OPEN POWER FOR A BRIGHTER FUTURE.

WE EMPOWER SUSTAINABLE PROGRESS.

INTERIM FINANCIAL REPORT
AT MARCH 31, 2020

INTERIM FINANCIAL REPORT AT MARCH 31, 2020

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1. REPORT ON OPERATIONS

Enel is Open Power

Positioning
Open Power

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

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

Vision

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

Values

- Trust
- Proactivity
- Responsibility
- Innovation

Principles of conduct

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

Highlights

SDG		1st Quarter 2020	2019	Change
	Revenue (millions of euro)[1]	19,985	22,755	-12.2%
	Gross operating margin (millions of euro)	4,708	4,548	3.5%
	Ordinary gross operating margin (millions of euro)	4,741	4,454	6.4%
	Net income attributable to the shareholders of the Parent Company (millions of euro)	1,247	1,256	-0.7%
	Ordinary net income attributable to the shareholders of the Parent Company (millions of euro)	1,281	1,159	10.5%
	Net financial debt (millions of euro)	47,097	45,175[2]	4.3%
	Cash flows from operating activities (millions of euro)	2,053	2,378	-13.7%
	Capital expenditure on property, plant and equipment and intangible assets (millions of euro)	1,870	1,871[3]	-0.1%
	Total net efficient installed capacity (GW)	84.7	84.3[2]	0.5%
7	Net efficient installed renewable capacity (%)	50.2%	50.0%[2]	0.4%
7	Additional efficient installed renewable capacity (GW)	0.38	0.70	-45.7%
	Net electricity generation (TWh)	51.4	59.1	-13.0%
7	Net renewable electricity generation (TWh)	25.4	22.7	11.9%
9	Electricity distribution and transmission grid (km)	2,233,480	2,230,029[2]	0.2%
9	Electricity transported on Enel's distribution grid (TWh)[4]	122.4	126.6	-3.3%
	End users (no.)[5]	73,968,421	73,647,574	0.4%
9	End users with active smart meters (no.)	44,767,475	44,668,538[2]	0.2%
	Electricity sold by Enel (TWh)[6]	77.7	82.3	-5.6%
	Retail customers (no.)[5]	70,265,165	71,503,911	-1.7%
	- of which free market	*23,196,087*	*22,306,691*	*4.0%*
11	Storage (MW)	110.0	110.0[2]	-
11	Charging points (no.)	85,092	55,758	52.6%
11	Demand response (MW)	2,853	2,467	15.7%
	No. of employees	67,921	68,253[2]	-0.5%

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).
(2) At December 31, 2019.
(3) The figure does not include €1 million regarding units classified as "held for sale" at March 31, 2019.
(4) The figures for 2019 reflect a more accurate calculation of quantities transported.
(5) The figures for 2019 reflect a more accurate calculation of the numbers.
(6) Volumes include sales to large customers by generation companies in Latin America. The 2019 figure has been adjusted to ensure comparability.

Foreword

The Interim Financial Report at March 31, 2020 has been prepared in compliance with Article 154-*ter*, paragraph 5, of Legislative Decree 58 of February 24, 1998, with the clarification indicated in the following section, and in conformity with the recognition and measurement criteria set out in the international accounting standards (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board (IASB), as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognized in the European Union pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the period.

Article 154-*ter*, paragraph 5, of the Consolidated Financial Intermediation Act, as amended by Legislative Decree 25/2016, no longer requires issuers to publish an interim financial report at the close of the 1st and 3rd Quarters of the year. The new rules give CONSOB the power to issue a regulation requiring issuers, following an impact analysis, to publish periodic financial information in addition to the annual and semi-annual financial reports. In view of the foregoing, Enel intends to continue voluntarily publishing an interim financial report at the close of the 1st and 3rd Quarters of each year in order to satisfy investor expectations and conform to consolidated best practice in the main financial markets, while also taking due account of the quarterly reporting requirements of a number of major listed subsidiaries.

Enel organizational model

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

Global Business Lines

The Global Business Lines are responsible for managing and developing assets, optimizing their performance and the return on capital employed in the various geographical areas in which the Group operates. The Business Lines are also tasked with improving the efficiency of the processes they manage and sharing best practices at the global level. The Group, which also draws on the work of an Investment Committee[1], benefits from a centralized industrial vision of projects in the various Business Lines. Each project is assessed not only on the basis of its financial return but also in relation to the best technologies available at the Group level, which reflect the new strategic line adopted, explicitly integrating the SDGs within our financial strategy and promoting a low-carbon business model. Furthermore, each Business Line contributes to guiding Enel's leadership in the energy transition and in the fight against climate change, managing the associated risks and opportunities in its area of competence. In 2019, Global Power Generation was created with the merger of Enel Green Power and Global Thermal Generation to confirm the Enel Group's leading role in the energy transition, pursuing an integrated process of decarbonization and the sustainable development of renewable capacity. In addition, the Grid Blue Sky project was launched. Its objective is to innovate and digitalize infrastructures and networks in order to make them an enabling factor for the achievement of the Climate Action objectives, thanks to the progressive transformation of Enel into a platform-based group.

Regions and Countries

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

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

Global Service Functions

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

Holding Company Functions

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

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

C

Enel Group Chairman
P. Grieco

CEO

Enel Group CEO
F. Starace

HLD

HOLDING FUNCTIONS

Administration, Finance and Control
A. De Paoli

People and Organization
F. Di Carlo

Communications
R. Deambrogio

Legal and Corporate Affairs
G. Fazio

Innovability
E. Ciorra

Audit
S. Fiori

Global Procurement
S. Bernabei

Global Digital Solutions
C. Bozzoli

GBL

GLOBAL BUSINESS LINE

Global Infrastructure and Networks
L. Gallo

Global Trading
C. Machetti

Global Power Generation
A. Cammisecra

Enel X
F. Venturini

CR

COUNTRY AND REGION

Italy | **C. Tamburi**

Iberia | **J. D. Bogas Gálvez**

Europe and Euro-Mediterranean Affairs | **S. Mori**

Africa, Asia and Oceania | **A. Cammisecra**

North America | **E. Viale**

Latin America | **M. Bezzeccheri**

Reference scenario

Developments in the main market indicators

	1st Quarter		
	2020	2019	Change
Market indicators			
Average IPE Brent oil price ($/bbl)	51.0	63.9	-20.2%
Average price of CO_2 (€/ton)	22.8	22.1	3.3%
Average price of coal ($/t CIF ARA)[1]	48.9	75.3	-35.1%
Average price of gas (€/MWh)[2]	9.7	18.4	-47.1%
Average US dollar/euro exchange rate	1.103	1.136	-2.9%
Six-month Euribor (average for the period)	-0.35%	-0.23%	52.2%

(1) API#2 index.
(2) TTF index.

Change in consumer price index (CPI)

	1st Quarter		
%	**2020**	2019	Change
Italy	**0.23**	**1.02**	**-0.8**
Spain	0.72	1.13	-0.4
Russia	2.44	5.17	-2.7
Argentina	50.45	51.29	-0.8
Brazil	3.57	4.08	-0.5
Chile	3.50	1.84	1.7
Colombia	3.73	3.13	0.6
Peru	1.87	2.13	-0.3

Exchange rates

	1st Quarter		
	2020	2019	Change
Euro/US dollar	1.10	1.14	-3.5%
Euro/British pound	0.86	0.86	-
Euro/Swiss franc	1.06	1.13	-6.2%
US dollar/Japanese yen	108.92	110.17	-1.1%
US dollar/Canadian dollar	1.34	1.33	0.8%
US dollar/Australian dollar	0.91	0.88	3.4%
US dollar/Russian ruble	66.58	66.07	0.8%
US dollar/Argentine peso	61.49	39.06	57.4%
US dollar/Brazilian real	4.46	3.77	18.3%
US dollar/Chilean peso	802.39	667.28	20.2%
US dollar/Colombian peso	3,533.67	3,136.10	12.7%
US dollar/Peruvian nuevo sol	3.40	3.32	2.4%
US dollar/Mexican peso	20.01	19.21	4.2%
US dollar/Turkish lira	6.11	5.37	13.8%
US dollar/Indian rupee	72.41	70.50	2.7%
US dollar/South African rand	15.33	14.02	9.3%

Electricity and natural gas markets

Electricity demand

GWh	1st Quarter		
	2020	2019	Change
Italy	**77**	**81**	**-4.9%**
Spain	62	64	-3.1%
Russia	214	219	-2.3%
Argentina	35	34	2.9%
Brazil	151	154	-1.9%
Chile	20	19	5.3%
Colombia	18	17	5.9%
Peru	13	13	-

Source: national TSOs.

In the first three months of 2020, electricity demand in Italy and Spain fell by 4.9% and 3.1%, respectively, compared with the same period of 2019. In both cases, the decline is mainly due to temperatures well above seasonal averages in January and February, while in March the slowdown in electricity consumption is attributable to the restrictions on economic activity imposed by the countries' respective governments in response to the COVID-19 emergency.

In Latin America electricity demand increased in all the countries in which the Group operates, with the exception of Brazil where consumption was down 1.9%.

Electricity prices

	Average baseload price 1st Quarter of 2020 (€/MWh)	Change in average baseload price 1st Quarter of 2020 - 1st Quarter of 2019	Average peakload price 1st Quarter of 2020 (€/MWh)	Change in average peakload price 1st Quarter of 2020 - 1st Quarter of 2019
Italy	**39.6**	-24.3%	**45.1**	-30.9%
Spain	34.9	-26.5%	38.0	-35.4%
Russia	15.8	-4.4%	15.8	-4.4%
Brazil	40.2	-24.2%	63.8	-21.2%
Chile	44.2	-21.0%	90.6	-31.6%
Colombia	93.8	18.0%	97.7	-38.3%

Natural gas demand

Millions of m^3	1st Quarter			
	2020	2019	Change	
Italy	**23,889**	**25,416**	**(1,527)**	**-6.0%**
Spain	8,741	8,945	(204)	-2.3%

Natural gas demand in Italy

Millions of m^3	1st Quarter			
	2020	2019	Change	
Distribution networks	13,599	14,229	(630)	-4.4%
Industry	3,552	3,867	(315)	-8.1%
Thermal generation	6,210	6,744	(534)	-7.9%
Other[1]	528	576	(48)	-8.3%
Total	**23,889**	**25,416**	**(1,527)**	**-6.0%**

(1) Includes other consumption and losses.
Source: Enel based on data from the Ministry for Economic Development and Snam Rete Gas.

Natural gas demand in Italy in the 1st Quarter of 2020 amounted to 23.9 billion cubic meters, a decrease of 6.0% compared with the same period of 2019. Consumption for residential uses fell by 4.4% on the 1st Quarter of 2019 owning to warmer than average temperatures in January and February. Gas use for thermal generation and in industry also fell, decreasing by 7.9% and 8.1% respectively, reflecting the slowdown in economic activity in the 1st Quarter of 2020.

Demand also declined in Spain although the contraction was smaller (-2.3%) thanks to an increase in demand for gas for electricity generation, which thanks to a decline in the prices of gas on the *Punto Virtual de Balance* favored the use of the latter over coal.

Significant events in the 1st Quarter of 2020

Fortaleza - Brazil

Petroleo Brasileiro SA - Petrobras, the gas supplier for the Fortaleza plant (Central Geradora Termelétrica Fortaleza or CGTF) in Brazil, has notified its intention to terminate the contract signed in 2003 between those parties on the basis of an alleged financial imbalance in consideration of current market conditions.

Accordingly, on January 27, 2020, Petrobras filed two different types of extraordinary appeal before, respectively, the Supreme Court and the Federal Court of Brasilia, which are currently pending, in order to contest the precautionary measures taken by the courts in favor of CGTF.

Endesa arbitration award

On January 21, 2020, the arbitration ruling was issued in an arbitration proceeding before the *Servicio Interconfederal de Mediación y Arbitraje* (SIMA), in which – on December 4, 2019 – the most representative union within Endesa had decided to voluntarily participate after numerous unsuccessful negotiations, with the aim of resolving the main differences relating to 5th Endesa Collective Bargaining Agreement. As a prerequisite to the arbitration proceeding, in December 2019, Endesa's largest union had agreed to waive its appeal pending before the Supreme Court against the judgment of the court of first instance of March 26, 2019, which was favorable to Endesa, concerning the appropriateness of the elimination of certain social benefits for retired staff as a consequence of the lapse of the 4th Endesa Collective Bargaining Agreement.

The other trade unions had refused to join the arbitration proceeding, electing to go ahead with the proceedings before the Supreme Court.

As a result of the arbitration ruling, the 5th Endesa Collective Bargaining Agreement was amended to incorporate the provisions of the ruling concerning the elements contended by the parties. The accord entered force on January 23, 2020 after being signed. On the same date, Endesa also signed two further collective bargaining agreements (a "framework guarantee contract" and an "agreement on voluntary measures to suspend or terminate employment contracts") with all the unions present in the company.

Connection to the grid of São Gonçalo, the largest photovoltaic plant in South America

On January 13, 2020 Enel Green Power Brasil Participações Ltda (EGPB) started operations to connect the 475 MW section of São Gonçalo photovoltaic plant, located in São Gonçalo do Gurguéia, in Brazil's northeastern state of Piauí, to the grid. The construction of the 475 MW section of the solar plant involved an investment of around R$1.4 billion, equivalent to approximately $390 million. Once fully up and running, the 475 MW section of the plant will be able to generate over 1,200 GWh per year while avoiding the emission of over 600,000 metric tons of CO_2 into the atmosphere.

Brindisi plant - Ash dispute

With regard to the criminal investigation initiated by the Public Prosecutor's Office of the Court of Lecce in 2017 concerning the use of fly ash, in the cement industry, on August 1, 2018, the Lecce Public Prosecutor lifted its seizure of the plant, with the termination of the judicial custody/administration of the facility and the restitution of about €523 million to Enel Produzione. However, the preliminary investigation is continuing both against the accused individuals and the company pursuant to Legislative Decree 231/2001. On October 10, 2018, the Definitive Technical Report was filed. On December 6, 2018, the investigating magistrate of the Court of Lecce, at the request of the Public Prosecutor, scheduled a hearing for January 22, 2019, to receive testimony from the experts on the report. The investigating magistrate then postponed the hearing until April 15, 2019. Following this hearing, the experts reiterated the accuracy of the assessment and the non-hazardous nature of the ash produced by the thermoelectric plant and the possibility of using that ash in the production of cement.

With a notice communicated on June 7, 2019, the Lecce Public Prosecutor announced the completion of the preliminary investigation (pursuant to Article 415-*bis* of the Code of Criminal Procedure) in relation to the criminal proceedings in question. On July 1, 2019, the brief pursuant to Article 415-*bis* of the Code of Criminal Procedure was filed jointly by all the defendants, requesting that the case against the defendants and the company be dismissed, given the clear conclusions of the expert testimony, which fully confirmed the appropriateness of the ash management process adopted at the Brindisi plant. On January 9, 2020, the original notices of the preliminary hearing set for January 29, 2020 were received. Due to a number of irregularities in the notices, the preliminary hearing was initially postponed until April 8, 2020. Subsequently, owing to the measures imposed to counter the COVID-19 pandemic, the hearing was again postponed until June 10, 2020.

