b>		
Interest rate swap	3,724	3,703
<b>Total</b>	<b>3,724</b>	<b>3,703</b>

For more details, please refer to the note 16 and 17.

At 30 June 2020, 1.49 % of gross long term debt towards third parties was floating rate (1.45 % at 31 December 2019). Taking into account interest rate derivatives designated as cash flow hedge considered effective pursuant to the IFRS – EU, gross long term debt is mostly fully hedged against interest rate risk.

### Exchange rate risk

Exchange rate risk is a type of risk that arises from the change in price of one currency against another. The Company exposure to such risk is mainly due to foreign currencies denominated flows, originated by financial assets and liabilities.

In order to mitigate this risk, the Company enters into plain vanilla transactions such as currency forwards and cross currency interest rate swaps. In order to ensure effectiveness, all the contracts have notional amount and expiry date matching the underlying expected future cash flows.

Cross currency interest rate swaps are used to transform a long-term fixed – or floating – rate liability in foreign currency into an equivalent fixed – or floating – rate liability in euro, while currency forwards are used to hedge intercompany loans.

Millions of euro	Notional amount	
	Jun. 30 2020	Dec. 31 2019
<b>Foreign exchange derivatives:</b>		
Currency forwards:	8,142	3,341
Cross currency interest rate swaps	17,091	17,310
<b>Total</b>	<b>25,233</b>	<b>20,651</b>

At 30 June 2020, 57% of gross long term debt towards third parties was denominated in non-euro currencies (56% at 31 December 2019) and it was fully hedged against exchange rate risk by cross currency interest rate swaps.

For more details, please refer to the note 16 and 17.

### **Credit risk**

The Company's financial operations expose it to credit risk, i.e. the possibility that a deterioration in the creditworthiness of a counterparty has an adverse impact of the expected value of the creditor position or, for trade payables only, increase average collection items.

The exposure to credit risk is attributable to Lending and hedging transactions.

Enel Finance International N.V. is part of the centralising financial flow process and acts as the primary reference for the management of financial needs or liquidity generated by Enel Group entities. The Company manages its lending operations to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Finally, with regard to derivative transactions, risk mitigation is pursued with a uniform system for assessing counterparties, as well as with the adoption of specific risk mitigation clauses (e.g. netting arrangements) and possibly the exchange of cash collateral.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 30 June 2020 and 31 December 2019 is the carrying amounts as illustrated in Note 6, 9 and 10.

### **Credit risk measurement**

The Expected Credit Loss (i.e. ECL), determined considering Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), is the difference between all contractual cash flows that are due in accordance with the contract and all cash flows that are expected to be received (i.e., all short falls) discounted at the original EIR.

EAD is established on a quarterly basis using outstanding exposure data. PD and LGD are determined at least annually.

The methods used in measuring main parameter are consistent with those used in the most recent annual report.

### Liquidity risk

Liquidity risk manifests itself as uncertainty about the Company's ability to discharge its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by implementing measures to ensure an appropriate level of liquid financial resources minimizing the associated opportunity cost and maintaining a balanced debt structure in terms of its maturity profile and funding sources.

In the short term, liquidity risk is mitigated by maintaining an appropriate level of unconditionally available resources.

In the long term, liquidity risk is mitigated by maintaining a balanced debt maturity profile for our debt, access to a range of resources of funding sources on different markets, in different currencies and with different counterparties.

The mitigation of liquidity risk enables the Company to maintain a credit rating that ensures access to the capital market and limits the cost of funds, with a positive impact on its performance and financial position.

The Company has an access to committed credit line with Mediobanca (Euro 5,000 million). The outstanding commercial paper programs with a maximum ceiling on 6,000 million, of which Euro 2,322 million drawn at June 30, 2020 (Euro 500 million drawn at December 31, 2019).

Furthermore, Enel S.p.A. has confirmed through a letter dated 4 March 2020 its commitment to explicitly provide the Company with the financial support until the date of approval of full year 2020 financial statements of the Company.

### *Maturity analysis*

The table below summarizes the maturity profile of the Company's long-term debt on contractual undiscounted payments.

Millions of Euro	Maturing in					
	2021	2022	2023	2024	2025	Beyond
<i>Bond</i>						
Listed Bond (Fixed rate)	533	2,077	974	3,393	2,643	6,019
Listed Bond (Floating rate)	-	150	150	100	50	-
Unlisted Bond (Fixed rate)	-	1,836	2,233	1,340	1,340	7,759
<b>Total Bond</b>	<b>533</b>	<b>4,063</b>	<b>3,357</b>	<b>4,833</b>	<b>4,032</b>	<b>13,778</b>

## Notes to the financial statements

### 1 Result from operating activities – Euro (1) million

Result from operating activities is negative for Euro 1 million in line with the same period previous year and refer to services and to personnel costs.

### 2 Interest income/ (expense) other other financial income/(expense) – Euro 608 million

Millions of euro	1st half		
	2020	2019	Change
<b>Financial income:</b>			
Interest income			
- interest income on long-term financial assets	400	471	(71)
- interest income on short-term financial assets	33	216	(183)
Total interest income	433	687	(254)
Other financial income			
- sundry financial income	709	-	709
- positive exchange rate differences	218	105	113
- impairment reversal of financial assets	8	3	5
Total other financial income	935	108	827
<b>Total interest income and other financial income</b>	<b>1,368</b>	<b>795</b>	<b>573</b>
<b>Financial expense:</b>			
Interest expense			
- interest expense on borrowings	(36)	(40)	4
- interest expense on bonds	(588)	(569)	(19)
- interest expense on commercial papers	1	2	(1)
Total interest expense	(623)	(607)	(16)
Other financial expenses			
- negative exchange rate differences	(133)	(124)	(9)
- sundry financial income	(4)	-	(4)
Total other financial expenses	(137)	(124)	(13)
Total other financial expenses	(133)	(124)	(9)
<b>Total interest expense and other financial expense</b>	<b>(760)</b>	<b>(731)</b>	<b>(29)</b>
<b>Net interest income (expense) and other financial income (expense)</b>	<b>608</b>	<b>64</b>	<b>544</b>

Net interest income (expense) and other financial income (expense) increased by Euro 544 and totaled to Euro 608 million.

More specifically, this was attributed to combined effect of:

- an income in amount of Euro 709 million reflecting the effects of the sale of loans of E-Distribuzione S.p.A, Enel Produzione S.p.A. and Enel Sole S.r.l to Enel Italia
- an decrease of Euro 254 million in interest income mainly associated with the variation mainly attributed to interest income from Enel subsidiaries and affiliates incorporated in in Brazil (Euro 109 million), in Spain (Euro 92 million), in Italy (Euro 45 million), Mexico (Euro 5 million) Chile (Euro 4 million) and South Africa (Euro 4 million). The above mentioned decrease was partly

offset by interest income increase from Enel subsidiaries and affiliates incorporated in the Netherlands (Euro 5 million).