Funac

With Law 20.416 of February 5, 2019, the state of Goiás reduced from January 27, 2015 to April 24, 2012 the period of operation of the Funac fund and the tax benefit system that allowed Celg Distribuição SA - Celg-D (now Enel Distribuição Goiás) to offset ICMS - *Imposto sobre Circulação de Mercadorias e Serviços* (tax on the circulation of goods and services, similar to VAT) against the tax credit for Celg-D investments to develop and maintain its grid. On February 25, 2019, Celg-D appealed the provisions of Law 20.416 of February 5, 2019 on a precautionary basis ("writ of mandamus") before the Court of the state of Goiás, which denied the appeal on February 26, 2019. Celg-D appealed this ruling and the Court of the state of Goiás allowed the appeal on June 11, 2019. On October 1, 2019, the Court of the state of Goiás issued an order revoking the precautionary measure previously granted in favor of Celg-D. Celg-D filed an appeal against this decision, claiming that the right to guarantee tax credits has both a legal and contractual basis and that, therefore, the actions that the state of Goiás has taken in order to fully suspend the application of these laws are patently unfounded. On October 2, 2019, the appeal filed by Celg-D was denied and the effects of the law restored. On November 21, 2019, Celg-D challenged this decision before the Court of Justice. On February 27, 2020, the Court of Justice declared inadmissible the appeal by Celg-D, which will appeal this decision before the Superior Court of Justice. On April 26, 2019, Law 20.468 was promulgated. With the law, the state of Goiás revoked the tax relief referred to above. On May 5, 2019, Celg-D filed a petition and a request for a precautionary suspension against the state of Goiás to contest this law. On September 16, 2019, the Court of the state of Goiás denied the petition for precautionary relief, citing the absence of any danger in delay, a requirement for the granting of precautionary relief. On September 26, 2019, Celg-D filed an appeal against the decision denying the precautionary suspension, claiming that the repeal of the tax credit law is unconstitutional to the extent that these credits were established in accordance with applicable law and constitute acquired rights. It is important to note that the coverage of the Funac fund is provided for in the agreement for the acquisition of Celg-D by Enel Brasil SA.

An action for a ruling on constitutionality is currently pending before the Superior Court of Justice and the Supreme Court of Brazil with regard to Laws 20.416 and 20.468, filed at the request of the Brazilian association of electricity distribution companies (ABRADEE).

Coronavirus pandemic (COVID-19)

The novel coronavirus (COVID-19) epidemic began in Wuhan, China, and was first reported by national authorities to the World Health Organization on December 30, 2019.
In the early weeks of 2020, despite the considerable concern expressed by international organizations, the epidemic appeared to be limited to certain areas of Southeast Asia and the Middle East, affecting only a number of regions in China, South Korea and Iran.
In the second half of February, the first sporadic full-blown cases of COVID-19 in Italy started a second phase of the epidemic, with a rapid escalation of its spread throughout Europe.
The World Health Organization declared that the health emergency linked to COVID-19 has risen to the level of a pandemic and, just over two months after its initial reporting, the number of cases identified outside China has now exceeded those reported within the country in which the epidemic first occurred. This is due to the growing spread of the virus in Europe and in the Americas, where the United States has the largest number of infected people in the world and the situation in Latin America is deteriorating. There is also concern that conditions could worsen not only in Latin America but also in Africa, where the southern winter will soon begin.

To contain the effects of the disease, pending medical trials to develop a vaccine that can be administered to humans, governments have adopted numerous containment measures, with particular regard to lockdowns on economic activity, schools and the free movement of people, which may be modified based on the spread of the virus.
Many governments have also implemented a range of extraordinary response measures, including the provision of financial support to households, workers and firms, in order to mitigate the adverse impact of the COVID-19 emergency on the social and economic fabric of the countries affected.
Industries producing essential goods and services, as well as those enabling other sectors to continue operating (including the supply of electricity and gas) have not been shut down.

During the quarter, the Group carefully monitored developments in the situation in all the countries in which it operates and has issued guidelines aimed at ensuring compliance with the measures introduced at the local level and taken numerous steps to adopt the most suitable procedures to prevent and/or mitigate the effects of contagion in the workplace. All this with a view to ensuring the health and safety of our employees as well as our suppliers and customers, while maintaining uninterrupted operations and services in the 32 countries in which the Group is present.
In particular, business continuity was managed thanks above all to:

> the use of smart working for all employees whose jobs can be done remotely in the countries where the Group has its largest presences, an approach introduced some years ago that, thanks to investments in digitalization, allows our people to work remotely at the same level of efficiency and effectiveness. Currently, 52% of Group employees are working using flexible methods;
> the use of digitalized infrastructures and extensive employment of cloud-based solutions, which ensure the normal operation of our generation assets, the continuity of electricity service and the remote management of all activities relating to the market and our relationship with customers.

An Enel Global Task Force is also operational at the Country level, which is charged with coordinating and directing the actions to be undertaken in the countries where the Group operates, in synergy with the global technological Business Lines.
The Group is also adopting measures to support leading healthcare and social organizations in order to assist the areas and communities in which we work every day.
In addition, the Group has obtained insurance coverage for more than 68,000 employees around the world in the event they should be hospitalized with COVID-19. This is the first insurance initiative in the world offering global support in responding to the pandemic.

In compliance with ESMA's recent recommendations, the Group has conducted internal analyses to assess the real and potential impacts of COVID-19 on business activities, on the financial situation and on performance. For more on this aspect, please see note 5 "COVID-19" to the condensed consolidated financial statements at March 31, 2020.


enel
people
impact
enel

Operations and performance of the Group

The following presents the operating and financial performance of the Group.

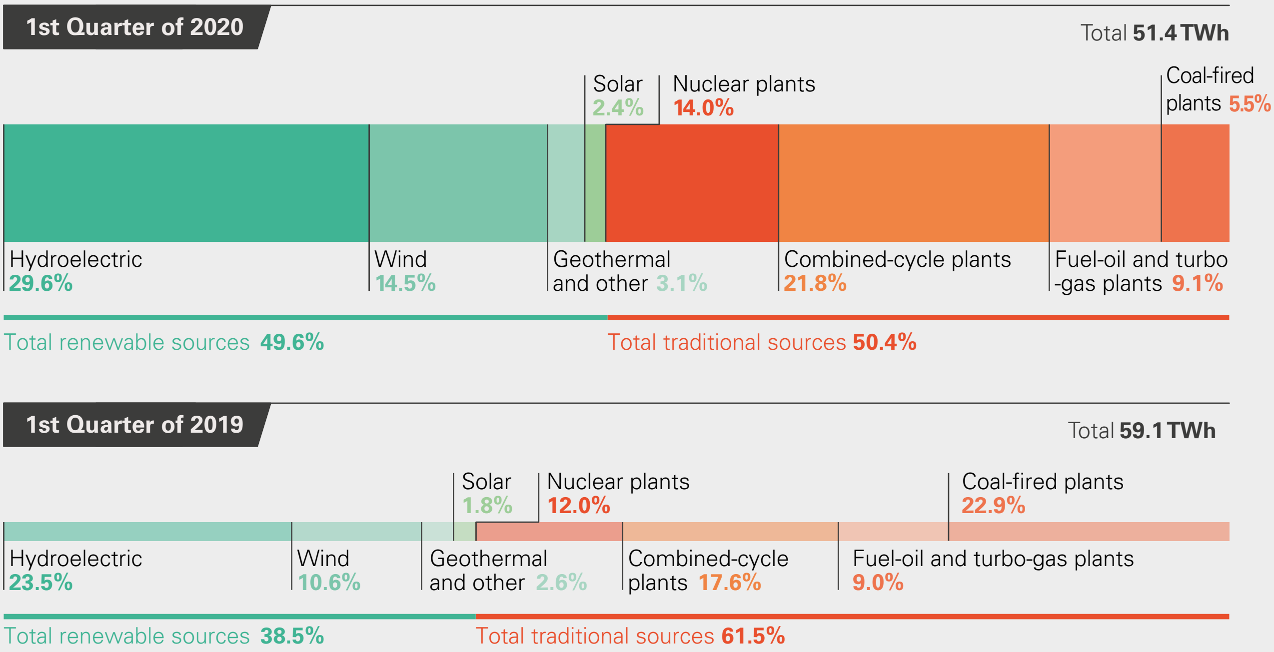
Operations

		1st Quarter		
SDG		**2020**	2019	Change
	Net electricity generation (TWh)	51.4	59.1	(7.7)
	of which:			
7	*- renewables (TWh)*	*25.4*	*22.7*	*2.7*
	Total net efficient installed capacity (GW)	84.7	84.3 (1)	0.4
7	Net efficient installed renewable capacity (GW)	42.5	42.1 (1)	0.4
7	Net efficient installed renewable capacity (%)	50.2%	50.0% (1)	-
7	Additional efficient installed renewable capacity (GW)	0.38	0.70	(0.32)
9	Electricity transported on Enel's distribution grid (TWh) (2)	122.4	126.6	(4.2)
9	End users with active smart meters (no.)	44,767,475	44,668,538 (1)	98,937
9	Electricity distribution and transmission grid (km)	2,233,480	2,230,029 (1)	3,451
	End users (no.) (3)	73,968,421	73,647,574	320,847
	Electricity sold by Enel (TWh) (4)	77.7	82.3	(4.6)
	Gas sold to end users (billions of m^3)	3.7	4.0	(0.3)
	Retail customers (no.) (3)	70,265,165	71,503,911	(1,238,746)
	- of which free market	*23,196,087*	*22,306,691*	*889,396*
11	Demand response (MW)	2,853	2,467	386
11	Charging points (no.)	85,092	55,758	29,334
11	Storage (MW)	110	110 (1)	-

(1) At December 31, 2019.
(2) The figures for 2019 reflect a more accurate calculation of quantities transported.
(3) The figures for 2019 reflect a more accurate calculation of numbers.
(4) Volumes include sales to large customers by generation companies in Latin America. The figure for the 1st Quarter of 2019 has been adjusted to ensure comparability.

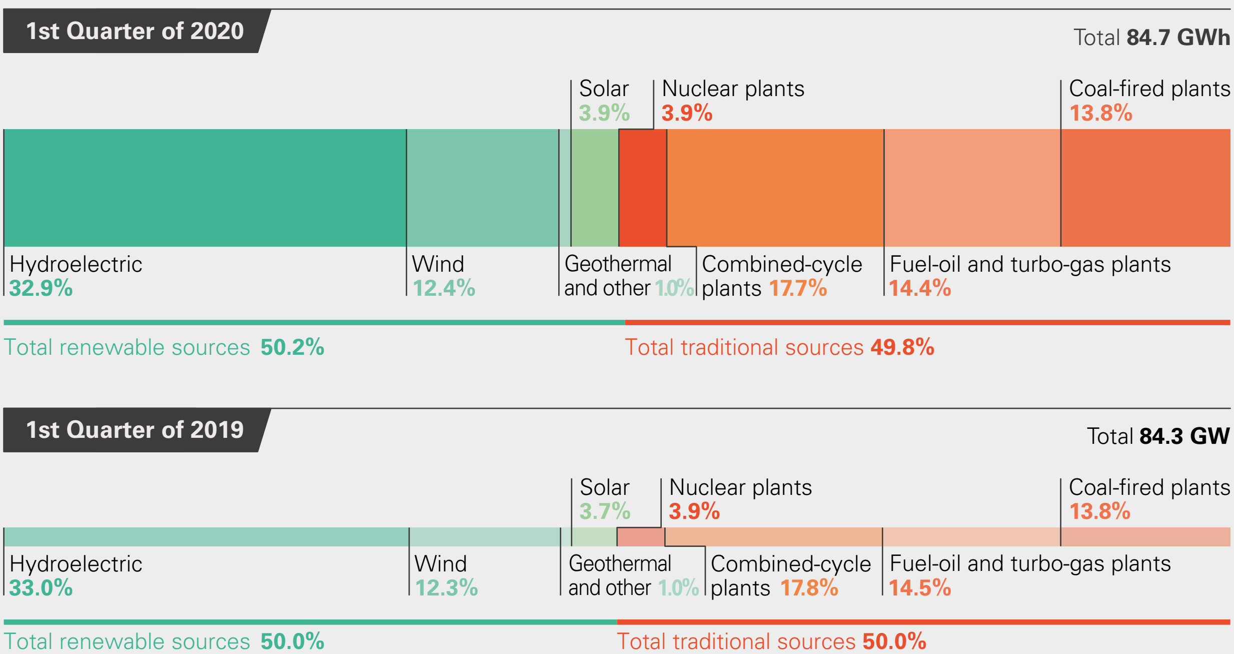
Net electricity generated by Enel in the 1st Quarter of 2020 decreased by 7.7 TWh compared with the same period of 2019 (-13.0%). In particular, the decline reflected lower thermal generation (-10.5 TWh), mainly due to lower coal-fired generation (-10.7 TWh) in Italy, Spain and Russia, partly offset by an increase in generation from renewable sources (+2.7 TWh, of which +1.3 TWh from hydroelectric power due to greater water availability and +1.1 TWh from wind power). Nuclear generation was in line with the 1st Quarter of 2019.

Net electricity generation (%)



Enel's total net efficient capacity increased by 0.4 GW in the 1st Quarter of 2020, mainly due to the installation of new capacity at wind plants in North America (0.2 GW) and solar facilities in Brazil (0.2 GW).

Net efficient installed capacity (%)



Electricity transported on Enel's distribution grid in the 1st Quarter of 2020 amounted to 122.4 TWh, down 4.2 TWh (-3.3%) on the same period of 2019, mainly in Italy (-2.8 TWh), Spain (-0.9 TWh) and Brazil (-0.5 TWh).

The number of **end users with active smart meters** increased by 98,937 in the 1st Quarter of 2020, mainly in Spain (+58,449) and Romania (+45,490).

Electricity sold by Enel in the 1st Quarter of 2020 amounted to 77.7 TWh, a decline of 4.6 TWh (-5.6%) compared with the same period of the previous year. Quantities sold decreased in Italy (-2.7 TWh), Latin America (-1.7 TWh) and Spain (-0.7 TWh), partly offset by an increase in sales in Romania (+0.5 TWh).

Gas sold by Enel in the 1st Quarter of 2020 amounted to 3.7 billion cubic meters, down 0.3 billion cubic meters compared with the same period of the previous year.

At the end of the 1st Quarter, the number of **Enel's charging points** had increased by 29,334 compared with a year earlier. Charging points sold to private buyers increased by 25,754, mainly in North America, while public charging points expanded by 3,580, mainly in Italy.

At March 31, 2020, Enel Group **employees** numbered 67,921, of whom about 56% employed in Group companies located in countries other than Italy. The change for the quarter (-332) is mainly attributable to the net negative balance of new hires and terminations (-278) and the change in the scope of consolidation (54), which included the disposal of hydroelectric plants in the United States and the Reftinskaya GRES plant in Russia in October 2019.

No.	at Mar. 31, 2020	at Dec. 31, 2019
Thermal Generation and Trading	9,380	9,432
Enel Green Power	7,988	7,957
Infrastructure and Networks	34,833	34,822
End-user Markets	6,300	6,336
Enel X	2,830	2,808
Services	5,749	6,013
Other	841	885
Total	**67,921**	**68,253**

Group performance

Millions of euro	1st Quarter			
	2020	2019	Change	
Revenue[1]	19,985	22,755	(2,770)	-12.2%
Costs[1]	14,485	17,921	(3,436)	-19.2%
Net income/(expense) from commodity risk management[1]	(792)	(286)	(506)	-
Gross operating margin	**4,708**	**4,548**	**160**	**3.5%**
Depreciation, amortization and impairment losses	1,599	1,567	32	2.0%
Operating income	**3,109**	**2,981**	**128**	**4.3%**
Financial income	1,562	1,380	182	13.2%
Financial expense	2,180	2,027	153	7.5%
Total net financial income/(expense)	**(618)**	**(647)**	**29**	**4.5%**
Share of income/(losses) from equity investments accounted for using the equity method	**(3)**	**(63)**	**60**	**-95.2%**
Income before taxes	**2,488**	**2,271**	**217**	**9.6%**
Income taxes	801	621	180	29.0%
Net income from continuing operations	**1,687**	**1,650**	**37**	**2.2%**
Net income from discontinued operations	**-**	**-**	**-**	**-**
Net income (Group and non-controlling interests)	**1,687**	**1,650**	**37**	**2.2%**
Net income attributable to the shareholders of Parent Company	1,247	1,256	(9)	-0.7%
Net income attributable to non-controlling interests	440	394	46	11.7%

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).