- an increase of Euro 16 million in interests expenses mainly associated with SDG bonds issued in (Euro 33 million), increase of interest due to one addition day in leap year (Euro 2 million) and increase of interests expenses from commercial papers (Euro 1 million). This increase partly offset by a decrease of interest expenses associated to the bonds repaid in 2019 and early 2020 (Euro 12 million) interest expenses for GBP bonds due to GBP depreciation (Euro 4 million), netative interest expenses associated to cash collaterals (Euro 4 million);
- an improvement by Euro 5 million in impairment allowance mainly reflecting change in structure of short-term revolving credit lines and loans granted to Enel Group Companies.
- An increase by Euro 104 million of expenses in net exchange rate differences. Net exchange rate differences amounted to Euro 85 million and consisted of: the positive revaluation of the bonds denominated in foreign currencies (Euro 123 million) and negative foreign currency evaluation of non-euro group portfolio (Euro 38million).

The amount of the foreign exchange losses Euro 126 million arisen from the revaluation of notional value of bonds are entirely neutralized by the same amount recycled to the Cash Flow Hedge equity reserve.

### 3. Financial income/(expense) from derivatives –Euro (12) million

Millions of euro	1st half		
	2020	2019	Change
<b>Financial income from derivatives:</b>			
- income from cash flow hedge derivatives	223	240	(17)
- income from derivatives at fair value through profit or loss	136	131	5
<b>Total finance income from derivatives</b>	<b>359</b>	<b>371</b>	<b>(12)</b>
<b>Financial expense from derivatives:</b>			
- expenses from cash flow hedge derivatives	(228)	(159)	(69)
- expenses from derivatives at fair value through profit or loss	(143)	(173)	30
<b>Total financial expense from derivatives</b>	<b>(371)</b>	<b>(332)</b>	<b>(39)</b>
<b>Net income/(expense) from derivatives</b>	<b>(12)</b>	<b>39</b>	<b>(51)</b>

Net expense on cash flow hedge derivatives totaled to negative Euro 5 million (net income of Euro 81 million in the first half of of 2019) and mainly related to exchange rates and net realized income. Derivatives at fair value through profit or loss resulted in net expense of Euro 7million (Euro 42 million in the first half of 2019).

For more detail about derivative financial instruments, please refer to the note 16 and 17.

### 4 Income tax (income)/expenses – Euro 155 million

Millions of euro	1st half		
	2020	2019	Change
Profit before income taxes	595	102	493
Withholding tax on foreign interests	9	29	(20)
Curent income tax	143	17	126
Deferred tax assets	3	2	1
<b>Income taxes</b>	<b>155</b>	<b>48</b>	<b>107</b>
<i>Effective tax rate</i>	<i>26%</i>	<i>47%</i>	

Income tax for the first half of 2020 totaled to Euro 155 million (Euro 48 million for the first half of 2019) from which Euro 9 million (Euro 29 million for the first half of 2019) referred to withholding tax.

The effective tax rate amounted to 26% (46% for the first half of 2019).

## 5 Deferred tax assets (liabilities) – Euro 370 million

Changes in deferred tax assets and deferred tax liabilities, grouped by type of temporary difference, are shown below.

Millions of euro

	at Dec.31, 2019	Increase/ (Decrease) taken to income statement	Increase/ (Decrease) taken to equity	at Jun. 30, 2020
<b>Deferred tax asset</b>				
<b>Nature of temporary differences:</b>				
- derivatives	311	-	(247)	64
- losses with deferred deductibility	16	(3)		13
<b>Total deferred tax assets</b>	<b>327</b>	<b>(3)</b>	<b>(247)</b>	<b>77</b>
<b>Deferred tax liability</b>				
<b>Nature of temporary differences:</b>				
- measurement of financial instruments	(9)	-	-	(9)
<b>Total deferred tax liabilities</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>(9)</b>
<b>Net deferred tax asset</b>	<b>318</b>	<b>(3)</b>	<b>(247)</b>	<b>68</b>

At 30 June 2020 net deferred tax assets in amount of Euro 68 million dropped by Euro 250 million following the combined effect of the decrease of deferred tax asset connected with the fair value measurement of cash flow hedge operations (Euro 247 million), absorption of prior years tax losses (Euro 3 million).

On a basis of current estimates of future taxable income there is a reasonable certainty of recoverability of deferred tax assets.

## 6 Long-term loans and financial receivables including portion falling due within twelve month – Euro 26,133 million

Long-term financial receivables totaled to Euro 26,133 million, having a decrease of Euro 809 million compared to December 31, 2019.



Following table represents to medium long-term loans granted to Enel Group and affiliated companies:

Millions of Euro	at June. 30, 2020	at Dec. 31, 2019	Change
Enel S.p.A.	5,179	6,095	(916)
Enel Italia S.p.A.	8,750	-	8,750
Enel Iberia Srl	3,879	4,054	(175)
Enel Green Power S.p.A.	1,798	3,189	(1,391)
Endesa SA	3,000	3,000	-
Enel Green Power del Sur SpA (Parque Eólico Renaico SpA)	576	574	2
Enel Chile SA	893	356	537
Slovak Power Holding BV	444	351	93
Energía Limpia de Palo Alto S de RL de Cv	131	138	(7)
Enel Green Power Hellas SA	169	170	(1)
Enel Green Power México S de RL de Cv	121	125	(4)
PH Chucas SA	83	90	(7)
Energías Renovables La Mata SAPI de Cv	86	90	(4)
Energia Limpia de Amistad S de RL de CV	71	81	(10)
Dolores Wind SA DE CV	47	76	(29)
Parque Salitrillos SA de Cv	71	69	2
EGP Magdalena Solar SA DE CV	76	67	9
Parque Amistad II SA DE CV	19	45	(26)
Dominica Energía Limpia S de RL de Cv	37	44	(7)
Villanueva Solar SA de CV	41	40	1
Enel Green Power Panama SA	37	39	(2)
Parque Amistad III SA DE CV	15	35	(20)
Vientos del Altiplano S de RL de Cv	23	28	(5)
Parque Solar Villanueva Tres SA de CV	28	27	1
COHUNA SOLAR FARM PT	25	19	-
Parque Solar Don Jose SA de CV	16	16	0
Enel X Korea Ltd	5	5	-
NGONYE POWER COMPANY Ltd	2	2	-
JUICENET GMBH	1	-	1
E-Distribuzione S.p.A.	-	5,500	(5,500)
Enel Sole S.r.l.	-	100	(100)
Parque Amistad IV SA DE CV	-	8	(8)
<b>Total</b>	<b>25,623</b>	<b>24,433</b>	<b>1,190</b>
Expected credit loss	(29)	(35)	6
<b>Total loans net of impaired</b>	<b>25,594</b>	<b>24,398</b>	<b>1,196</b>

Short-term portion of long-term loans represented in the table below:

Millions of euro	at June. 30, 2020	at Dec. 31, 2019	Change
<b>Short-term portion of long-term loans</b>			
Enel Iberia Srl	350	350	-
Enel Green Power S.p.A.	68	68	-
Enel S.p.A.	46	46	-
Enel Green Power Colombia SAS	27	39	(12)
PH Chucas SA	13	13	-
Enel Green Power México S de RL de Cv	9	9	-
Energías Renovables La Mata SAPI de Cv	8	8	-
Energía Limpia de Palo Alto S de RL de Cv	7	7	-
Enel Green Power Panama SA	5	5	-
Parque Salitrillos SA de Cv	3	1	2
Enel Green Power Hellas SA	2	2	-
COHUNA SOLAR FARM PTY LTD	1	-	1
Enel Produzione S.p.A.	-	2,000	(2,000)
<b>Total</b>	<b>539</b>	<b>2,548</b>	<b>(2,009)</b>
Expected credit loss	-	(4)	4
<b>Total loans net of impaired</b>	<b>539</b>	<b>2,544</b>	<b>(2,005)</b>

In frame of corporate reorganisation of companies in Country Italy and Country North America, several loans initially granted to Enel S.p.A. have been transferred by Enel S.p.A. to Enel Italia S.p.A. in amount of Euro 2,400 million. Loans initially granted to Enel Green Power International S.p.A. has been transferred to Enel S.p.A. in amount of Euro 1,358 million.