Revenue

Millions of euro	1st Quarter			
	2020	2019	Change	
Sale of electricity[1]	9,168	10,370	(1,202)	-11.6%
Transport of electricity	2,580	2,572	8	0.3%
Fees from network operators	252	228	24	10.5%
Transfers from institutional market operators	437	354	83	23.4%
Sale of gas	1,231	1,686	(455)	-27.0%
Transport of gas	251	267	(16)	-6.0%
Sale of fuels[1]	209	291	(82)	-28.2%
Fees for connection to electricity and gas networks	186	179	7	3.9%
Revenue from construction contracts	185	167	18	10.8%
Sale of commodities under contracts with physical settlement (IFRS 9)[1]	4,754	5,513	(759)	-13.8%
Other revenue[1]	732	1,128	(396)	-35.1%
Total	**19,985**	**22,755**	**(2,770)**	**-12.2%**

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).

In the 1st Quarter of 2020, revenue experienced a significant reduction due to a decrease in the volume of electricity sold to end users in Italy (€298 million) and Spain (€229 million), the depreciation of the currencies of Latin America against the euro (€361 million), in particular those of Brazil, Chile and Colombia, as well as to the lower volumes of gas sales in Spain. The decline also reflects the effects the application of the IFRIC Agenda Decision of 2019 concerning the sale of energy commodities with physical settlement measured at fair value, which did not impact margins.

Revenue in the 1st Quarter of 2019 included other revenue in respect of:

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

Costs

Millions of euro	1st Quarter			
	2020	2019	Change	
Electricity purchases[1]	4,234	5,892	(1,658)	-28.1%
Consumption of fuel for electricity generation	753	1,140	(387)	-33.9%
Fuel for trading and gas for sale to end users[1]	4,108	4,998	(890)	-17.8%
Materials[1]	540	380	160	42.1%
Personnel	742	1,174	(432)	-36.8%
Services, leases and rentals	3,915	4,107	(192)	-4.7%
Other operating expenses	642	704	(62)	-8.8%
Capitalized costs	(449)	(474)	25	5.3%
Total	**14,485**	**17,921**	**(3,436)**	**-19.2%**

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).

Gross operating margin

Millions of euro	1st Quarter			
	2020	2019	Change	
Thermal Generation and Trading	692	595	97	16.3%
Enel Green Power	1,138	1,248	(110)	-8.8%
Infrastructure and Networks	1,945	1,826	119	6.5%
End-user Markets	933	861	72	8.4%
Enel X	7	3	4	-
Services	23	44	(21)	-47.7%
Other, eliminations and adjustments	(30)	(29)	(1)	-3.4%
Total	**4,708**	**4,548**	**160**	**3.5%**

The increase in the gross operating margin is essentially attributable to:

> Infrastructure and Networks in the net amount of €119 million, reflecting €269 million from the modification of the electricity discount benefit in Spain following the signing of the 5th Endesa Collective Bargaining Agreement, partially offset by the provision for indemnities for the early termination of employment relationships under the provisions of the "agreement on voluntary measures to suspend or terminate employment contracts" (€91 million net of additional updates during the period) and adverse exchange rate developments, especially in Brazil;
> Thermal Generation and Trading, where the positive effects (€165 million) of the modification of the electricity discount benefit net of the provision for the period for voluntary termination indemnities in Spain and of a decrease in costs for fuels and CO_2 allowances due to a reduction in the use of thermal generation were partly offset by the decrease in the gross operating margin recognized in Latin America. The latter essentially reflected the reduction in revenue from the sale of electricity and gas in Brazil and Chile, respectively, and the effect of the recognition in the 1st Quarter of 2019 of the income discussed above under revenue (€80 million for the indemnity in Chile and €108 million for the disposal of Mercure Srl in Italy);
> End-user Markets, with particular regard to the free market in Spain, primarily due to the new framework agreement cited earlier, and Romania as a result of an improvement in margins due to a decrease in costs for electricity provisioning.

The decrease in the margin posted by Enel Green Power, equal to €110 million, reflected the effects of the recognition in the 1st Quarter of 2019 of the income referred to earlier from the indemnity for early withdrawal from an electricity supply contract in Chile (€80 million) and the recognition of negative goodwill (€106 million) on the acquisition by Enel North America (formerly Enel Green Power North America) of a number of companies sold by Enel Green Power North America Renewable Energy Partners LLC (EGPNA REP). These negative impacts were partly offset by the improvement in the gross operating margin in Italy (€91 million) due to improved water conditions in the 1st Quarter of 2020 compared with the same period of the previous year.

Ordinary gross operating margin

Millions of euro	1st Quarter of 2020							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Gross operating margin	**692**	**1,138**	**1,945**	**933**	**7**	**23**	**(30)**	**4,708**
COVID-19 costs	3	1	13	8	1	6	1	33
Ordinary gross operating margin	**695**	**1,139**	**1,958**	**941**	**8**	**29**	**(29)**	**4,741**

Millions of euro	1st Quarter of 2019							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Gross operating margin	**595**	**1,248**	**1,826**	**861**	**3**	**44**	**(29)**	**4,548**
Disposal of interest in Mercure Srl	(94)	-	-	-	-	-	-	(94)
Ordinary gross operating margin	**501**	**1,248**	**1,826**	**861**	**3**	**44**	**(29)**	**4,454**

Operating income

Millions of euro

	1st Quarter			
	2020	2019	Change	
Thermal Generation and Trading	475	300	175	58.3%
Enel Green Power	826	945	(119)	-12.6%
Infrastructure and Networks	1,263	1,140	123	10.8%
End-user Markets	627	656	(29)	-4.4%
Enel X	(26)	(27)	1	3.7%
Services	(17)	-	(17)	-
Other, eliminations and adjustments	(39)	(33)	(6)	-18.2%
Total	**3,109**	**2,981**	**128**	**4.3%**

Operating income for the 1st Quarter of 2020 increased by €128 million, taking account of an increase of €32 million in depreciation, amortization and impairment losses.

Ordinary operating income

Millions of euro

1st Quarter of 2020	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Operating income	**475**	**826**	**826**	**627**	**(26)**	**(17)**	**(39)**	**3,109**
Value adjustment of Funac receivable of Enel Distribuição Goiás	-	-	-	8	-	-	-	8
Value adjustment of a number of coal-fired plants	(16)	-	-	-	-	-	-	(16)
COVID-19 costs	3	1	1	8	1	6	1	33
Ordinary operating income	**462**	**827**	**827**	**643**	**(25)**	**(11)**	**(38)**	**3,134**

Millions of euro

1st Quarter of 2019	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Operating income	**300**	**945**	**1,140**	**656**	**(27)**	**-**	**(33)**	**2,981**
Disposal of interest in Mercure Srl	(94)	-	-	-	-	-	-	(94)
Ordinary operating income	**206**	**945**	**1,140**	**656**	**(27)**	**-**	**(33)**	**2,887**

Group net income

Group net income for the first three months of 2020 amounted to €1,247 million, compared with €1,256 million in the same period a year earlier. More specifically, the increase in operating income, the reduction in net financial expense and the improvement in the performance achieved by companies accounted for using the equity method were more than offset by the increase in taxes due to the effect of the recognition in the 1st Quarter of 2019 of the tax benefit relating to the "*revalúo*" for certain generating companies in Argentina and an increase in non-controlling interests.

Group ordinary net income

Millions of euro	1st Quarter	
	2020	2019
Group net income	**1,247**	**1,256**
Disposal of interest in Mercure Srl	-	(97)
Value adjustment of Funac receivable of Enel Distribuição Goiás	3	-
Value adjustment of certain assets held by Slovak Power Holding BV	17	-
Value adjustment of a number of coal-fired plants	(8)	-
COVID-19 costs	22	-
Group ordinary net income[1]	**1,281**	**1,159**

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

Group ordinary net income amounted to €1,281 million in the 1st Quarter of 2020, an increase of €122 million (+10.5%) compared with the €1,159 million posted in the same period of 2019. In addition to not including the non-recurring costs incurred for the COVID-19 pandemic and the impairment recognized on the investment in Slovak Power Holding, the result also reflects the comparison with the first three months of 2019, when extraordinary items only included the gain on the sale of Mercure Srl net of site restoration costs. The table above reconciles Group net income and Group ordinary net income in the 1st Quarter of 2020, reporting the extraordinary items and their respective effects on performance, net of the related tax effects and non-controlling interests.

Analysis of the Group's financial position and financial structure

Net capital employed and related funding

The following table shows the composition of and changes in net capital employed:

Millions of euro	at Mar. 31, 2020	at Dec. 31, 2019	Change	
Net non-current assets:				
- property, plant and equipment and intangible assets	95,938	99,010	(3,072)	-3.1%
- goodwill	14,146	14,241	(95)	-0.7%
- equity investments accounted for using the equity method	1,647	1,682	(35)	-2.1%
- other net non-current assets/(liabilities)	(3,723)	(5,022)	1,299	25.9%
Total net non-current assets	**108,008**	**109,911**	**(1,903)**	**-1.7%**
Net current assets:				
- trade receivables	12,527	13,083	(556)	-4.2%
- inventories	2,559	2,531	28	1.1%
- net receivables due from institutional market operators	(3,565)	(3,775)	210	5.6%
- other net current assets/(liabilities)	(6,816)	(7,282)	466	6.4%
- trade payables	(11,043)	(12,960)	1,917	14.8%
Total net current assets	**(6,338)**	**(8,403)**	**2,065**	**24.6%**
Gross capital employed	**101,670**	**101,508**	**162**	**0.2%**
Provisions:				
- employee benefits	(2,884)	(3,771)	887	23.5%
- provisions for risks and charges and net deferred taxes	(5,875)	(5,722)	(153)	-2.7%
Total provisions	**(8,759)**	**(9,493)**	**734**	**7.7%**
Net assets held for sale	**9**	**98**	**(89)**	**-90.8%**
Net capital employed	**92,920**	**92,113**	**807**	**0.9%**
Total shareholders' equity	**45,823**	**46,938**	**(1,115)**	**-2.4%**
Net financial debt	**47,097**	**45,175**	**1,922**	**4.3%**

Net capital employed at March 31, 2020 amounted to €92,920 million and was funded by shareholders' equity attributable to the shareholders of the Parent Company and non-controlling interests in the amount of €45,823 million and net financial debt of €47,097 million. At March 31, 2020 the debt/equity ratio was 1.03 (0.96 at December 31, 2019). The following details the main changes in net capital employed, as indicated in the table above:

> a decrease of €3,072 million in property, plant and equipment and intangible assets, reflecting €3,541 million in adverse exchange rate developments and €1,371 million in depreciation, amortization and impairment losses for the period, only partially offset by investments (€1,870 million);

> an increase in other net non-current assets/(liabilities), mainly attributable to the increase in other non-current financial assets as a result of developments in the fair value of Enel Finance International's cash flow hedge derivatives (€1.6 billion). This latter change was only partially offset by

the adverse impact of exchange rate developments in Latin America;
> a decrease in trade payables, reflecting both the negative impact of exchange rate developments (€413 million) and a reduction in costs for provisioning commodities and services.

Net financial debt

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

Millions of euro				
	at Mar. 31, 2020	at Dec. 31, 2019	Change	
Long-term debt:				
- bank borrowings	9,237	8,407	830	9.9%
- bonds	42,892	43,294	(402)	-0.9%
- other borrowings	2,466	2,473	(7)	-0.3%
Long-term debt	*54,595*	*54,174*	*421*	*0.8%*
Long-term financial receivables and securities	(3,187)	(3,185)	(2)	-0.1%
Net long-term debt	**51,408**	**50,989**	**419**	**0.8%**
Short-term debt				
Bank borrowings:				
- short-term portion of long-term bank borrowings	1,407	1,121	286	25.5%
- other short-term bank borrowings	1,625	579	1,046	-
Short-term bank borrowings	*3,032*	*1,700*	*1,332*	*78.4%*
Bonds (short-term portion)	1,013	1,906	(893)	-46.9%
Other borrowings (short-term portion)	362	382	(20)	-5.2%
Commercial paper	1,893	2,284	(391)	-17.1%
Cash collateral on derivatives and other financing	1,916	750	1,166	-
Other short-term financial payables(1)	188	351	(163)	-46.4%
Other short-term debt	*5,372*	*5,673*	*(301)*	*-5.3%*
Long-term financial receivables (short-term portion)	(1,674)	(1,585)	(89)	-5.6%
Financial receivables - cash collateral	(3,038)	(2,153)	(885)	-41.1%
Other short-term financial receivables	(302)	(369)	67	18.2%
Cash and cash equivalents with banks and short-term securities	(7,701)	(9,080)	1,379	15.2%
Cash and cash equivalents and short-term financial receivables	*(12,715)*	*(13,187)*	*472*	*3.6%*
Net short-term debt	**(4,311)**	**(5,814)**	**1,503**	**25.9%**
NET FINANCIAL DEBT	**47,097**	**45,175**	**1,922**	**4.3%**
Net financial debt of "Assets held for sale"	**-**	**-**	**-**	**-**

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

Net financial debt amounted to €47,097 million at March 31, 2020, an increase of €1,922 million on December 31, 2019, due mainly to:
> the cash requirements for investment during the period (€1,870 million);
> the payment of dividends totaling €2,182 million.

The cash generated by operations (€2,053 million) partially funded the cash requirements connected with the above developments.

At March 31, 2020, **gross financial debt** amounted to €62,999 million, an increase of €1,452 million on December 31, 2019.

Gross financial debt

Millions of euro	at Mar. 31, 2020			at Dec. 31, 2019		
	Gross long-term debt	Gross short-term debt	Gross debt	Gross long-term debt	Gross short-term debt	Gross debt
Gross financial debt	57,377	5,622	62,999	57,583	3,964	61,547
of which:						
Debt connected with achievement of sustainability goals	*14,570*	*-*	*14,570*	*13,758*	*-*	*13,758*
Debt connected with achievement of sustainability goals/Total gross debt (%)			23%			22%

More specifically, gross long-term financial debt (including the short-term portion) amounted to €57,377 million, of which €14,570 million in respect of financing linked to sustainability goals. It breaks down as follows:

- bonds in the amount of €43,905 million, of which €7,300 million in respect of bonds linked to sustainability goals. More specifically, bonds decreased by €1,295 million compared with December 31, 2019, mainly reflecting repayments of bonds in the period and exchange rate gains. The main bonds maturing in the first three months of 2020 were:
  - €410 million in respect of fixed-rate hybrid bond issued by Enel SpA, maturing in January 2020;
  - €100 million in respect of a fixed-rate bond issued by Enel Finance International, maturing in January 2020;
  - €482 million in respect of a fixed-rate bond issued by Enel Finance International, maturing in March 2020;
- bank borrowings of €10,644 million, of which 7,270 million in respect of loans linked to sustainability goals. That financing increased by a total of €1,116 million compared with December 31, 2019, mainly reflecting new credit lines only partly offset by exchange rate gains and repayments in the period. New bank financing included:
  - €250 million in respect of the use of a floating-rate loan linked to sustainability goals granted to e-distribuzione by the European Investment Bank;
  - €511 million in respect of floating-rate loans linked to sustainability goals (SDGs) granted to Enel Finance America;
  - €349 million in respect of the use of credit facilities by Endesa;
- other borrowings of €2,828 million, essentially unchanged compared with December 31, 2019.