Loans granted to E-Distribuzione S.p.A, Enel Produzione S.p.A and Enel Sole S.p.A. with outstanding nominal value of Euro 7,600 million were sold to Enel Italia S.p.A.

During first half of 2020 the average fixed or floating interest rates amounted to 2.01% for loans nominated in EUR, 2.25% for loans nominated in AUD, 3.46% loans nominated in USD, 12.18% loans nominated in MXN and 25.90% loans nominated in ZMW.

## 7. Derivatives – Euro 1,464 million

Derivative instruments refer to: (i) Cash flow hedge derivatives used by the Company to hedge the exchange rate and interest rate fluctuations of bonds and long-term loans or receivables; (ii) derivatives at fair value through profit and loss used by the Company to mitigate the loan interest rate fluctuations.

Millions of euro	Non Current		Current	
	at Jun. 30., 2020	at Dec 31., 2019	at Jun. 30, 2020	at Dec 31., 2019
Derivative financial assets	1,519	493	13	23
Derivative financial liabilities	(877)	(841)	(14)	(5)

For more details about the nature, the recognition and classification of derivative financial assets and liabilities, please refer to the note 17.

## 8 Other non-current financial assets – Euro 39 million

Other non-current financial assets totaled Euro 39 million as at 30 June 2020 (Euro 41 million as at 31 December 2019) is accounted for transaction costs on Euro 10 billion revolving credit facility agreed on December 18, 2017 between Enel SpA, Enel Finance International N.V. and Mediobanca (Euro 1 million) and prepaid expenses of derivative agreements (Euro 1 million)

## 9 Short-term loans and financial receivables – Euro 9,888 million

Short-term loans and revolving credit lines granted to the Enel Group companies and associated companies totaled to Euro 9,888million, having an increase by Euro 1,419 million.

Millions of euro	at June. 30, 2020	at Dec. 31, 2019	Change
<b>Short-term loans</b>			
Enel S.p.A. - Financial Services Agreement	7,079	5,136	1,943
Revolving short-term facility agreement with Enel Green Power S.p.A.	1,225	2,000	(775)
Revolving short-term facility agreement with Enel Global Trading S.p.A.	800	600	200
Revolving short-term facility agreement with Enel Green Power Perú SA	142	157	(15)
Revolving short-term facility agreement with Enel Green Power Hellas Sa	152	152	-
Revolving short-term facility agreement with Enel Green Power Canada Inc	110	111	(1)
Revolving short-term facility agreement with Enel Green Power México S de RL de Cv	148	105	43
Revolving short-term facility agreement with Enel Americas SA	134	-	134
Revolving short-term facility agreement with EPM EOLICA DOLORES S	1	72	(71)
Revolving short-term facility agreement with EGP Magdalena Solar SA DE CV	9	56	(47)
Revolving short-term facility agreement with Enel Green Power RSA	3	29	(26)
Revolving short-term facility agreement with Enel Rinnovabile,S.A. de C.V.	17	17	-
Revolving short-term facility agreement with PARQUE AMISTAD II SA	15	10	5
Revolving short-term facility agreement with PARQUE AMISTAD III SA	19		
Revolving short-term facility agreement with PARQUE AMISTAD IV SA	9		
Revolving short-term facility agreement with Enel Green Power Bulgaria EAD	4	9	(5)
Revolving short-term facility agreement with Tynemouth Energy Storage Limited	8	9	(1)
Revolving short-term facility agreement with KINO Contractor,S.A. de C.V.	8	8	-
Other short term loans granted to Enel Group affiliates	20	11	9
<b>Total short term loans</b>	<b>9,903</b>	<b>8,482</b>	<b>1,421</b>
Expected credit loss	(15)	(13)	(2)
<b>Total loans net of impaired</b>	<b>9,888</b>	<b>8,469</b>	<b>1,419</b>

The table below reports the short-term financial instruments granted to the Enel Group companies:

Facility Agreements denominated in Euro	Financial relationship	Commitment amount as at 30 Jun 2020	Rate of Interest	Spread as at 30 Jun 2020	Commitment fee as at 30 Jun 2020
Endesa SA	Revolving credit facility	1000	EUR EURIBOR	0,0055	0,0018
Endesa SA	Revolving credit facility	700	EUR EURIBOR 1/3/6M	0,008	0,0025
Enel Green Power Bulgaria EAD	Revolving credit facility	9	EUR EURIBOR 3M	0,0095	35% of the margin
Enel Green Power Hellas SA	Revolving credit facility	16,05	EUR EURIBOR 3M	0,0095	35% of the margin
Enel Green Power Hellas SA	Revolving credit facility	2,65	EUR EURIBOR 3M	0,0095	35% of the margin
Enel Green Power Hellas SA	Revolving credit facility	20	EUR EURIBOR 3M	0,0095	35% of the margin
Enel Green Power Hellas SA	Revolving credit facility	23,2	EUR EURIBOR 3M	0,0095	35% of the margin
Enel Green Power Hellas SA	Revolving credit facility	3,4	EUR EURIBOR 3M	0,0095	35% of the margin
Enel Green Power Hellas SA	Revolving credit facility	35	EUR EURIBOR 3M	0,0095	35% of the margin
Enel Green Power Hellas SA	Revolving credit facility	39,5	EUR EURIBOR 3M	0,0095	35% of the margin
Enel Green Power Hellas SA	Revolving credit facility	5,55	EUR EURIBOR 3M	0,0095	35% of the margin
Enel Green Power Hellas SA	Revolving credit facility	6,3	EUR EURIBOR 3M	0,0095	35% of the margin
Enel Global Trading SPA	Revolving credit facility	800	EUR EURIBOR 1M	0,031	35% of the margin
Juice Net (Germany)	Revolving credit facility	1	EUR EURIBOR 3M	0,007	35% of the margin
Facility Agreements denominated in USD\$	Financial relationship	Commitment amount as at 30 Jun 2020	Rate of Interest	Spread as at 30 Jun 2020	Commitment fee as at 30 Jun 2020
Kino Contractor SA DE CV	Revolving credit facility	20	USD LIBOR 3M	0,0496	35% of the margin
EPM Eolica Dolores SA DE CV	Revolving credit facility	110	USD LIBOR 3M	0,0197	35% of the margin
EGP Magdalena Solar S.A de C.V	Revolving credit facility	70	USD LIBOR 3M	0,0263	35% of the margin
Enel Chile	Revolving credit facility	290	USD LIBOR 1/3/6M	0,014	35% of the margin
Enel Chile	Revolving credit facility	50	USD LIBOR 1/3/6M	0,009	35% of the margin
Enel Green Power Mexico S.A.	Revolving credit facility	220	USD LIBOR 3M	0,043	35% of the margin
Parque Amistad II SA DE CV	Revolving credit facility	65	USD LIBOR 3M	0,0197	35% of the margin
Parque Amistad III SA DE CV	Revolving credit facility	65	USD LIBOR 3M	0,0197	35% of the margin
Parque Amistad IV SA DE CV	Revolving credit facility	115	USD LIBOR 3M	0,0263	35% of the margin
Enel Rinnovable SA DE CV	Revolving credit facility	20	USD LIBOR 3M	0,043	35% of the margin
Enel Green Power Panama S.A.	Revolving credit facility	15	USD LIBOR 3M	0,01	35% of the margin
Enel Green Power Peru S.A.	Revolving credit facility	225	USD LIBOR 3M	0,025	35% of the margin
EGP Argentina	Revolving credit facility	7	USD LIBOR 3M	0,01	35% of the margin
Parque Eolico Pampa S.A	Revolving credit facility	7	USD LIBOR 3M	0,01	35% of the margin
EL Paso Solar	Revolving credit facility	20	USD LIBOR 3M	0,036	35% of the margin
Chuchas	Revolving credit facility	10	USD LIBOR 3M	0,0112	35% of the margin
EPM Eolica Dolores SA DE CV	Loan	85	USD LIBOR 3M	0,037	35% of the margin
Parque Amistad II SA DE CV	Loan	50	USD LIBOR 3M	0,037	35% of the margin
Parque Amistad III SA DE CV	Loan	50	USD LIBOR 3M	0,037	35% of the margin
Parque Amistad IV SA DE CV	Loan	45	USD LIBOR 3M	0,045	35% of the margin