Gross short-term financial debt amounted to €5,622 million, an increase of €1,658 million compared with December 31, 2019. It includes commercial paper of €1,893 million, cash collateral on derivatives of €1,916 million and other short-term bank borrowings of €1,625 million.

Cash and cash equivalents and short- and long-term financial receivables totaled €15,902 million, a decrease of €470 million on December 31, 2019, mainly reflecting the decrease of €1,379 million in cash and cash equivalents with banks and short-term securities, only partly offset by an increase of €885 million in cash collateral paid.

Cash flows

Cash flows from operating activities in the first three months of 2020 were a positive €2,053 million, down €325 million on the corresponding period of the previous year, largely reflecting the increase in cash requirements connected with the change in net current assets.

Cash flows from investing/disinvesting activities in the first three months of 2020 absorbed funds in the amount of €1,823 million, compared with €1,924 million in the first three months of 2019.
Investments in property, plant and equipment, intangible assets and assets from contracts with customers amounted to €1,870 million in the 1st Quarter of 2020, essentially unchanged on the same period of the previous year.

Disposals of entities and business units, net of cash and cash equivalents sold, amounted to €39 million, mainly in respect of the disposal by Enel Green Power North America of a number of companies owning hydroelectric plants that had been accounted for using the equity method. The positive impact of the disposal was partly offset by the payment of VAT connected with the sale last year of the Russian coal-fired plant of

Reftinskaya GRES (we have a receivable of the same amount that will be collected by the end of 2020). In the first three months of 2019, the item amounted to €166 million, mainly reflecting the disposal of the Mercure plant business unit.

Liquidity generated by other investing/disinvesting activities in the first three months of 2020 amounted to €12 million. The item regarded small disinvestments, mainly in North America, Iberia and Latin America.

Cash flows from financing activities showed funds absorbed in the amount of €1,322 million, while in the first three months of 2019 financing activities had generated cash in the amount of €1,360 million. The flow in the first three months of 2020 essentially reflected:

> an increase of €990 million in net financial debt (the balance of repayments and new borrowing);

> the payment of dividends in the amount of €2,182 million;

> the cash requirements generated by transactions in non-controlling interests in the amount of €130 million. These mainly included the increase in the stake held in Enel Américas through a number of share swap agreements with a leading financial institution.

In the first three months of 2020, cash flows from operating activities in the amount of €2,053 million were more than offset by the cash needs for financing activities totaling €1,322 million and for investment activities in the amount of €1,823 million. The remainder was funded by an increase of €1,092 million in the use of cash and cash equivalents (net of the effects of adverse developments in the exchange rates of the various local currencies against the euro in the amount of €287 million).

Capital expenditure

Millions of euro	1st Quarter			
	2020	2019	Change	
Thermal Generation and Trading	82	81	1	1.2%
Enel Green Power	750	801 [1]	(51)	-6.4%
Infrastructure and Networks	886	836	50	6.0%
End-user Markets	93	85	8	9.4%
Enel X	49	52	(3)	-5.8%
Services	6	12	(6)	-50.0%
Other, eliminations and adjustments	4	4	-	-
Total	**1,870**	**1,871**	**(1)**	**-0.1%**

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

Capital expenditure amounted to €1,870 million in the first three months of 2020, in line with the same period of 2019. The reduction in investment in renewables plants was recorded mainly in Iberia (€139 million), Mexico (€56 million), Canada (€24 million), Greece (€31 million) and Zambia (€13 million), only partly offset by an increase in spending in Brazil (€104 million), South Africa (€82 million) and the United States (€35 million). Investment on distribution grids and medium- and low-voltage plants increased in Italy (€76 million) and Romania (€10 million) for activities connected with service quality, while in Iberia expenditure on the distribution grid, substations, transformers and the replacement of metering equipment declined.

Results by business area

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

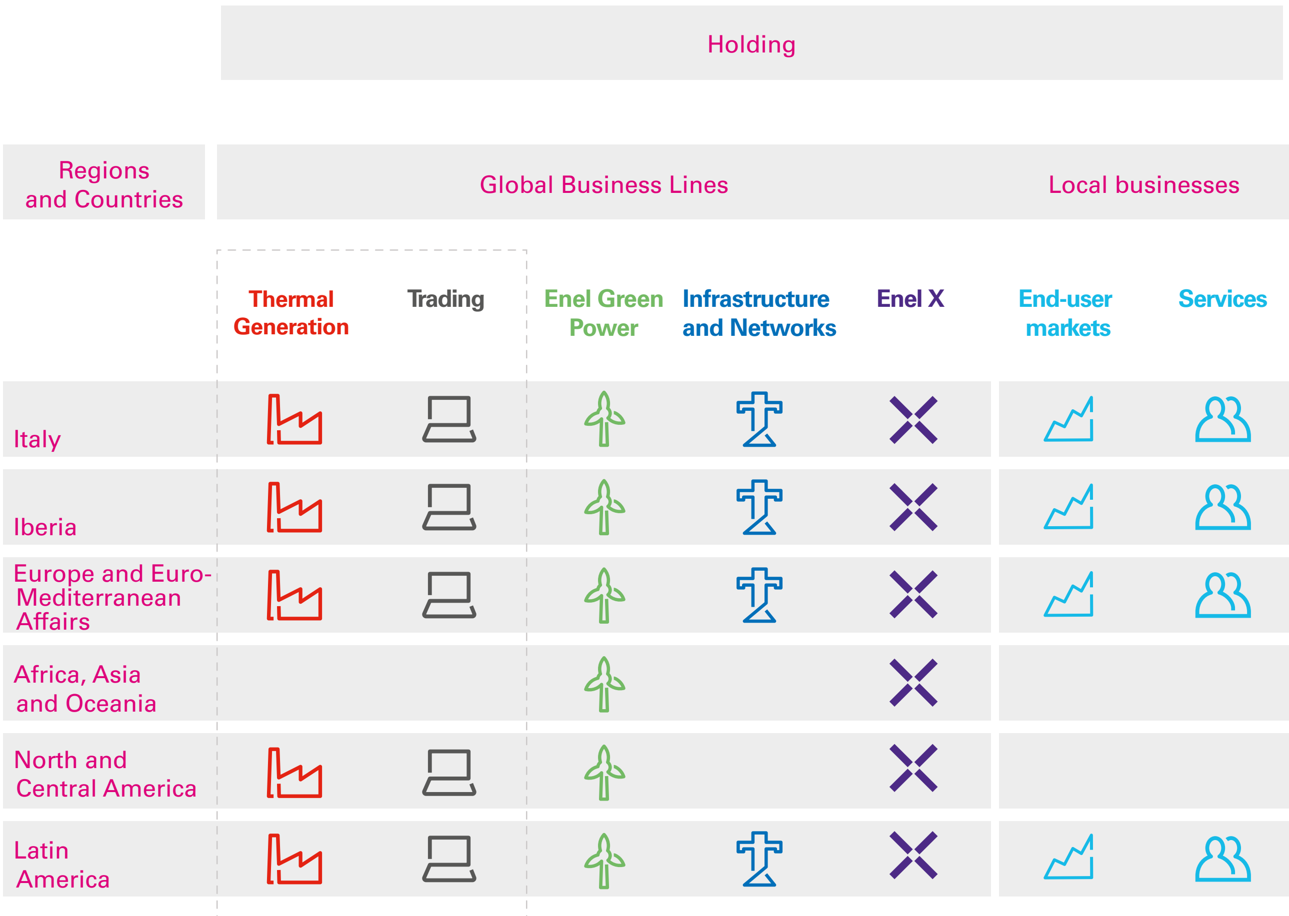
With regard to disclosures for operating segments, beginning with the close of the accounts at September 30, 2019, the Enel Group has changed its primary and secondary reporting segments in accordance with the provisions of IFRS 8. Specifically, bearing in mind that in 2019 management began to report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

> primary sector: business area;

> secondary sector: geographical area.

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

The following chart outlines these organizational arrangements.



The organization continues to be based on matrix of Business Lines (Thermal Generation and Trading, Enel Green Power, Infrastructure and Networks, End-user Markets, Enel X, Services and Holding/Other) and geographical areas (Italy, Iberia, Europe and Euro-Mediterranean Affairs, Latin America, North America, Africa, Asia and Oceania, Central/Holding). It should be noted that, with effect from September 2019, the Latin America area connected with the Enel Green Power Business Line also includes the countries Panama, Costa Rica, Guatemala, El Salvador and Nicaragua, which had previously been reported in the North and Central America geographical area (now renamed North America and consisting of the following countries: United States, Canada and Mexico). In addition, as from March 31, 2020, in Latin America the data pertaining to large customers managed by the generation companies have been reallocated to the End-user Markets Global Business Line. In order to ensure full comparability of the figures commented here in the light of the new breakdown of the primary and secondary reporting sectors for IFRS 8 disclosure purposes, the reallocation of countries in the Enel Green Power segment and the reallocation of large customers to the End-user Markets Global Business Line, the comparative figures for the 1st Quarter of 2019 have been adjusted appropriately.

Results by business area for the 1st Quarter of 2020 and 2019

1st Quarter of 2020[1]

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue and other income from third parties	8,234	1,756	4,591	4,847	189	377	(9)	19,985
Revenue and other income from transactions with other segments	340	63	371	3,514	34	18	(4,340)	-
Total revenue and other income	**8,574**	**1,819**	**4,962**	**8,361**	**223**	**395**	**(4,349)**	**19,985**
Net income/(expense) from commodity risk management	(726)	9	-	(75)	-	(5)	5	(792)
Gross operating margin	**692**	**1,138**	**1,945**	**933**	**7**	**23**	**(30)**	**4,708**
Depreciation, amortization and impairment losses	217	312	682	306	33	40	9	1,599
Operating income	**475**	**826**	**1,263**	**627**	**(26)**	**(17)**	**(39)**	**3,109**
Capital expenditure	**82**	**750**	**886**	**93**	**49**	**6**	**4**	**1,870**

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

1st Quarter of 2019(1) (2) (3) (4)

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue and other income from third parties	9,808	1,884	4,852	5,668	161	369	13	22,755
Revenue and other income from transactions with other segments	260	133	399	3,615	32	20	(4,459)	-
Total revenue and other income	**10,068**	**2,017**	**5,251**	**9,283**	**193**	**389**	**(4,446)**	**22,755**
Net income/(expense) from commodity risk management	(270)	(9)	-	(52)	-	45	-	(286)
Gross operating margin	**595**	**1,248**	**1,826**	**861**	**3**	**44**	**(29)**	**4,548**
Depreciation, amortization and impairment losses	295	303	686	205	30	44	4	1,567
Operating income	**300**	**945**	**1,140**	**656**	**(27)**	**-**	**(33)**	**2,981**
Capital expenditure	**81**	**801**(5)	**836**	**85**	**52**	**12**	**4**	**1,871**

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

(2) The figures for "Revenue and other income" and "Net income/(expense) from commodity risk management" in the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).

(3) The figures have been adjusted to ensure comparability with the results for the 1st Quarter of 2019, which are reported using business areas as the primary reporting segment.

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

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

In addition to the above, the Group monitors the performance of the geographical areas, classifying performance by Region/Country. In the table below, gross operating margin is shown for the two periods under review with the goal of providing a view of performance not only by Business Line, but also by Region/Country.

Gross operating margin

Millions of euro	Thermal Generation and Trading			Enel Green Power			Infrastructure and Networks			End-user Markets		
	1st Quarter			1st Quarter			1st Quarter			1st Quarter		
	2020	**2019**	**Change**	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Italy	**130**	**134**	**(4)**	**359**	**268**	**91**	**857**	**893**	**(36)**	**619**	**683**	**(64)**
Iberia	**428**	**158**	**270**	**107**	**106**	**1**	**643**	**476**	**167**	**241**	**129**	**112**
Latin America	**76**	**236**	**(160)**	**517**	**622**	**(105)**	**430**	**442**	**(12)**	**58**	**71**	**(13)**
Argentina	*41*	*44*	*(3)*	*9*	*10*	*(1)*	*9*	*12*	*(3)*	*(2)*	*(4)*	*2*
Brazil	*13*	*46*	*(33)*	*75*	*105*	*(30)*	*235*	*233*	*2*	*32*	*43*	*(11)*
Chile	*(13)*	*108*	*(121)*	*187*	*293*	*(106)*	*45*	*53*	*(8)*	*11*	*9*	*2*
Colombia	*(2)*	*3*	*(5)*	*168*	*149*	*19*	*94*	*88*	*6*	*11*	*14*	*(3)*
Peru	*37*	*35*	*2*	*36*	*33*	*3*	*47*	*56*	*(9)*	*6*	*9*	*(3)*
Panama	-	-	-	*32*	*23*	*9*	-	-	-	-	-	-
Other countries	-	-	-	*10*	*9*	*1*	-	-	-	-	-	-
Europe and Euro-Mediterranean Affairs	**49**	**71**	**(22)**	**49**	**38**	**11**	**15**	**16**	**(1)**	**15**	**(22)**	**37**
Romania	-	-	-	*28*	*24*	*4*	*15*	*16*	*(1)*	*15*	*(22)*	*37*
Russia	*49*	*71*	*(22)*	-	-	-	-	-	-	-	-	-
Other countries	-	-	-	*21*	*14*	*7*	-	-	-	-	-	-
North America	**6**	**-**	**6**	**116**	**219**	**(103)**	**-**	**-**	**-**	**-**	**-**	**-**
United States and Canada	*6*	-	*6*	*99*	*177*	*(78)*	-	-	-	-	-	-
Mexico	-	-	-	*17*	*42*	*(25)*	-	-	-	-	-	-
Africa, Asia and Oceania	**-**	**-**	**-**	**14**	**17**	**(3)**	**-**	**-**	**-**	**-**	**-**	**-**
South Africa	-	-	-	*14*	*16*	*(2)*	-	-	-	-	-	-
India	-	-	-	-	*2*	*(2)*	-	-	-	-	-	-
Other countries	-	-	-	-	*(1)*	*1*	-	-	-	-	-	-
Other	**3**	**(4)**	**7**	**(24)**	**(22)**	**(2)**	**-**	**(1)**	**1**	**-**	**-**	**-**
Total	**692**	**595**	**97**	**1,138**	**1,248**	**(110)**	**1,945**	**1,826**	**119**	**933**	**861**	**72**

Enel X			Services			Other			**Total**		
1st Quarter			1st Quarter			1st Quarter			1st Quarter		
2020	**2019**	**Change**	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
3	**(3)**	**6**	**12**	**41**	**(29)**	**-**	**-**	**-**	**1,980**	**2,016**	**(36)**
15	**12**	**3**	**18**	**27**	**(9)**	**-**	**-**	**-**	**1,452**	**908**	**544**
11	**10**	**1**	**(23)**	**(28)**	**5**	**-**	**-**	**-**	**1,069**	**1,353**	**(284)**
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*57*	*62*	*(5)*
(2)	*(1)*	*(1)*	*(7)*	*(15)*	*8*	*-*	*-*	*-*	*346*	*411*	*(65)*
-	*1*	*(1)*	*(16)*	*(13)*	*(3)*	*-*	*-*	*-*	*214*	*451*	*(237)*
13	*10*	*3*	*-*	*-*	*-*	*-*	*-*	*-*	*284*	*264*	*20*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*126*	*133*	*(7)*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*32*	*23*	*9*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*10*	*9*	*1*
1	**1**	**-**	**1**	**2**	**(1)**	**-**	**-**	**-**	**130**	**106**	**24**
2	*1*	*1*	*1*	*2*	*(1)*	*-*	*-*	*-*	*61*	*21*	*40*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*49*	*71*	*(22)*
(1)	*-*	*(1)*	*-*	*-*	*-*	*-*	*-*	*-*	*20*	*14*	*6*
(15)	**(11)**	**(4)**	**-**	**-**	**-**	**-**	**-**	**-**	**107**	**208**	**(101)**
(15)	*(11)*	*(4)*	*-*	*-*	*-*	*-*	*-*	*-*	*90*	*166*	*(76)*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*17*	*42*	*(25)*
2	**(1)**	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**16**	**16**	**-**
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*14*	*16*	*(2)*
-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*2*	*(2)*
2	*(1)*	*3*	*-*	*-*	*-*	*-*	*-*	*-*	*2*	*(2)*	*4*
(10)	**(5)**	**(5)**	**15**	**2**	**13**	**(30)**	**(29)**	**(1)**	**(46)**	**(59)**	**13**
7	**3**	**4**	**23**	**44**	**(21)**	**(30)**	**(29)**	**(1)**	**4,708**	**4,548**	**160**

Thermal Generation and Trading

Operations

Net electricity generation

Millions of kWh	1st Quarter			
	2020	2019	Change	
Coal-fired plants	2,837	13,535	(10,698)	-79.0%
Fuel-oil and turbo-gas plants	4,677	5,338	(661)	-12.4%
Combined-cycle plants	11,241	10,398	843	8.1%
Nuclear plants	7,201	7,084	117	1.7%
Total net generation	**25,956**	**36,355**	**(10,399)**	**-28.6%**
- of which Italy	*3,742*	*6,069*	*(2,327)*	*-38.3%*
- of which Iberia	*11,406*	*14,436*	*(3,030)*	*-21.0%*
- of which Latin America	*6,031*	*6,539*	*(508)*	*-7.8%*
- of which Europe and Euro-Mediterranean Affairs	*4,777*	*9,311*	*(4,534)*	*-48.7%*

The decrease in net generation was essentially due to a sharp decrease in coal generation in the amount of 10,698 million kWh, primarily in Russia (4,516 million kWh), due to the disposal of the Reftinskaya GRES coal-fired plant on October 1, 2019, in Iberia (3,711 million kWh) and Italy (1,963 million kWh), as well as to the decline in fuel-oil generation in the amount of 661 million kWh. The change attributable to these sources was partly offset by an increase of 843 million kWh in in combined-cycle generation, mainly in Spain

Net efficient installed capacity

MW	1st Quarter			
	2020	2019[(1)]	Change	
Coal-fired plants	11,695	11,695	-	-
Fuel-oil and turbo-gas plants	12,213	12,211	2	-
Combined-cycle plants	15,004	14,991	13	0.1%
Nuclear plants	3,318	3,318	-	-
Total	**42,230**	**42,215**	**15**	**-**
- of which Italy	*13,528*	*13,480*	*48*	*0.4%*
- of which Iberia	*15,922*	*15,957*	*(35)*	*-0.2%*
- of which Latin America	*7,525*	*7,523*	*2*	*-*
- of which Europe and Euro-Mediterranean Affairs	*5,255*	*5,255*	*-*	*-*

(1) At December 31, 2019.

The increase in net efficient generation capacity compared with the end of 2019 essentially reflects an increase of 48 MW in Italy due to the upgrading of unit 4 of the La Casella combined-cycle plant, partly offset by a decrease of 35 MW in Spain in respect of combined-cycle plants.

Performance

Millions of euro	1st Quarter			
	2020	2019	Change	
Revenue[1]	8,574	10,068	(1,494)	-14.8%
Gross operating margin	692	595	97	16.3%
Ordinary gross operating margin	695	501	194	38.7%
Operating income	475	300	175	58.3%
Capital expenditure	82	81	1	1.2%

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).

The following tables show a breakdown of performance by Region/Country in the 1st Quarter of 2020.

Revenue[1]

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	6,669	7,790	(1,121)	-14.4%
Iberia	1,472	1,527	(55)	-3.6%
Latin America	402	593	(191)	-32.2%
- of which Argentina	*64*	*101*	*(37)*	*-36.6%*
- of which Brazil	*44*	*68*	*(24)*	*-35.3%*
- of which Chile	*168*	*302*	*(134)*	*-44.4%*
- of which Colombia	*49*	*19*	*30*	-
- of which Peru	*77*	*103*	*(26)*	*-25.2%*
North America	4	1	3	-
Europe and Euro-Mediterranean Affairs	165	266	(101)	-38.0%
- of which Romania	-	*9*	*(9)*	-
- of which Russia	*165*	*257*	*(92)*	*-35.8%*
- of which other countries	-	-	-	-
Other	31	15	16	-
Eliminations and adjustments	(169)	(124)	(45)	-36.3%
Total	**8,574**	**10,068**	**(1,494)**	**-14.8%**

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).

Gross operating margin

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	130	134	(4)	-3.0%
Iberia	428	158	270	-
Latin America	76	236	(160)	-67.8%
- of which Argentina	*41*	*44*	*(3)*	*-6.8%*
- of which Brazil	*13*	*46*	*(33)*	*-71.7%*
- of which Chile	*(13)*	*108*	*(121)*	*-*
- of which Colombia	*(2)*	*3*	*(5)*	*-*
- of which Peru	*37*	*35*	*2*	*5.7%*
North America	6	-	6	-
Europe and Euro-Mediterranean Affairs	49	71	(22)	-31.0%
- of which Romania	*-*	*-*	*-*	*-*
- of which Russia	*49*	*71*	*(22)*	*-31.0%*
- of which other countries	*-*	*-*	*-*	*-*
Other	3	(4)	7	-
Total	**692**	**595**	**97**	**16.3%**

The increase in the **gross operating margin** in the 1st Quarter of 2020 mainly reflects:

> an increase of €270 million in the margin posted in Spain, essentially attributable to:
  - the decrease in personnel costs of €183 million, due essentially to the positive effects of the application of the 5th Endesa Collective Bargaining Agreement, which modified certain employee benefits, in particular the electricity discount for employees and former employees. These positive effects were only partly offset by the provision for early termination incentives following the entry into force of the new "agreement on voluntary measures to suspend or terminate employment contracts";
  - the decrease in costs for fuels of €67 million, mainly reflecting the reduction in thermal generation;
  - the decrease in costs for CO_2 allowances of €44 million, due to the reduction in thermal generation;
  - the improvement of €42 million in the performance of derivatives used to manage commodity risk;
  - the decrease in costs for electricity purchases of €32 million, essentially reflecting the decrease in volumes purchased;
  - the increase in taxes and duties on thermal generation of €44 million, reflecting the effect of the suspension in the 1st Quarter of 2019 of taxes on power generation and on the consumption of hydrocarbons used to generate power in accordance with Royal Decree 15/2018 of October 5, 2018;

> a decrease of €160 million in the margin in Latin America, mainly reflecting:
  - the reduction of €121 million in the margin in Chile, due mainly to the effect of the recognition in the 1st Quarter of 2019 of an indemnity of €80 million received from a major customer for having exercised the early withdrawal option as well as the decrease of €57 million in revenue from the sale of gas as a result of the decline in volumes sold. These factors were partly offset by the decrease in costs for fuels of €34 million;
  - the reduction of €33 million in the margin in Brazil, due primarily to the decrease in volumes sold on the spot market;

> a decrease of €22 million in the margin posted by Europe and Euro-Mediterranean Affairs, recognized in Russia mainly as a result of the reduction in the margin on thermal generation, essentially reflecting the disposal of the Reftinskaya GRES coal-fired plant on October 1, 2019.

The **ordinary gross operating margin** increased by €194 million compared with 2019. In the 1st Quarter of 2020, it differs from the gross operating margin by €3 million, reflecting the costs incurred in Italy in responding to the COVID-19 pandemic, essentially for the sanitization of workplaces, personal protective equipment and donations. In the same period of 2019, the only extraordinary item was the income from the sale of the Valle del Mercure biomass plant (€94 million net of the contractually agreed site restoration costs).

Operating income

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	86	71	15	21.1%
Iberia	322	(8)	330	-
Latin America	26	187	(161)	-86.1%
- of which Argentina	*23*	*35*	*(12)*	*-34.3%*
- of which Brazil	*11*	*39*	*(28)*	*-71.8%*
- of which Chile	*(29)*	*89*	*(118)*	-
- of which Colombia	*(7)*	*(2)*	*(5)*	-
- of which Peru	*28*	*26*	*2*	*7.7%*
North America	6	-	6	-
Europe and Euro-Mediterranean Affairs	33	54	(21)	-38.9%
- of which Romania	-	-	-	-
- of which Russia	*33*	*54*	*(21)*	*-38.9%*
- of which other countries	-	-	-	-
Other	2	(4)	6	-
Eliminations and adjustments	-	-	-	-
Total	**475**	**300**	**175**	**58.3%**

The increase in **operating income**, which reflects the factors referred to in the comments on the gross operating margin, is also due to the decrease in depreciation and amortization of €78 million on the same period of the previous year. This latter change is mainly attributable to the decrease in depreciation in the amount of €75 million, partly owing to the writedown of coal-fired plants in Spain and Italy in the 3rd Quarter of 2019.

Capital expenditure

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	24	23	1	4.3%
Iberia	31	30	1	3.3%
Latin America	24	16	8	50.0%
Europe and Euro-Mediterranean Affairs	3	12	(9)	-75.0%
Other	-	-	-	-
Total	**82**	**81**	**1**	**1.2%**

Capital expenditure in the 1st Quarter of 2020 was essentially unchanged on the same period of 2019. Spending focused almost exclusively on maintaining and securing plants.

Enel Green Power

Operations

Net electricity generation[1]

Millions of kWh	1st Quarter			
	2020	2019	Change	
Hydroelectric	15,224	13,912	1,312	9.4%
Geothermal	1,594	1,498	96	6.4%
Wind	7,419	6,275	1,144	18.2%
Solar	1,242	1,045	197	18.9%
Other sources	-	11	(11)	-
Total net generation	**25,479**	**22,741**	**2,738**	**12.0%**
- of which Italy	*5,338*	*4,897*	*441*	*9.0%*
- of which Iberia	*3,737*	*2,596*	*1,141*	*44.0%*
- of which Latin America	*11,245*	*11,493*	*(248)*	*-2.2%*
- of which Europe and Euro-Mediterranean Affairs	*662*	*568*	*94*	*16.5%*
- of which North America	*4,131*	*2,824*	*1,307*	*46.3%*
- of which Africa, Asia and Oceania	*366*	*363*	*3*	*0.8%*

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

In the 1st Quarter of 2020, net electricity generation mainly increased due to greater hydroelectric and wind output.

More specifically, water conditions improved in Italy (+441 million kWh), Iberia (+766 million kWh) and Latin America (+119 million kWh). In the latter area, developments in hydroelectric generation differed by country, with increases in Peru (+149 million kWh), Colombia (+99 million kWh), Panama (+68 million kWh), Argentina (+29 million kWh) and Guatemala (+24 million kWh) and decreases in Chile (-204 million kWh) and Brazil (-54 million kWh).

The most significant changes in wind generation came in the United States, where there was an increase of 993 million kWh, in Iberia, with an increase of 290 million kWh, and in Brazil, with a decrease of 278 million kWh, partly reflecting the sale of eight companies in the 2nd Quarter of 2019 (the Gamma operation).

The solar generation increased mainly in the United States (+105 million kWh), Mexico (+101 million kWh) and Iberia (+85 million kWh), partly offset by lower output in Brazil (-123 million kWh) as a result of the change in the scope of operations noted above.

Net efficient installed capacity

MW	1st Quarter			
	2020	2019 (1)	Change	
Hydroelectric	27,832	27,830	2	-
Geothermal	878	878	-	-
Wind	10,508	10,327	181	1.8%
Solar	3,289	3,094	195	6.3%
Other sources	5	5	-	-
Total	**42,512**	**42,134**	**378**	**0.9%**
- of which Italy	*13,975*	*13,972*	*3*	-
- of which Iberia	*7,391*	*7,391*	-	-
- of which Latin America	*13,841*	*13,676*	*165*	*1.2%*
- of which Europe and Euro-Mediterranean Affairs	*1,037*	*1,037*	-	-
- of which North America	*5,492*	*5,282*	*210*	*4.0%*
- of which Africa, Asia and Oceania	*776*	*776*	-	-

(1) At December 31, 2019.

The increase in net efficient capacity was recorded mainly in Mexico, regarding the Dolores Wind SA de Cv and Parque Amistad III SA de Cv wind farms, and in Brazil, as a result of the increase in installed capacity in respect of the São Gonçalo photovoltaic plants.

Performance(1) (2)

Millions of euro	1st Quarter			
	2020	2019	Change	
Revenue	1,819	2,017	(198)	-9.8%
Gross operating margin	1,138	1,248	(110)	-8.8%
Ordinary gross operating margin	1,139	1,248	(109)	-8.7%
Operating income	826	945	(119)	-12.6%
Capital expenditure	750	801 (3)	(51)	-6.4%

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

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

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

The following tables show a breakdown of performance by Region/Country in the 1st Quarter of 2020.

Revenue[1] [2]

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	542	437	105	24.0%
Iberia	214	180	34	18.9%
Latin America	750	1,034	(284)	-27.5%
- of which Argentina	*13*	*15*	*(2)*	*-13.3%*
- of which Brazil	*150*	*198*	*(48)*	*-24.2%*
- of which Chile	*264*	*476*	*(212)*	*-44.5%*
- of which Colombia	*220*	*248*	*(28)*	*-11.3%*
- of which Peru	*49*	*42*	*7*	*16.7%*
- of which Panama	*40*	*41*	*(1)*	*-2.4%*
- of which other countries	*14*	*14*	-	-
North America	210	280	(70)	-25.0%
- of which United States	*183*	*221*	*(38)*	*-17.2%*
- of which Mexico	*27*	*59*	*(32)*	*-54.2%*
Europe and Euro-Mediterranean Affairs	92	66	26	39.4%
- of which Romania	*63*	*45*	*18*	*40.0%*
- of which Greece	*25*	*18*	*7*	*38.9%*
- of which Bulgaria	*4*	*3*	*1*	*33.3%*
- of which other countries	-	-	-	-
Africa, Asia and Oceania	25	23	2	8.7%
Other	40	30	10	33.3%
Eliminations and adjustments	(54)	(33)	(21)	-63.6%
Total	**1,819**	**2,017**	**(198)**	**-9.8%**

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

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

Gross operating margin[1] [2]

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	359	268	91	34.0%
Iberia	107	106	1	0.9%
Latin America	517	622	(105)	-16.9%
- of which Argentina	*9*	*10*	*(1)*	*-10.0%*
- of which Brazil	*75*	*105*	*(30)*	*-28.6%*
- of which Chile	*187*	*293*	*(106)*	*-36.2%*
- of which Colombia	*168*	*149*	*19*	*12.8%*
- of which Peru	*36*	*33*	*3*	*9.1%*
- of which Panama	*32*	*23*	*9*	*39.1%*
- of which other countries	*10*	*9*	*1*	*11.1%*
North America	116	219	(103)	-47.0%
- of which United States	*99*	*177*	*(78)*	*-44.1%*
- of which Mexico	*17*	*42*	*(25)*	*-59.5%*
Europe and Euro-Mediterranean Affairs	49	38	11	28.9%
- of which Romania	*28*	*24*	*4*	*16.7%*
- of which Russia	*-*	*-*	*-*	*-*
- of which Greece	*19*	*13*	*6*	*46.2%*
- of which Bulgaria	*3*	*2*	*1*	*50.0%*
- of which other countries	*(1)*	*(1)*	*-*	*-*
Africa, Asia and Oceania	14	17	(3)	-17.6%
Other	(24)	(22)	(2)	-9.1%
Total	**1,138**	**1,248**	**(110)**	**-8.8%**

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

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

The decrease in the **gross operating margin** for the 1st Quarter of 2020 largely reflects:

> the decline in the margin in Latin America, mainly due to:
  - a decrease in the margin in Chile, mainly reflecting the effect of the recognition in the 1st Quarter of 2019 by Enel Generación Chile of revenue for indemnities of €80 million following the exercise of the right of withdrawal by a major industrial customers from a long-term electricity supply contract, as well as the reduction in sales of electricity and adverse exchange rate developments (€17 million);
  - a decrease in the margin in Brazil, mainly reflecting a decline in quantities generated, partly in reflection of the change in the scope of operations following the sale of eight companies in the 2nd Quarter of 2019, and the significant depreciation of the Brazilian real against the euro.