Facility Agreements denominated in CAD	Financial relationship	Commitment amount as at 30 Jun 2020	Rate of Interest	Spread as at 30 Jun 2020	Commitment fee as at 30 Jun 2020
Enel Green Power Canada	Revolving credit facility	170	CAD CDOR 3M	0,0155	35% of the margin
Facility Agreements denominated in GBP	Financial relationship	Commitment amount as at 31 Dec 2019	Rate of Interest	Spread as at 31 Dec 2019	Commitment fee as at 31 Dec 2019
Tynemouth Energy Storage Lmtd	Revolving credit facility	8	GBP LIBOR 3M	0,012	35% of the margin
Facility Agreements denominated in ZAR	Financial relationship	Commitment amount as at 31 Dec 2019	Rate of Interest	Spread as at 31 Dec 2019	Commitment fee as at 31 Dec 2019
EGP RSA PTY LTD	Revolving credit facility	1800	ZAR JIBAR 3M	0,0522	35% of the margin
Facility Agreements denominated in BRL	Financial relationship	Commitment amount as at 31 Dec 2019	Rate of Interest	Spread as at 31 Dec 2019	Commitment fee as at 31 Dec 2019
Enel Brasil	Revolving credit facility	800	BRL	0,00753	35% of the margin

## 10 Other current financial assets – Euro 541 million

Millions of euro

	at June.30, 2020	at Dec.31, 2019	Change
Cash collateral on derivatives	347	575	(228)
Current financial accrued income	194	218	(24)
<b>Total other current financial assets</b>	<b>541</b>	<b>793</b>	<b>(252)</b>

Other current financial assets decreased by Euro 252 million comparing with December 31, 2019 due a decrease of Euro 228 million in cash collateral paid to counterparties in over-the-counter derivatives transactions on interest rates and exchange rates and a decrease of Euro 24 million in accrued income related to the long-term loan and short-term credit lines granted to Enel Group subsidiaries and affiliates.

While other current financial assets are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

## 11 Cash and cash equivalents – Euro 185 million

Cash and cash equivalent represent the cash availability deriving by the turnover of lending portfolio of the Company, temporary not invested in lending activities within Enel Group and placed in time deposits operations with primary bank counterparties.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Cash balances are mostly denominated in euro. Cash balances are not restricted by any encumbrances.

## 12 Shareholder's equity – Euro 3,202 million

### Share capital – Euro 1.479 million

The authorized share capital of the company amounts to Euro 2.500 million, divided into 2.500 million of shares, each share with a nominal value of Euro 1,0 each.

The issued and paid-up share capital amounts to Euro 1.478,8 million represented by 1.478.810.371 shares with nominal value of Euro 1,0 each increased by 1 share as a result of demerger of Enel Green Power International B.V.

Legal reserves includes reserves such as share premium reserve, reserve from effective portion of change in the fair value of cash flow hedges and reserve from cost of hedging.

### Share premium reserve (legal reserve) – Euro 1,026 million

The reserve arises from the cross-border merger finalized during 2010 between Enel Finance International S.A. and Enel Trading RUS B.V. (Euro 43 million) and demerger of net assets from Enel Green Power International B.V. in October 2016 (Euro 983 million).

### Reserve from effective portion of change in the fair value of cash flow hedges (legal reserve) – Euro 39 million

The reserve includes the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions. As at 30 June 2020 the reserve totaled to Euro 50 million comparing with negative Euro 1,329 as at 31 December 2019. Deferred tax assets attributed to this reserve totaled to negative Euro 11 million (Euro 288 million as at 31 December 2019).

### Reserve from cost of hedge (legal reserve) – Euro (270) million

The reserve includes the "basis spread element" of the fair value of hedging instruments. As at 30 June 2020 the "basis spread element" totaled to Euro 344 million comparing with Euro 105 as at 31 December 2019. Deferred tax assets attributed to this reserve totaled to Euro 75 million (as at 31 December 2019: Euro 23 million).

### Capital Management

It is policy of the Company to maintain a strong capital base to preserve creditors and market confidence and so sustain future development of the business. The Board of Directors monitors the return on capital that the Company defines as total shareholder's equity, and the level of dividends to ordinary shareholders.

The return of capital is calculated as a percentage of financial result on total equity net of cash flow hedge reserve excluded in this key performance indicator because Company's management preferred to exclude evaluation equity reserves which might be quite volatile over the periods:

Millions of euro	at June.30, 2020	at Dec.31, 2019
Total Equity	3,202	1,870
Cash flow hedge reserve	(231)	(1,123)
Adjusted equity	3,433	2,993
Net financial result	440	80
<b>Return of capital (*)</b>	<b>2%</b>	<b>2%</b>

\* Key Performance Indicator determined on a yearly basis.

The Board's objective is to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Company's approach to capital management during first half of 2019. The Company is not subject to externally imposed capital requirements.