  These factors were partly offset by:
  - an increase in the margin posted in Colombia, mainly reflecting a rise in the margin on electricity (€16 million) despite adverse exchange rate developments (€15 million);
  - an increase in the margin in Panama, reflecting the reduction in costs for the purchase of electricity (€9 million);

> the decrease in the margin in North America, largely attributable to:
  - the recognition in the 1st Quarter of 2019 of negative goodwill of €106 million in the United States following the acquisition by Enel North America (formerly Enel Green Power North America) of 13 companies from Enel Green Power North America Renewable Energy Partners LLC (EGPNA REP). This was only partly offset by an increase in income from tax partnerships (€34 million) recognized in the 1st Quarter of 2020 as a result of the development of new plants by Enel North America (formerly Enel Green Power North America) and an increase in electricity margin (€17 million);
  - a decline in accessory activities performed in Mexico by Kino Contractor;

> the increase in the margin in Italy, mainly reflecting the increase in hydroelectric output as a result of improved water conditions.

The **ordinary gross operating margin** decreased by €109 million compared with 2019. The only extraordinary item present in 2020 is represented by costs incurred in Italy (€1 million) in responding to the COVID-19 pandemic for the sanitization of workplaces, personal protective equipment and donations.

Operating income[1] [2]

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	285	195	90	46.2%
Iberia	58	65	(7)	-10.8%
Latin America	423	511	(88)	-17.2%
- of which Argentina	*9*	*10*	*(1)*	*-10.0%*
- of which Brazil	*57*	*77*	*(20)*	*-26.0%*
- of which Chile	*145*	*244*	*(99)*	*-40.6%*
- of which Colombia	*154*	*136*	*18*	*13.2%*
- of which Peru	*27*	*23*	*4*	*17.4%*
- of which Panama	*28*	*20*	*8*	*40.0%*
- of which other countries	*3*	*1*	*2*	-
North America	47	158	(111)	-70.3%
- of which United States	*38*	*123*	*(85)*	*-69.1%*
- of which Mexico	*9*	*35*	*(26)*	*-74.3%*
Europe and Euro-Mediterranean Affairs	33	31	2	6.5%
- of which Romania	*23*	*20*	*3*	*15.0%*
- of which Russia	*(1)*	-	*(1)*	-
- of which Greece	*11*	*10*	*1*	*10.0%*
- of which Bulgaria	*2*	*2*	-	-
- of which other countries	*(2)*	*(1)*	*(1)*	-
Africa, Asia and Oceania	5	7	(2)	-28.6%
Other	(26)	(22)	(4)	-18.2%
Eliminations and adjustments	1	-	1	-
Total	**826**	**945**	**(119)**	**-12.6%**

(1) These figures have been adjusted for the purposes of comparison with those for the 1st Quarter of 2019 to take account of the fact that Panama, Costa Rica, Guatemala, El Salvador and Nicaragua, which were previously included in the North and Central America geographical area, are now included within Latin America.
(2) The figures have been adjusted to take account of the fact that in Latin America the figures pertaining to large customers managed by the generation companies have been reallocated to the End-user Markets Global Business Line.

The decrease in **operating income**, which reflects the developments discussed in the section on the gross operating margin, is also attributable to an increase of €9 million in depreciation, amortization and impairment.

Capital expenditure[1]

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	35	36	(1)	-2.8%
Iberia	61	200	(139)	-69.5%
Latin America	268	141[2]	127	90.1%
North America	239	284	(45)	-15.8%
Europe and Euro-Mediterranean Affairs	32	55	(23)	-41.8%
Africa, Asia and Oceania	111	81	30	37.0%
Other	4	4	-	-
Total	**750**	**801**	**(51)**	**-6.4%**

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

Capital expenditure in the 1st Quarter of 2020 decreased by €51 million compared with the same period of 2019. The decline is attributable to:

> a decrease in expenditure in Iberia of €139 million, mainly for wind plants (€122 million) and solar plants (€20 million) due to the entry into service of those plants in 2019;

> a decrease in expenditure in North America of €45 million, reflecting a decline in investment in wind plants of €52 million, partly offset by an increase in spending on photovoltaic facilities of €13 million. Investment in wind plants decreased in particular in Mexico and Canada, falling by €45 million and €25 million respectively, offset by an increase in such spending in the United States (€18 million);

> an increase in expenditure in Latin America of €127 million, mainly on wind farms (€30 million), photovoltaic plants (€93 million) and geothermal facilities (€15 million), partly offset by a decline in investment in hydroelectric plants (€15 million). The largest investments were mainly located in Brazil;

> an increase in expenditure in Africa, Asia and Oceania of €30 million, mainly regarding the development of wind plants in South Africa (€83 million), partly offset by a decline in investment in India (€47 million).

Infrastructure and Networks

Operations

Electricity transport

Millions of kWh	1st Quarter			
	2020	2019	Change	
Electricity transported on Enel's distribution grid[1]	122,408	126,575	(4,167)	-3.3%
- of which Italy	*53,587*	*56,380*	*(2,793)*	*-5.0%*
- of which Iberia	*30,557*	*31,460*	*(903)*	*-2.9%*
- of which Latin America	*34,262*	*34,733*	*(471)*	*-1.4%*
- of which Europe and Euro-Mediterranean Affairs	*4,002*	*4,002*	*-*	*-*
End users with active smart meters (no.)	44,767,475	44,668,538[2]	98,937	0.2%

(1) The figure for 2019 reflects a more accurate measurement of amounts transported.
(2) At December 31, 2019.

The decrease of 3.3% in electricity transported on the distribution grid is mainly attributable to:

> Italy (-5.0%), where electricity demand diminished for low-voltage customers, especially for non-residential use (-1.20 TWh), and for medium-voltage customers (-1.05 TWh). The demand for electricity from high- and very high-voltage customers also fell slightly (-0.45 TWh);

> Iberia (-2.9%), where the decrease is due essentially to the decline in power transported by Edistribución Redes Digitales SL;

> Latin America (-1.4%), where the decrease was largely due to Brazil.

Average frequency of interruptions per customer

	1st Quarter			
SAIFI (average no.)	**2020**	2019[1]	Change	
Italy	*1.9*	*1.9*	*-*	*-*
Iberia	*1.4*	*1.4*	*-*	*-*
Argentina	*5.6*	*6.0*	*(0.4)*	*-6.7%*
Brazil	*5.4*	*5.8*	*(0.4)*	*-6.9%*
Chile	*1.6*	*1.6*	*-*	*-*
Colombia	*6.9*	*6.8*	*0.1*	*1.5%*
Peru	*2.7*	*2.8*	*(0.1)*	*-3.6%*
Romania	*3.9*	*4.1*	*(0.2)*	*-4.9%*

(1) At December 31, 2019.

Average duration of interruptions per customer

	1st Quarter			
SAIDI (average min.)	2020	2019[1]	Change	
Italy	*47.4*	*48.5*	*(1.1)*	*-2.3%*
Iberia	*75.6*	*75.8*	*(0.2)*	*-0.3%*
Argentina	*1,197.0*	*1,214.1*	*(17.1)*	*-1.4%*
Brazil	*645.9*	*728.8*	*(82.9)*	*-11.4%*
Chile	*194.0*	*184.1*	*9.9*	*5.4%*
Colombia	*670.0*	*666.6*	*3.4*	*0.5%*
Peru	*415.0*	*418.9*	*(3.9)*	*-0.9%*
Romania	*158.9*	*169.6*	*(10.7)*	*-6.3%*

(1) At December 31, 2019.

As indicated in the table, the most significant service interruptions occurred in Argentina, due in particular to faults in high-voltage transmission systems not operated by the Group.

	1st Quarter			
Network losses (avg. %)	2020	2019[1]	Change	
Italy	*4.7*	*4.7*	-	-
Iberia	*7.4*	*7.5*	*(0.1)*	*-1.3%*
Argentina	*15.8*	*15.5*	*0.3*	*1.9%*
Brazil	*12.3*	*12.8*	*(0.5)*	*-3.9%*
Chile	*5.4*	*5.0*	*0.4*	*8.0%*
Colombia	*7.5*	*7.7*	*(0.2)*	*-2.6%*
Peru	*8.5*	*8.2*	*0.3*	*3.7%*
Romania	*9.3*	*9.7*	*(0.4)*	*-4.1%*

(1) At December 31, 2019.

Performance

Millions of euro	1st Quarter			
	2020	2019	Change	
Revenue	4,962	5,251	(289)	-5.5%
Gross operating margin	1,945	1,826	119	6.5%
Ordinary gross operating margin	1,958	1,826	132	7.2%
Operating income	1,263	1,140	123	10.8%
Capital expenditure	886	836	50	6.0%

The following tables show a breakdown of performance by Region/Country in the 1st Quarter of 2020.

Revenue

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	1,755	1,832	(77)	-4.2%
Iberia	625	653	(28)	-4.3%
Latin America	2,473	2,674	(201)	-7.5%
- of which Argentina	*205*	*247*	*(42)*	*-17.0%*
- of which Brazil	*1,585*	*1,723*	*(138)*	*-8.0%*
- of which Chile	*323*	*345*	*(22)*	*-6.4%*
- of which Colombia	*156*	*154*	*2*	*1.3%*
- of which Peru	*204*	*205*	*(1)*	*-0.5%*
Europe and Euro-Mediterranean Affairs	102	95	7	7.4%
Other	55	16	39	-
Eliminations and adjustments	(48)	(19)	(29)	-
Total	**4,962**	**5,251**	**(289)**	**-5.5%**

Gross operating margin

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	857	893	(36)	-4.0%
Iberia	643	476	167	35.1%
Latin America	430	442	(12)	-2.7%
- of which Argentina	*9*	*12*	*(3)*	*-25.0%*
- of which Brazil	*235*	*233*	*2*	*0.9%*
- of which Chile	*45*	*53*	*(8)*	*-15.1%*
- of which Colombia	*94*	*88*	*6*	*6.8%*
- of which Peru	*47*	*56*	*(9)*	*-16.1%*
Europe and Euro-Mediterranean Affairs	15	16	(1)	-6.3%
Other	-	(1)	1	-
Total	**1,945**	**1,826**	**119**	**6.5%**

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

> an increase in the margin in Iberia of €167 million, reflecting the signing in the 1st Quarter of 2020 of the 5th Endesa Collective Bargaining Agreement, which modified the electricity discount benefit for employees and former employees and thereby led to the reversal of the associated provision in the total amount of €269 million. This positive effect was only partly offset by the provision of €91 million for the voluntary early termination of employment;

> a decrease in the margin in Italy, essentially reflecting a decrease in quantities transported and revenue from equalization mechanisms.

The **ordinary gross operating margin** increased by €132 million compared with 2019. The only extraordinary item present in 2020 is represented by costs (€13 million) incurred mainly in Italy and Brazil in responding to the COVID-19 pandemic for the sanitization of workplaces, personal protective equipment and donations.

Operating income

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	578	632	(54)	-8.5%
Iberia	455	284	171	60.2%
Latin America	238	233	5	2.1%
- of which Argentina	*2*	*4*	*(2)*	*-50.0%*
- of which Brazil	*108*	*80*	*28*	*35.0%*
- of which Chile	*34*	*42*	*(8)*	*-19.0%*
- of which Colombia	*65*	*66*	*(1)*	*-1.5%*
- of which Peru	*29*	*41*	*(12)*	*-29.3%*
Europe and Euro-Mediterranean Affairs	(7)	(7)	-	-
Other	(1)	(2)	1	50.0%
Total	**1,263**	**1,140**	**123**	**10.8%**

Operating income, including depreciation, amortization and impairment of €682 million (€686 million in the 1st Quarter of 2019), essentially reflects the developments discussed for the gross operating margin for the period.

Capital expenditure

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	486	410	76	18.5%
Iberia	95	116	(21)	-18.1%
Latin America	264	279	(15)	-5.4%
Europe and Euro-Mediterranean Affairs	41	31	10	32.3%
Other	-	-	-	-
Total	**886**	**836**	**50**	**6.0%**

Capital expenditure increased by a total of €50 million on the year-earlier period. More specifically, the increase in Italy in respect of capital expenditure for medium- and low-voltage plants was only partly offset by a reduction in capital expenditure for the distribution grid in Spain on substations, transformers and the replacement of metering equipment.

End-user Markets

Operations

Electricity sales

Millions of kWh	1st Quarter			
	2020	2019	Change	
Free market	41,844	43,687	(1,843)	-4.2%
Regulated market	35,859	38,587	(2,728)	-7.1%
Total[1]	**77,703**	**82,274**	**(4,571)**	**-5.6%**
- of which Italy	*23,427*	*26,097*	*(2,670)*	*-10.2%*
- of which Iberia	*21,519*	*22,244*	*(725)*	*-3.3%*
- of which Latin America[1]	*30,378*	*32,047*	*(1,669)*	*-5.2%*
- of which Europe and Euro-Mediterranean Affairs	*2,379*	*1,886*	*493*	*26.1%*

(1) Volumes include sales to large customers by generation companies in Latin America. The 2019 figure has been adjusted to ensure comparability.

The decline in electricity sold in the 1st Quarter of 2020 substantially reflects the lower quantities sold in Italy, mainly due to lower sales on the regulated market as a result of the transfer of customers to the free market and the effects of the COVID-19 pandemic, which produced a decrease in volumes sold in business-to-business (B2B) transactions, partly offset by an increase in quantities sold to residential customers (B2C). In Spain, the change is mainly due to the decrease in consumption connected with the decline in the demand for electricity in the country.

Natural gas sales

Millions of m^3	1st Quarter			
	2020	2019	Change	
Business to consumer	1,734	1,831	(97)	-5.3%
Business to business	1,944	2,147	(203)	-9.5%
Total	**3,678**	**3,978**	**(300)**	**-7.5%**
- of which Italy	*2,062*	*2,172*	*(110)*	*-5.1%*
- of which Iberia	*1,563*	*1,799*	*(236)*	*-13.1%*
- of which Europe and Euro-Mediterranean Affairs	*53*	*7*	*46*	*-*

The reduction in natural gas sales in the first three months of 2020 compared with the same period of 2019 mainly reflects a reduction in consumption in Italy and Spain.