### 13 Long-term loans and borrowings (including the portion falling due within twelve months) – Euro 29,996 million

This note provides information about the contractual terms of the Company's interest bearing loans and borrowings, which are measured at amortised cost. For more information about the Company's exposure to interest rate, foreign currency and liquidity risk see paragraph "Risk management".

The aggregate includes long-term payables in respect of bonds, bank loans, revolving credit facility and other loans in Euro and other currencies.

The following table shows the nominal values, carrying amounts of long-term debt at 30 June 2019, including the portion falling due within 12 months, grouped by type of borrowing and type of interest rate:

Millions of Euro								
	Balance	Nominal value	Portion falling due after more than 12 months	Current portion	Balance	Nominal value	Portion falling due after more than 12 months	Current portion
	at June. 30, 2020	at June. 30, 2020	at June. 30, 2020	at June. 30, 2020	at Dec. 31, 2019	at Dec. 31, 2019	at Dec. 31, 2019	at Dec. 31, 2019
<i>Bond</i>								
Listed Bond (Fixed rate)	15,134	15,638	15,134	-	15,934	16,483	15,260	674
Listed Bond (Floating rate)	447	450	447	-	447	450	447	-
Unlisted Bond (Fixed rate)	14,415	14,508	14,415	-	14,359	14,458	14,359	-
<b>Total Bond</b>	<b>29,996</b>	<b>30,596</b>	<b>29,996</b>	<b>-</b>	<b>30,740</b>	<b>31,391</b>	<b>30,066</b>	<b>674</b>

At 30 June 2020 fair value of fixed rated bond amounted to 34,219 million (Euro 34,328 million at 31 December 2019). Fair value of variable rate bonds totaled to 479 million (Euro 483 million at 31 December 2019).

The table below reports long-term financial debt by currency and interest rate.

Millions of Euro					
	at June. 30, 2020		at Dec. 31, 2019		at June. 30, 2020
	Balance	Nominal value	Balance	Current average interest rate	Effective interest rate
<i>Total Euro</i>	13,012	13,505	13,547	2.43%	3.18%
US dollar	14,206	14,291	14,155	4.13%	4.30%
British pound	2,445	2,467	2,619	5.70%	5.82%
Swiss Franc	333	333	419	1.81%	1.84%
<i>Total non-Euro currencies</i>	<i>16,984</i>	<i>17,091</i>	<i>17,193</i>		
<b>Total</b>	<b>29,996</b>	<b>30,596</b>	<b>30,740</b>		

The table below reports changes in the nominal value of long-term debt during the year.

	Nominal value	New financing	Capitalised interests on ZCB	Repayments	Exchange rate differences	Nominal value
	<b>at Dec. 31, 2019</b>					<b>at June. 30, 2020</b>
Bonds in non-Euro currencies and Euro currency	31,391	-	5	(675)	(125)	30,596
<b>Total long-term financial debt</b>	<b>31,391</b>	<b>-</b>	<b>5</b>	<b>(675)</b>	<b>(125)</b>	<b>30,596</b>

### Debt covenants

The main long-term financial debts of the Company are governed by covenants containing undertakings by the borrowers (Enel S.p.A. and the Company) and by Enel S.p.A. as guarantor that are commonly adopted in international business practice. The main covenants for the Company are related to the bond issues carried out within the Euro / Global Medium-Term Notes Programme and the Revolving Facility Agreement executed on December 18, 2017 by Enel S.p.A. and the Company with a pool of banks of up to Euro 10 billion.

For more detailed description, please see the 2019 financial statements.

### 14 Short-term loans and borrowings – Euro 3,633 million

Millions of Euro	<b>at Jun. 30, 2020</b>	at Dec. 31, 2019	Change
Short-term borrowings from Enel Group companies	430	2,547	(2,117)
Commercial papers	2,322	500	1,821
Cash collaterals on derivatives	881	292	589
<b>Short-term financial debt</b>	<b>3,633</b>	<b>3.339</b>	<b>294</b>

### Short-term borrowings

Short-term borrowings from Enel Group companies decreased by Euro 2,117 million due to a combined effect of new borrowings and repayments



The table below summarises the main borrowings and repayments made in the first half of 2020:

Millions of Euro

	Original currency	Euro countervalue at 30 June 2020	Euro countervalue at 31 Dec 2019	Change
Enel Servizio Elettrico S.p.A.	Euro	-	2,132	(2,132)
Enel Green Power Romania Srl	Euro	124	126	(2)
Proveedora de Electricidad de Occidente S de RL de Cv	USD	-	117	(117)
Enel Iberia S.r.l.	Euro	77	84	(7)
Enel Green Power México S de RL de Cv	USD, MXN	115	-	115
Generadora Montecristo SA	USD, MXN	38	33	5
Enek Fortuna SA	USD	36	27	9
Parque Amistad IV SA DE CV	USD	27	13	14
Enel Green Power Costa Rica SA	USD	4	5	(1)
Enel Investment Holding B.V.	Euro	3	5	(2)
Kongul Enerji Sanayive Ticaret Anonim S,irket	TRY	4	5	(1)
Enel Green Power Australia PTY LT	AUD	2	-	2
<b>Total</b>		<b>430</b>	<b>2,547</b>	<b>(2,117)</b>

### Commercial Papers

The payables represented by commercial papers relate to outstanding issuances at 30 June 2020 in the context of the Euro Commercial Paper Programme (hereinafter, also "ECP Programme"), launched in 2005 by the Company and guaranteed by Enel S.p.A.

Under the ECP Programme the Company can issue short-term promissory notes issued in the interest-bearer form up to an amount of Euro 6.000 million. Each note can be denominated in any currency, with a minimum denomination of Euro 500.000 (or GBP 100.000, or USD 500.000, or JPY 100 million or its equivalent in the relevant currency) and a maturity between one day and one year. The notes may be issued on a discounted basis or may bear fixed or floating interest rate or a coupon calculated by reference to an index or formula, and are not listed on any stock exchange.

The total nominal value of commercial papers issued and not yet reimbursed as of 30 June 2020 was Euro 2,322 million (Euro 500million at 31 December 2019).

### 15 Other current financial liabilities – Euro 479 million

Other current financial liabilities amounted to Euro 479 million and increased by Euro 61 million and mainly related to interest expenses accrued on debt outstanding at 30 June 2020.

### 16 Fair value measurement

In compliance with the disclosure requirements under paragraph 15B 9(k) of IAS 34, the Company determines fair value in conformity with IFRS 13 any time that treatment is required by an international accounting standard.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability. The best estimate is the market price, i.e. its current price, publicly available and effectively traded on an active, liquid market.

The fair value of assets and liabilities is categorized into a fair value hierarchy that provides three levels defined as follows on the basis of the inputs to valuation techniques used to measure fair value:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities to which the company has access at the measurement date;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no changes in the level of the fair value hierarchy used for purposes of measuring financial instruments compared with the most recent annual report. The methods used in measuring Level 2 and 3 fair value are consistent with those used in the most recent annual report.

## 17 Hedging activities and derivatives

For a more complete discussion of the hedging instruments used by the Company to manage the various risks associated with its business, please see the financial statements at 31 December 2019.

The following table reports the fair value of derivative contracts broken down by type of risk and designation.

Millions of euro	Non Current				Current			
	Notional amount		Fair value		Notional amount		Fair value	
	at June. 30, 2020	31 Dec 2017	at June. 30, 2020	31 Dec 2017	at June. 30, 2020	31 Dec 2017	at June. 30, 2020	31 Dec 2017
<b>DERIVATIVE ASSETS</b>								
<b>Cash flow hedge</b>								
on interest rate risk	804	831	58	39	-	-	-	-
on foreign exchange risk	14,414	8,134	1,380	411	-	92	-	9
<b>Total</b>	<b>15,218</b>	<b>8,964</b>	<b>1,438</b>	<b>450</b>	<b>-</b>	<b>92</b>	<b>-</b>	<b>9</b>
<b>At fair value through profit or loss</b>								
on interest rate risk	488	486	80	43	-	-	-	-
on foreign exchange risk	-	-	-	-	994	2,691	13	14
<b>Total</b>	<b>488</b>	<b>486</b>	<b>80</b>	<b>43</b>	<b>994</b>	<b>2,691</b>	<b>13</b>	<b>14</b>
<b>TOTAL DERIVATIVE ASSETS</b>	<b>15,706</b>	<b>9,451</b>	<b>1,518</b>	<b>492</b>	<b>994</b>	<b>2,783</b>	<b>13</b>	<b>23</b>
<b>DERIVATIVE LIABILITIES</b>								
<b>Cash flow hedge</b>								
on interest rate risk	1,900	1,900	(208)	(175)	-	-	-	-
on foreign exchange risk	2,678	9,084	(588)	(621)	-	-	-	-
<b>Total</b>	<b>4,578</b>	<b>10,984</b>	<b>(795)</b>	<b>(796)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At fair value through profit or loss</b>								
on interest rate risk	488	486	(82)	(45)	-	-	-	-
on foreign exchange risk	-	-	-	-	2,308	650	(14)	(5)
<b>Total</b>	<b>488</b>	<b>486</b>	<b>(82)</b>	<b>(45)</b>	<b>2,308</b>	<b>650</b>	<b>(14)</b>	<b>(5)</b>
<b>TOTAL DERIVATIVE LIABILITIES</b>	<b>5,065</b>	<b>11,470</b>	<b>(877)</b>	<b>(841)</b>	<b>2,308</b>	<b>650</b>	<b>(14)</b>	<b>(5)</b>

## 18 Related parties

Transactions between Enel Finance International N.V. and other companies of Enel Group involve Financing and Treasury management.

The main activity of Enel Finance International N.V. is to operate as financing company of the Enel Group, raising funds through bonds issuance, loans and other facilities and on turn lending the funds so raised to the companies belonging to Enel Group.

Enel Finance International N.V. is also part of the centralizing financial flow process and acts as the primary reference for the management of financial needs or liquidity generated by the entities that operate outside of Italy and are part of Enel Group.

The company enters into plain vanilla transaction with Enel S.p.A., such as currency forwards and cross currency interest rate swaps in order to mitigate the interest and exchange rates risks.

These transactions are part of the ordinary operations of the Company and are settled on the basis of Standard intra-Group contract market prices.

Enel Finance International N.V. has no business relations with Key management during the financial year.

The following table summarizes the financial relationships between the Company and its related parties at 30 June 2020 and comparative period respectively:

Millions of euro	Receivables at Dec. 31, 2020	Payables	Income 1H2020	Cost
<b>Shareholder</b>				
Enel S.p.A	12,332	144	73	43
<i>(Subtotal)</i>	<i>12,332</i>	<i>144</i>	<i>73</i>	<i>43</i>
<b>Other affiliated companies</b>				
e-distribuzione SpA	-	-	102	(9)
Enel Iberia SRL	4241	77	15	-
Enel Green Power Bulgaria EAD	4	-	-	-
Enel Fortuna SA	-	36	1	1
ENEL INVESTMENT HOLDING BV	-	5	-	-
Enel Green Power Panama SA	43	-	2	-
Enel Produzione IT	-	-	32	(3)
Enel Italia Srl IT	8772	-	755	8
Servizio Elettrico Nazionale SpA	-	-	-	1
Enel Sole Srl	-	-	1	-
Enel Global Trading Spa IT	797	-	11	1
Kongul Enerji Sanayi Ve Ticaret Anonim Sirketi	-	4	1	-
Generadora Montecristo, S.A.	-	38	-	-
PH Chucas S.A.	102	-	4	-
Enel Green Power Peru Sa (USD)	142	-	6	-
Endesa SA	3013	-	43	-
Enel Green Power Chile SA	575	-	10	-
Enel Green Power Canada Inc.	111	-	4	6
Enel Green Power Costa Rica S.A.	-	4	-	-
Enel Green Power Romania Srl	-	124	1	-
Enel Green Power Mexico S de RL de CV	277	115	17	5
Provedora de Electricidad de Occidente Srl de cv	-	-	6	9
Dominica Energia Limpia S. de R.L. de C.V.	37	-	3	8
Energias Renovables La Mata SAPI de CV	94	-	4	-
Energia Limpia De Palo Alto, S. De R.L. De C.V.	159	-	5	3
Vientos de Altiplano, S. de R.L. de C.V.	23	-	2	5
Villanueva Solar, S.A. De C.V.	43	-	2	-
Parque Solar Villanueva Tres, S.A. De C.V.	29	-	1	-
Parque Solar Don Jose, S.A. De C.V.	17	-	1	-
Enel Green Power Rsa (PTY) Ltd	3	-	1	1
Enel Green Power Hellas Sa	325	-	11	-
Enel Chile S.A.	899	-	18	2
Enel Green Power Spa GLO	3210	-	55	(1)

Slovak Power Holding B.V.	455	-	12	-	
Energia Limpia de Amistad, S. de R.L. de C.V.	70	-	6	17	
Parque Salitrillos, S.A. de C.V.	80	-	2	1	
Enel Energia, S.A. de C.V.	-	-	1	-	
Enel Americas S.A.	134	-	-	3	
Ngonye Power Company Limited	2	-	-	1	
Enel Green Power Argentina Sa	4	-	-	-	
Enel Green Power Australia Pty Ltd	-	2	1	3	
Tynemouth Energy Storage Limited	8	-	-	1	
Enel X North America, Inc.	5	-	-	-	
Enel Rinnovabile, S.A. de C.V.	17	-	1	-	
Kino Contractor S.A. de C.V.	8	-	-	-	
Dolores Wind Sa De Cv	49	-	7	3	
Parque Amistad Ii Sa De Cv	34	-	2	1	
Parque Amistad Iii Sa De Cv	34	-	3	1	
Parque Amistad Iv Sa De Cv	9	27	6	3	
Parque Eolico Pampa Sa	4	-	-	-	
Egp Magdalena Solar SA de CV	84	-	5	1	
EnerNOC Ireland Limited	2	-	-	-	
Riverview Lp	-	-	-	1	
Finance America, Llc	-	-	1	4	
Juicenet GmbH	1	-	-	-	
Cohuna Solar Farm Pty Ltd	26	-	1	1	
Enel Green Power Colombia Sas Esp	27	-	1	-	
	<i>(Subtotal)</i>	<b>23,969</b>	<b>432</b>	<b>1,163</b>	<b>78</b>
<b>Total</b>		<b>36,301</b>	<b>576</b>	<b>1,236</b>	<b>121</b>