Performance

Millions of euro	1st Quarter			
	2020	2019	Change	
Revenue	8,361	9,283	(922)	-9.9%
Gross operating margin	933	861	72	8.4%
Ordinary gross operating margin	941	861	80	9.3%
Operating income	627	656	(29)	-4.4%
Capital expenditure	93	85	8	9.4%

The following tables show a breakdown of performance by Region/Country in the 1st Quarter of 2020.

Revenue

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	4,220	4,684	(464)	-9.9%
Iberia	3,441	3,903	(462)	-11.8%
Latin America	380	397	(17)	-4.3%
- of which Argentina	*1*	*2*	*(1)*	*-50.0%*
- of which Brazil	*92*	*107*	*(15)*	*-14.0%*
- of which Chile	*80*	*73*	*7*	*9.6%*
- of which Colombia	*194*	*200*	*(6)*	*-3.0%*
- of which Peru	*13*	*15*	*(2)*	*-13.3%*
Europe and Euro-Mediterranean Affairs	320	299	21	7.0%
Eliminations and adjustments	-	-	-	-
Total	**8,361**	**9,283**	**(922)**	**-9.9%**

Gross operating margin

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	619	683	(64)	-9.4%
Iberia	241	129	112	86.8%
Latin America	58	71	(13)	-18.3%
- of which Argentina	*(2)*	*(4)*	*2*	*50.0%*
- of which Brazil	*32*	*43*	*(11)*	*-25.6%*
- of which Chile	*11*	*9*	*2*	*22.2%*
- of which Colombia	*11*	*14*	*(3)*	*-21.4%*
- of which Peru	*6*	*9*	*(3)*	*-33.3%*
Europe and Euro-Mediterranean Affairs	15	(22)	37	-
Total	**933**	**861**	**72**	**8.4%**

The **gross operating margin** in the 1st Quarter of 2020 increased, essentially reflecting:

> an increase of €112 million in the margin in Iberia, attributable to an improvement in the unit margin registered in the period, which offset the effect of the decrease in quantities sold;

- an increase of €37 million in the margin in Romania, due to the combined effect of an increase in revenue, due to an increase in unit prices, and a reduction in costs incurred for the sale of electricity;
- a decrease in the margin in Italy of €64 million, reflecting the decrease of €58 million in the margin due to a decline in sales on the free market, especially to B2B customers, and the decrease of €6 million in the margin posted on the regulated market;
- a decrease in the margin in Brazil of €11 million, essentially reflecting adverse exchange rate developments.

The **ordinary gross operating margin** increased by €80 million compared with the 1st Quarter of 2019. The only extraordinary item present in 2020 is represented by costs incurred (€8 million) in responding to the COVID-19 pandemic for the sanitization of workplaces, personal protective equipment and donations.

Operating income

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	439	563	(124)	-22.0%
Iberia	200	91	109	-
Latin America	(19)	27	(46)	-
- of which Argentina	*(14)*	*(15)*	*1*	*6.7%*
- of which Brazil	*(23)*	*20*	*(43)*	*-*
- of which Chile	*6*	*6*	*-*	*-*
- of which Colombia	*8*	*9*	*(1)*	*-11.1%*
- of which Peru	*4*	*7*	*(3)*	*-42.9%*
Europe and Euro-Mediterranean Affairs	7	(25)	32	-
Eliminations and adjustments	-	-	-	-
Total	**627**	**656**	**(29)**	**-4.4%**

Operating income reflected depreciation, amortization and impairment of €306 million (€205 million in the 1st Quarter of 2019). The increase in depreciation, amortization and impairment regarded expected losses on trade payables in Italy and Latin America, especially in Brazil.

Capital expenditure

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	72	67	5	7.5%
Iberia	19	13	6	46.2%
Latin America	-	-	-	-
Europe and Euro-Mediterranean Affairs	2	5	(3)	-60.0%
Total	**93**	**85**	**8**	**9.4%**

The rise in **capital expenditure** mainly reflects an increase in activities in Italy of €5 million and in Iberia of €6 million.


enel x
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Enel X

Operations

	1st Quarter			
	2020	2019	Change	
Demand response (MW)	2,853	2,467	386	15.6%
Lighting points (no.)	2,352	2,413	(61)	-2.5%
Storage (MW)(1)	16	15	1	6.7%
Charging points (no.)	85,092	55,758	29,334	52.6%

(1) Cumulative storage pertaining to Enel X. The 2019 figure is at December 31.

In the 1st Quarter of the year, the Group further expanded charging infrastructure for electric vehicles: charging points sold to private buyers increased by 25,754, mainly in North America, while public charging points expanded by 3,580, mainly in Italy.

Performance

Millions of euro	1st Quarter			
	2020	2019	Change	
Revenue	223	193	30	15.5%
Gross operating margin	7	3	4	-
Ordinary gross operating margin	8	3	5	-
Operating income	(26)	(27)	1	3.7%
Capital expenditure	49	52	(3)	-5.8%

The following tables show a breakdown of performance by Region/Country in the 1st Quarter of 2020.

Revenue

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	72	59	13	22.0%
Iberia	55	57	(2)	-3.5%
Latin America	37	38	(1)	-2.6%
- of which Argentina	*1*	*-*	*1*	*-*
- of which Brazil	*3*	*3*	*-*	*-*
- of which Chile	*11*	*17*	*(6)*	*-35.3%*
- of which Colombia	*21*	*17*	*4*	*23.5%*
- of which Peru	*1*	*1*	*-*	*-*
North America	26	24	2	8.3%
Europe and Euro-Mediterranean Affairs	10	6	4	66.7%
Africa, Asia and Oceania	20	15	5	33.3%
Other	22	8	14	-
Eliminations and adjustments	(19)	(14)	(5)	-35.7%
Total	**223**	**193**	**30**	**15.5%**

Gross operating margin

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	3	(3)	6	-
Iberia	15	12	3	25.0%
Latin America	11	10	1	10.0%
- of which Brazil	*(2)*	*(1)*	*(1)*	*-*
- of which Chile	*-*	*1*	*(1)*	*-*
- of which Colombia	*13*	*10*	*3*	*30.0%*
- of which Peru	*-*	*-*	*-*	*-*
North America	(15)	(11)	(4)	-36.4%
Europe and Euro-Mediterranean Affairs	1	1	-	-
Africa, Asia and Oceania	2	(1)	3	-
Other	(10)	(5)	(5)	-
Total	**7**	**3**	**4**	**-**

The **gross operating margin** mainly increased as a result of sales in the business in Italy and efficiency gains in Spain.

The **ordinary gross operating margin** amounted to €8 million, an increase of €5 million on the same period of 2019. The difference of €1 million with the gross operating margin for the 1st Quarter of 2020 is entirely attributable to costs incurred in responding to the COVID-19 pandemic.

Operating income

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	(7)	(10)	3	30.0%
Iberia	6	4	2	50.0%
Latin America	9	6	3	50.0%
- of which Brazil	*(2)*	-	*(2)*	-
- of which Chile	*(1)*	*1*	*(2)*	-
- of which Colombia	*12*	*5*	*7*	-
North America	(24)	(20)	(4)	-20.0%
Europe and Euro-Mediterranean Affairs	-	(1)	1	-
Africa, Asia and Oceania	1	-	1	-
Other	(11)	(6)	(5)	-83.3%
Total	**(26)**	**(27)**	**1**	**3.7%**

The **operating loss** was in line with the 1st Quarter of 2019.

Capital expenditure

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	13	12	1	8.3%
Iberia	14	12	2	16.7%
Latin America	2	3	(1)	-33.3%
North America	11	9	2	22.2%
Europe and Euro-Mediterranean Affairs	-	1	(1)	-
Africa, Asia and Oceania	-	-	-	-
Other	9	15	(6)	-40.0%
Total	**49**	**52**	**(3)**	**-5.8%**

Capital expenditure decreased slightly overall, but developments in the various countries were in line with the same period of 2019.


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Services and Other

Performance

Millions of euro	1st Quarter			
	2020	2019	Change	
Revenue	454	448	6	1.3%
Gross operating margin	(7)	15	(22)	-
Ordinary gross operating margin	-	15	(15)	-
Operating income	(56)	(33)	(23)	-69.7%
Capital expenditure	10	16	(6)	-37.5%

The tables below show a breakdown of performance by Region/Country in the 1st Quarter of 2020.

Revenue

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	171	293	(122)	-41.6%
Iberia	117	81	36	44.4%
Latin America	2	7	(5)	-71.4%
Europe and Euro-Mediterranean Affairs	7	8	(1)	-12.5%
Other	208	70	138	-
Eliminations and adjustments	(51)	(11)	(40)	-
Total	**454**	**448**	**6**	**1.3%**

Gross operating margin

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	12	41	(29)	-70.7%
Iberia	18	27	(9)	-33.3%
Latin America	(23)	(28)	5	17.9%
Europe and Euro-Mediterranean Affairs	1	2	(1)	-50.0%
Other	(15)	(27)	12	44.4%
Total	**(7)**	**15**	**(22)**	**-**

The deterioration in the **gross operating margin** in the 1st Quarter of 2020 reflects the decrease in the margin in Italy of €29 million, mainly owing to the decrease in revenue from services and customer contracts with other Group companies. This factor was only partly offset by the decrease in costs for services and personnel costs. These developments were mainly attributable to the demerger of the Global Procurement and Global Digital Solutions units, which are now reported under "Other", whose gross operating margin improved by €12 million. In addition, costs also increased as a result of COVID-19 donations.

The **ordinary gross operating margin** decreased by €15 million compared with the 1st Quarter of 2019. The only extraordinary item present in 2020 is represented by costs incurred (€7 million) in responding to the COVID-19 pandemic for the sanitization of workplaces, personal protective equipment and donations.

Operating income

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	(4)	13	(17)	-
Iberia	8	12	(4)	-33.3%
Latin America	(24)	(29)	5	17.2%
North America	(1)	-	(1)	-
Europe and Euro-Mediterranean Affairs	-	2	(2)	-
Other	(35)	(31)	(4)	-12.9%
Total	**(56)**	**(33)**	**(23)**	**-69.7%**

The **operating loss** in the 1st Quarter of 2020 broadly reflects the reduction in the gross operating margin.

Capital expenditure

Millions of euro	1st Quarter			
	2020	2019	Change	
Italy	1	7	(6)	-85.7%
Iberia	2	4	(2)	-50.0%
Latin America	2	-	2	-
Europe and Euro-Mediterranean Affairs	-	1	(1)	-
Other	5	4	1	25.0%
Total	**10**	**16**	**(6)**	**-37.5%**

The decrease in **capital expenditure** in the first three months of 2020 is attributable to a decline in spending in Italy.

Definition of performance indicators

In order to present the results of the Group and analyze their financial structure, in this Interim Financial Report at March 31, 2020, Enel has prepared separate reclassified schedules that differ from the schedules envisaged under the IFRS-EU adopted by the Group. These reclassified schedules contain different performance indicators from those obtained directly from the condensed consolidated financial statements, which management believes are useful in monitoring the performance of the Group and representative of the financial performance of our business.
With regard to those indicators, on December 3, 2015, CONSOB issued Communication no. 92543/2015, which gives force to the Guidelines issued on October 5, 2015, by the European Securities and Markets Authority (ESMA) concerning the presentation of alternative performance indicators in regulated information disclosed or prospectuses published as from July 3, 2016. These Guidelines, which update the previous CESR Recommendation (CESR/05-178b), are intended to promote the usefulness and transparency of alternative performance indicators included in regulated information or prospectuses within the scope of application of Directive 2003/71/EC in order to improve their comparability, reliability and comprehensibility.
Accordingly, in line with the regulations cited above, the criteria used to construct these indicators are the following.

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

Ordinary gross operating margin: it is calculated by adjusting the "Gross operating margin" for all items generated by non-recurring transactions, such as acquisitions or disposals of businesses (for example, capital gains and losses), with the exception of those transactions carried out in the renewable segment, related to the new "Build, Sell and Operate" business model launched in the 4th Quarter of 2016, where the income from the disposal (or repurchase) of projects represents an ordinary activity for the Group. As a result of the COVID-19 emergency, as from the 1st Quarter of 2020 extraordinary items also include costs incurred in responding to the COVID-19 pandemic (such as, for example, for the sanitization of workplaces, personal protective equipment and donations).

Ordinary operating income: it is calculated by adjusting the "Operating income" for the effects of the non-recurring transactions referred to with regard to the ordinary gross operating margin, as well as significant impairment losses on assets, including following impairment testing or classification under "Assets held for sale".

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

Net non-current assets: calculated as the difference between "Non-current assets" and "Non-current liabilities" with the exception of:
> "Deferred tax assets";
> "Securities" and "Other financial receivables" included in "Other non-current financial assets";
> "Long-term borrowings";
> "Employee benefits";
> "Provisions for risks and charges (non-current portion)";
> "Deferred tax liabilities".

Net current assets: calculated as the difference between "Current assets" and "Current liabilities" with the exception of:
> "Current portion of long-term financial receivables", "Factoring receivables", "Securities", "Cash collateral" and "Other financial receivables" included in "Other current financial assets";
> "Cash and cash equivalents";
> "Short-term borrowings" and the "Current portion of long-term borrowings";
> "Provisions for risks and charges (current portion)";
> "Other financial payables" included in "Other current liabilities".

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

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

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

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

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

Main changes in the scope of consolidation

In the two periods under review, the scope of consolidation changed as a result of a number of transactions. For more information, please see note 4 of the condensed consolidated financial statements at March 31, 2020.

Outlook

The 2020-2022 Strategic Plan, presented in November 2019, is founded on a sustainable and fully integrated business model. It is designed to enable Enel to seize the opportunities presented by the energy transition and linked to the global trends that are sweeping through the energy industry: decarbonization and electrification. The digitalization of grids and the adoption of platforms for all customer-related activities are enablers of the Group's strategy, which aims to accelerate the growth of renewables while at the same time reducing thermal generation. More specifically, the 2020-2022 Investment Plan envisages that:

> investments in decarbonization will amount to about €14.4 billion (50% of total capex), aimed at developing new renewables capacity and gradually replacing conventional generation assets. Decarbonization's contribution to EBITDA growth will be equal to €1.4 billion over the plan period. Renewables capacity is expected to reach 60% of total capacity in three years, driving the increase in the profitability of plant assets and increasing output with zero CO_2 emissions to 68% of the total in 2022. The sharp acceleration in the growth of renewables will support the Group's pursuit of the goal of reducing emissions of greenhouse gases in line with the Paris Agreement and achieving total decarbonization of the generation mix by 2050;
> about €1.2 billion of investment will be dedicated to the electrification of energy consumption, leveraging the growth and diversification of the retail customer base and the efficiencies associated with the transfer of activities to platforms. The expected contribution of these investments to the Group's EBITDA growth amounts to €0.4 billion;
> some €13 billion will be invested in the factors enabling the energy transition, i.e. infrastructure, to adapt distribution grids to a generation system based on renewable energy, and ecosystems and platforms, to develop new services, such as electric mobility and demand response services, which will play an increasing role in the energy transition. The expected contribution to EBITDA growth is about €1.1 billion.

The Group expects to invest €28.7 billion over the course of the plan. Investments will directly impact three main SDGs: SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure) and SDG 11 (Sustainable Cities and Communities), thus contributing to SDG 13 for climate action.
Under our dividend policy, over the plan period Enel will continue to pay out a dividend equal to the greater of 70% of consolidated ordinary net income and a guaranteed minimum dividend per share, with a compound annual growth rate of 8.6% for the implicit DPS and 7.7% for the minimum DPS.
For 2020 the Plan envisages:

> an acceleration of investment, in support of industrial growth to drive decarbonization, in renewable energy, especially in Latin America and North America;
> further progress in the digitalization of distribution grids, mainly in Italy and Latin America, with the aim of improving the service quality and increasing grid flexibility and resilience;
> an increase in investment devoted to the electrification of energy consumption, with the aim of leveraging the expansion of the customer base, and to continuous efficiency enhancement, supported by the creation of global business platforms.