Millions of euro

	Receivables	Payables	Income	Cost	
	<b>at Dec. 31, 2019</b>		<b>1H2019</b>		
Shareholder					
Enel S.p.A	11,302	150	59	33	
	<i>(Subtotal)</i>	<b>11,302</b>	<b>150</b>	<b>59</b>	<b>33</b>
<i>Other affiliated companies</i>					
Villanueva Solar, S.A. De C.V.	41	-	10	-2	
Parque Solar Villanueva Tres, S.A. De C.V.	28	-	8	(2)	
Parque Solar Don Jose, S.A. De C.V.	16	-	6	(1)	
Energia Limpia de Amistad, S. de R.L. de C.V.	80	-	6	-	
Enel Green Power Peru Sa	156	-	9	-	
Slovak Power Holding B.V.	350	-	7	1	
Enel Green Power Romania Srl	-	126	1	1	
Parque Salitrillos, S.A. de C.V.	74	-	3	-	
Ngonye Power Company Limited	2	-	-	-	
Enel Green Power Argentina Sa	4	2	-	-	
Enel Green Power Australia Pty Ltd	1	-	1-	1-	
Enel Green Power Canada Inc.	111	-	8	4	
Tynemouth Energy Storage Limited	9	-	0	-	
Enel Green Power Australia Trust	-	-	-	-	
Enel X North America, Inc.	5	-	6	-	
Companhia Energetica Do Ceara - Coelce	-	-	5	-	
El Paso Solar Sas Esp	39	-	2	-	
Enel Rinnovabile, S.A. de C.V.	16	-	1	-	
Kino Contractor S.A. de C.V.	8	-	-	-	
Dolores Wind Sa De Cv	147	-	6	2	
Parque Amistad Ii Sa De Cv	55	-	4	2	
Parque Amistad Iii Sa De Cv	35	13	2	2	
Parque Amistad Iv Sa De Cv	8	-	3	2	
Enel Green Power Hellas Sa	325	-	11	-	
Endesa SA	3015	-	45	-	
Enel Brasil S.A	-	5	163	-	
e-distribuzione SpA	5,557	-	168	-	
Parque Eolico Pampa Sa	4	84	0	-	
Enel Iberia SRL	4,403	27	105	(1)	
Enel Fortuna SA	-	-	0	-	
Enel Green Power Bulgaria EAD	9	-	0	-	
Enel Green Power Spa IT	5,341	6	54-	-	
Enel North America, Inc.	-	-	2	1-	
Enel Green Power Panama SA	47	-	2	-	
Enel Produzione IT	2,016	-	56	-	
Servizio Elettrico Nazionale SpA	2,133	-	-	6	

Enel Sole Srl	101	-	1-	-
Egg Magdalena Solar SA de CV	122	-	2	2-
Enel Global Trading Spa IT	597	-	4	1
Eletropaulo Metropolitana Eletricidade De Sao Paulo S.A.	-	33	6	-
Generadora Montecristo, S.A.	-	-	-	1
Enel Green Power Mexico S de RL de CV	236	-	9-	1
PH Chucas S.A.	102	-	6	-
Cohuna Solar Farm Pty Ltd	20	-	-	-
Enel Green Power Cohuna Solar Holdings Pty Ltd	-	117	-	-
Provedora de Electricidad de Occidente Srl de cv	-	-	4	10-
Dominica Energia Limpia S. de R.L. de C.V.	44	-	4	-
Energias Renovables La Mata SAPI de CV	97	-	5	-
Enel Green Power Rsa (PTY) Ltd	29	-	6	1
Kongul Enerji Sanayi Ve Ticaret Anonim Sirketi	-	-	1	1
Enel Green Power Del Sur SpA	573	-	27	-
Energia Limpia De Palo Alto, S. De R.L. De C.V.	155	-	6	-
Vientos de Altiplano, S. de R.L. de C.V.	28	-	3	-
Enel Chile S.A.	356	-	2	6-
	(Subtotal)	26,495	413	780
<b>Total</b>		<b>37,797</b>	<b>563</b>	<b>839</b>
			<b>72</b>	

For further details of the each relation with related parties please refer to notes 6, 9, 14.

## 19 Contractual commitments and guarantees

The notes issued by the Company under the GMTN programme are guaranteed by Enel S.p.A. Commercial papers issued the context of the Euro Commercial Paper Programme launched in 2005 by the Company are also guaranteed by Enel S.p.A. Furthermore, Enel S.p.A has confirmed their commitment to provide the Company with support until next year's approval of the financial statements, should the Company remain under control of the Enel S.p.A. The Company has not given guarantees to third parties up to the reporting date.

## 20 Offsetting financial assets and financial liabilities

At 30 June 2020, the Company did not hold offset positions in assets and liabilities, as it is not the Enel policy to settle financial assets and liabilities on a net basis.

## 21 Compensation of Directors

The emoluments of the Company Directors as intended in Section 2:383 (1) of the Dutch Civil Code, which were charged in the first half of 2020, amounted to Euro 58 thousand (Euro 43.5 thousand in the first half of 2019) represented short-term employee benefits and summarized in the following table:

Thousands of euro	at Jun. 30,2020	at Jun. 30, 2019
A.J.M. Nieuwenhuizen	14.50	14.50
H. Marseille	14.50	14.50
E. Di Giacomo	14.50	14.50
J. Homan	14.50	-
A. Canta	-	-
<b>Total</b>	<b>58</b>	<b>43.5</b>

## 22 Contingent assets and liabilities

### BEG Litigation

Following an arbitration proceeding initiated by BEG SpA in Italy, Enelpower obtained a ruling in its favor in 2002, which was upheld by the Court of Cassation in 2010, which entirely rejected the complaint with regard to alleged breach by Enelpower of an agreement concerning the construction of a hydroelectric power station in Albania. Subsequently, BEG, acting through its subsidiary Albania BEG Ambient, filed suit against Enelpower and Enel SpA in Albania concerning the 320 Consolidated Annual Report 2019 matter, obtaining a ruling from the District Court of Tirana, upheld by the Albanian Court of Cassation, ordering Enelpower and Enel to pay tortious damages of about €25 million for 2004 as well as an unspecified amount of tortious damages for subsequent years. Following the ruling, Albania BEG Ambient demanded payment of more than €430 million from Enel. With a ruling of June 16, 2015, the first level was completed in the additional suit lodged by Enelpower SpA and Enel SpA with the Court of Rome asking the Court to ascertain the liability of BEG SpA for having evaded compliance with the arbitration ruling issued in Italy in favor of Enelpower SpA through the legal action taken by Albania BEG Ambient Shpk. With this action, Enelpower SpA and Enel SpA asked the Court to find BEG liable and order it to pay damages in the amount that the other could be required to pay to Albania BEG Ambient Shpk in the event of the enforcement of the sentence issued by the Albanian courts. With the ruling, the Court of Rome found that BEG SpA did not have standing to be sued, or alternatively, that the request was not admissible for lack of an interest for Enel SpA and Enelpower SpA to sue, as the Albanian ruling had not yet been declared enforceable in any court. The Court ordered the setting off of court costs. Enel SpA and Enelpower SpA appealed the ruling before the Rome Court of Appeal, asking that it be overturned in full. The next hearing, scheduled for November 13, 2019, was postponed until May 7, 2020. On November 5, 2016, Enel SpA and Enelpower SpA filed a petition with the Albanian Court of Cassation, asking for the ruling issued by the District Court of Tirana on March 24, 2009 to be voided. The proceeding is still pending.

### PROCEEDINGS UNDERTAKEN BY ALBANIA BEG AMBIENT SHPK TO OBTAIN ENFORCEMENT OF THE RULING OF THE DISTRICT COURT OF TIRANA OF MARCH 24, 2009

Albania BEG Ambient Shpk had initiated two proceedings requesting execution of the Albanian sentence before the courts of the State of New York and Ireland, which both ruled in favor of Enel SpA and Enelpower SpA, respectively, on February 23 and February 26, 2018. Accordingly, there are no lawsuits pending in Ireland or New York State.

### FRANCE

In February 2012, Albania BEG Ambient filed suit against Enel SpA and Enelpower SpA with the Tribunal de Grande Instance in Paris in order to render the ruling of the Albanian court enforceable in France. Enel SpA and Enelpower SpA challenged the suit. Following the beginning of the case before the Tribunal de Grande Instance, again at the initiative of BEG Ambient, between 2012 and 2013 Enel France was served with two "Saisie Conservatoire de Créances" (orders for the precautionary attachment of receivables) to conserve any receivables of Enel SpA in respect of Enel France. On January 29, 2018, the Tribunal de Grande Instance issued a ruling in favor of Enel and Enelpower, denying Albania BEG Ambient Shpk the recognition and enforcement of the Tirana court's ruling in France for lack of the requirements under French law for the purposes of granting exequatur. Among

other issues, the Tribunal de Grande Instance ruled that: (i) the Albanian ruling conflicted with an existing decision, in this case the arbitration ruling of 2002 and that (ii) the fact that BEG sought to obtain in Albania what it was not able to obtain in the Italian arbitration proceeding, resubmitting the same claim through Albania BEG Ambient Shpk, represented fraud. Albania BEG Ambient Shpk appealed the ruling. The hearing before the Paris Court of Appeal was originally scheduled on June 9, 2020 and then postponed with a date to be defined due to Covid-19 restrictions. The briefs are still being exchanged between the parties.

## THE NETHERLANDS

At the end of July 2014, Albania BEG Ambient Shpk filed suit with the Court of Amsterdam to render the ruling of the Albanian court enforceable in the Netherlands. On June 29, 2016, the court filed its judgment, which: (i) ruled that the Albanian ruling meet the requirements for recognition and enforcement in the Netherlands; (ii) ordered Enel and Enelpower to pay €433,091,870.00 to Albania BEG Ambient Shpk, in addition to costs and ancillary charges of €60,673.78; and (iii) denied Albania BEG Ambient Shpk's request to declare the ruling provisionally enforceable. On June 29, 2016, Enel and Enelpower filed appeals against the ruling of the Court of Amsterdam issued on the same date. On September 27, 2016, Albania BEG Ambient also appealed the court's ruling of June 29, 2016, to request the reversal of its partial loss on the merits. On April 11, 2017, the Amsterdam Court of Appeal granted the request of Enel and Enelpower to join to two pending appeals. In a ruling of July 17, 2018, the Amsterdam Court of Appeal upheld the appeal advanced by Enel and Enelpower, ruling that the Albanian judgment cannot be recognized and enforced in the Netherlands. The Court of Appeal found that the Albanian decision was arbitrary and manifestly unreasonable and therefore contrary to Dutch public order. For these reasons, the court did not consider it necessary to analyze the Enel Group Governance Strategy & Risk Management Performance & Metrics Outlook Consolidated financial statements Notes to the financial statements 321 Enel Group Governance Strategy & Risk Management Outlook Consolidated financial statements additional arguments of Enel and Enelpower. The proceeding before the Court of Appeal continued with regard to the subordinate question raised by Albania BEG Ambient Shpk in the appeal proceedings, with which it is asking the court to rule on the merits of the dispute in Albania and in particular the alleged non-contractual liability of Enel and Enelpower in the failure to build the plant in Albania. On December 3, 2019, the Amsterdam Court of Appeal issued a ruling in which it quashed the trial court judgment of June 29, 2016, rejecting any claim made by Albania BEG Ambient Shpk. The Court came to this conclusion after affirming its jurisdiction over Albania BEG Ambient Shpk's subordinate claim and re-analyzing the merits of the case under Albanian law. Enel and Enelpower are therefore not liable to pay any amount to Albania BEG Ambient Shpk, which was in fact ordered by the Court of Appeal to reimburse the appellant companies for the losses incurred in illegitimate conservative seizures, to be quantified as part of a specific procedure, and the costs of the trial and appeal proceedings. On March 3, 2020, it was learned that Albania BEG Ambient Shpk had filed an appeal with the Supreme Court of the Netherlands. On April 3rd, 2020, Enel and Enelpower appeared before the Dutch Supreme Court and the exchange of briefs between the parties is ongoing.

## LUXEMBOURG

In Luxembourg, again at the initiative of Albania BEG Ambient Shpk, J.P. Morgan Bank Luxembourg SA was also served with an order for the precautionary attachment of any receivables of Enel SpA. In parallel Albania BEG Ambient Shpk filed a claim to obtain enforcement of the ruling of the Court of

Tirana in that country. The proceeding is still under way and briefs are being exchanged between the parties. No ruling has been issued.

## **23 Subsequent events**

### **Loan granted to Enel SpA.**

On 23 July 2020 two new loans were granted to Enel SpA in total amount of Euro 4,000 million:

- Euro 3,000 million loan maturing at 23 July 2030 and a fixed-rate coupon equal to 1.300%;
- Euro 1,000 million loan maturing at 23 July 2030 and a variable-rate coupon equal to 6MEuribor plus the margin of 140 bps

### **COVID-19**

The Covid-19 and the subsequent lockdown have brought unexpected variables to businesses and economy. A high degree of uncertainty remains and the management is closely monitoring the situation, taking into account the possible consequences of Covid-19.

The safety and well-being of people is the top priority. Business continuity was managed this with a view to ensuring the health and safety of employees thanks above all to remote working, virtual onboarding of new employees, digitalized infrastructures and extensive employment of cloud-based solutions.

Valuation of fair value of financial instruments are marked as Covid-19 affected credit spreads on financial instruments and market interest rates.

At 30 June 2020, there is no current evidence of significant impacts of COVID-19 on the Company's net profit.

Amsterdam, 27 July 2020

A. Canta

H. Marseille

E. Di Giacomo

A.J.M. Nieuwenhuizen

J. Homan