With regard to the ongoing COVID-19 pandemic, the Group has issued guidelines aimed at preventing and/or mitigating the effects of contagion in the workplace and at the same time ensuring business continuity. The Group has also implemented constant monitoring of the impact of the emergency on macroeconomic and business variables in order to produce real-time estimates of potential impacts on the Group and enable mitigation of the effects with response or contingency plans.
Thanks to the geographical diversification of the Group, its integrated business model along the value chain, a sound financial structure and the level of digitalization achieved, which enables to ensure the continuity of operations with the same level of service, there is no current evidence of significant impacts of COVID-19 on the Group.

2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2020

Condensed Consolidated Income Statement

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

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).

Statement of Consolidated Comprehensive Income

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

Condensed Consolidated Balance Sheet

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

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

Statement of Changes in Consolidated Shareholders' Equity

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

Reserve from measurement of financial instruments at FVOCI	Reserve from equity investments accounted for using the equity method	Reserve from remeasurement of net liabilities/ (assets) of defined benefit plans	Reserve from disposal of equity interests without loss of control	Reserve from acquisitions of non-controlling interests	Retained earnings and loss carried forward	**Equity attributable to the shareholders of the Parent Company**	**Non-controlling interests**	**Total shareholders' equity**
16	**(63)**	**(714)**	**(2,381)**	**(1,623)**	**19,853**	**31,720**	**16,132**	**47,852**
-	-	-	-	-	-	**-**	**(195)**	**(195)**
-	-	-	-	-	26	**26**	**45**	**71**
-	-	(4)	-	67	(1)	**(19)**	**(103)**	**(122)**
5	2	-	-	-	1,256	**1,886**	**623**	**2,509**
5	*2*	-	-	-	-	***630***	***229***	***859***
-	-	-	-	-	*1,256*	***1,256***	***394***	***1,650***
21	**(61)**	**(718)**	**(2,381)**	**(1,556)**	**21,134**	**33,613**	**16,502**	**50,115**
21	**(119)**	**(1,043)**	**(2,381)**	**(1,572)**	**19,081**	**30,377**	**16,561**	**46,938**
-	-	-	-	-	-	**-**	**(447)**	**(447)**
-	-	-	-	-	-	**1**	**-**	**1**
-	-	109	-	-	(109)	**-**	**-**	**-**
-	-	-	-	-	29	**29**	**45**	**74**
-	-	(13)	-	(33)	(1)	**(167)**	**(374)**	**(541)**
(9)	(19)	7	-	-	1,247	**615**	**(817)**	**(202)**
(9)	*(19)*	*7*	-	-	-	***(632)***	***(1,257)***	***(1,889)***
-	-	-	-	-	*1,247*	***1,247***	***440***	***1,687***
12	**(138)**	**(940)**	**(2,381)**	**(1,605)**	**20,247**	**30,855**	**14,968**	**45,823**

Condensed Consolidated Statement of Cash Flows

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

(1) In order to improve the presentation of these items, they have been broken down to a greater extent than in the past, making it necessary to reclassify the figures for 2019 in order to ensure the uniformity and comparability of the data with the previous year.

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

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

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

1. Accounting policies and measurement criteria

The accounting standards adopted, the recognition and measurement criteria and the consolidation criteria and methods used for the condensed consolidated financial statements at March 31, 2020 are the same as those adopted for the consolidated financial statements at December 31, 2019 (please see the related report for more information). In addition, the following amendments of existing standards relevant to the Enel Group took effect as from January 1, 2020.

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

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

> "Amendments to References to the Conceptual Framework in IFRS Standards", issued in March 2018. The document sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. These amendments accompany the latest version of the Revised Conceptual Framework for Financial Reporting, issued in March 2018 and in effect as from January 1, 2020, which includes some new concepts, provides updated definitions and recognition criteria and clarifies some important concepts. The main amendments include:
  - increasing the importance of the stewardship of economic resources by management for the purposes of financial reporting;
  - restoring prudence as an element supporting neutrality;
  - defining the reporting entity, which may be a legal entity or part of such an entity;
  - revising the definition of asset and liability;
  - removing the probability threshold for the purposes of recognition and, at the same time, adding guidelines for derecognition;
  - adding guidelines on measurement bases; and
  - affirming that profit or loss is the primary indicator of performance and that, in principle, revenue and costs

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

Seasonal effects

The turnover and performance of the Group could be impacted, albeit slightly, by developments in weather conditions. More specifically, in warmer periods of the year, gas sales decline, while during periods in which factories are closed for holidays, electricity sales decline. In view of the impact these variations have on performance, which are generally negligible, given the fact that the Group operates in both the globe's northern and southern hemispheres, no additional disclosure (as required under IAS 34.21) for developments in the 12 months ended March 31, 2020 is provided.

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

In its Agenda Decision of 2019, the IFRS Interpretations Committee (IFRIC) clarified the proper recognition of contracts entered into to buy or sell fixed-price non-financial items, accounted for at fair value through profit or loss under IFRS 9 and physically settled, including energy commodities.

Based on that measure, the Group changed its accounting policy for the year ended December 31, 2019, with no impact on net income or equity.

Past practice was based on the recognition in:

> "Net income/(expense) from commodity contracts measured at fair value" of changes in the fair value of outstanding derivatives as well as of the effects in profit or loss, at the settlement date, of the derecognition of derivative assets/liabilities deriving from the fair value measurement of those contracts;

> "Revenue from sales and services" and "Electricity, gas and fuel purchases" of revenue and costs on the settlement date.

The current treatment of such contracts for non-financial items that do not meet the requirements for the own use exemption envisages recognition:

> under "Revenue" of changes in fair value on outstanding sale contracts as well as, at the settlement date, of the revenue together with the effects in profit or loss from the derecognition of assets/liabilities deriving from the fair value measurement of those contracts;

> under "Costs":
  - of changes in fair value on outstanding purchase contracts; and
  - at the settlement date, of the associated purchase costs as well as the effects in profit or loss from derecognition of assets/liabilities deriving from the fair value measurement of those contracts.

Consequently the income statement line "Net income/(expense) from commodity contracts measured at fair value" has been renamed as "Net income/(expense) from commodity risk management", which currently includes only changes in fair value and settlement effects of energy commodity derivatives without physical settlement.

Impact on income statement

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

With regard to the details in notes 7.a and 7.b on revenue and costs, respectively, the following tables give a breakdown of the effects of the application of the interpretation on contracts in commodities with physical settlement that fall within the scope of IFRS 9.

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

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

Argentina - Hyperinflationary economy: impact of the application of IAS 29

As from July 1, 2018, the Argentine economy has been considered hyperinflationary based on the criteria established by "IAS 29 - Financial Reporting in Hyperinflationary Economies". This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of a cumulative inflation rate of more than 100% over the previous three years.

For the purposes of preparing the condensed consolidated financial statements and in accordance with IAS 29, certain items of the balance sheets of the investees in Argentina have been remeasured by applying the general consumer price index to historical data in order to reflect changes in the purchasing power of the Argentine peso at the reporting date for those companies.

Bearing in mind that the Enel Group acquired control of the Argentine companies on June 25, 2009, the remeasurement of the non-monetary balance-sheet figures was conducted by applying the inflation indices starting from that date. In addition to being already reflected in the opening balance sheet, the accounting effects of that remeasurement also include changes during the period. More specifically, the effect of the remeasurement of non-monetary items, the components of equity and the components of the income statement recognized in the first three months of 2020 was recognized in a specific line of the income statement under financial income and expense. The associated tax effect was recognized in taxes for the period.

In order to also take account of the impact of hyperinflation on the exchange rate of the local currency, the income statement balances expressed in the hyperinflationary currency have been translated into the Group's presentation currency (euro) applying, in accordance with IAS 21, the closing exchange rate rather than the average rate for the period in order to adjust these amounts to current values.

The cumulative changes in the general price indices at December 31, 2019 and March 31, 2020 are shown in the following table:

Periods	Cumulative change in general consumer price index
From July 1, 2009 to December 31, 2018	346.30%
From January 1, 2019 to December 31, 2019	54.46%
From January 1, 2020 to March 31, 2020	6.76%

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

The following tables report the effects of IAS 29 on the balance sheet at March 31, 2020 and the impact of hyperinflation on the main income statement items for the 1st Quarter of 2020, differentiating between that concerning the revaluation on the basis of the general consumer price index and that due to the application of the closing exchange rate rather than the average exchange rate for the period in accordance with the provisions of IAS 21 for hyperinflationary economies.

Millions of euro

	Cumulative hyperinflation effect at Dec. 31, 2019	Hyperinflation effect for the period	Exchange differences	Cumulative hyperinflation effect at Mar. 31, 2020
Total assets	857	93	(40)	**910**
Total liabilities	164	14	(7)	**171**
Shareholders' equity	693	79 (1)	(33)	**739**

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

Millions of euro

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

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

3. Restatement of comparative disclosures

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

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

1) in the light of the introduction of the new accounting policy, as a result of the IFRIC Agenda Decision of 2019, for the recognition of contracts for the sale and purchase of non-financial items that are accounted for at fair value through profit or loss in accordance with IFRS 9 and settled with physical settlement, analogous reclassifications of the comparative balances for 2019 have been performed to ensure the uniformity and comparability of the figures. These reclassifications had no impact on margins or on shareholders' equity. Please see note 2 for further details;

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

> primary sector: business area;

> secondary sector: geographical area.

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

The new business structure is organized as follows: Thermal Generation and Trading, Enel Green Power, Infrastructure and Networks, End-user Markets, Enel X, Services and Holding/Other;

3) with effect from September 30, 2019, the Latin America area connected with the Enel Green Power Business Line also includes the countries Panama, Costa Rica, Guatemala, El Salvador and Nicaragua, which had previously been reported in the North and Central America geographical area (now renamed North America and consisting of the following countries: United States, Canada and Mexico);

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

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

4. Main changes in the scope of consolidation

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

2019

> Disposal, on March 1, 2019, of 100% of Mercure Srl, a company to which the business unit consisting of the Mercure biomass plant and the related legal relationships had been previously transferred. As provided for in the preliminary agreement reached on May 30, 2018, the provisional price for the transaction was €162 million, equal to the value of the business unit at January 1, 2018. At June 30, 2019, that price was adjusted on the basis of a number of specified variables;

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

> acquisition, on March 27, 2019, by Enel Green Power SpA (EGP), acting through its US renewables subsidiary Enel North America (formerly Enel Green Power North America), of Tradewind Energy, a renewable energy project development company based in Lenexa, Kansas. EGP has incorporated the entire Tradewind development platform, which includes 13 GW of wind, solar and storage projects located in the United States. The agreement also provided for the sale, which took place in June, of Savion, a wholly owned subsidiary of Tradewind;

> on April 30, 2019, Enel X Italy acquired 100% of YouSave SpA, an Italian company operating in the energy services sector, providing assistance to large electricity consumers;
> on May 31, 2019, the finalization, acting through the renewables subsidiary Enel Green Power Brasil Participações Ltda, of the disposal of 100% of three renewables plants in Brazil. The total price of the transaction was about R$2.7 billion, the equivalent of about €603 million.

2020

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

Other changes

In addition to the above changes in the scope of consolidation, note the following transactions, which although they do not represent transactions involving the acquisition or loss of control, gave rise to a change in the interest held by the Group in the investees:

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

5. COVID-19

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

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

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

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

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

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

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

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

In the coming months, constant monitoring of changes in macroeconomic and business variables will continue in order to obtain the best estimate of the potential impacts on the Group in real time and enable their mitigation with response and contingency plans.

6. Segment information

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

Performance by business area

1st Quarter of 2020[1]

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue and other income from third parties	8,234	1,756	4,591	4,847	189	377	(9)	19,985
Revenue and other income from transactions with other segments	340	63	371	3,514	34	18	(4,340)	-
Total revenue	**8,574**	**1,819**	**4,962**	**8,361**	**223**	**395**	**(4,349)**	**19,985**
Total costs	7,156	690	3,017	7,353	216	367	(4,314)	14,485
Net income/(expense) from commodity risk management	(726)	9	-	(75)	-	(5)	5	(792)
Depreciation and amortization	227	314	680	89	32	39	8	1,389
Impairment losses	11	1	7	257	1	1	(1)	277
Reversals of impairment losses	(21)	(3)	(5)	(40)	-	-	2	(67)
Operating income	**475**	**826**	**1,263**	**627**	**(26)**	**(17)**	**(39)**	**3,109**
Capital expenditure	**82**	**750**	**886**	**93**	**49**	**6**	**4**	**1,870**

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

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

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

(1) Segment revenue includes both revenue from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.
(2) The figures for "Revenue and other income" and "Net income/(expense) from commodity risk management" in the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).
(3) The figures have been restated to ensure comparability with results for 2019, which are presented using business area as the primary reporting segment.
(4) The figures have been adjusted to take account of the fact that in Latin America the figures pertaining to large customers managed by the generation companies have been reallocated to the End-user Markets Global Business Line.
(5) Does not include €1 million regarding units classified as "held for sale".

Financial position by segment

At March 31, 2020

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

(1) Of which €4 million regarding units classified as "held for sale".
(2) Of which €8 million regarding units classified as "held for sale".
(3) Of which €3 million regarding units classified as "held for sale".

At December 31, 2019

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Property, plant and equipment	11,863	30,351	36,333	160	442	663	11	79,823
Intangible assets(1)	134	4,697	23,782	3,624	605	466	29	33,337
Non-current and current contract assets	-	-	482	-	53	75	43	653
Trade receivables	3,219	1,726	7,649	3,838	607	676	(4,632)	13,083
Other	1,426	1,421	1,654	543	1,098	1,283	(1,350)	6,075
Operating assets	**16,642**(2)	**38,195**(1)	**69,900**(3)	**8,165**	**2,805**	**3,163**	**(5,899)**	**132,971**
Trade payables	3,383	2,192	5,411	5,028	414	949	(4,417)	12,960
Non-current and current contract liabilities	199	167	7,271	75	5	16	(104)	7,629
Sundry provisions	3,410	903	4,412	494	34	578	459	10,290
Other	1,074	1,843	8,867	2,642	415	1,451	(503)	15,789
Operating liabilities	**8,066**	**5,105**	**25,961**(4)	**8,239**	**868**	**2,994**	**(4,565)**	**46,668**

(1) Of which €7 million regarding units classified as "held for sale".
(2) Of which €4 million regarding units classified as "held for sale".
(3) Of which €10 million regarding units classified as "held for sale".
(4) Of which €3 million regarding units classified as "held for sale".

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

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

Revenue

7.a Revenue - *€19,985 million*

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

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).

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

> a decrease in revenue from the sale of electricity to end users, mainly due to the reduction in volumes sold in Italy (€298 million) and Spain (€229 million);

> a significant reduction in revenue in Latin America (€498 million), mainly owing to the depreciation of local currencies against the euro, especially in Brazil, Chile and Colombia;

> a reduction in revenue posted by Enel Global Trading (€60 million), reflecting the decrease in sales on the spot market in Italy, mainly due to the decline in electricity prices;

> a decrease in revenue in Russia (€88 million) mainly due to the sale of the Reftinskaya GRES coal-fired plant in October 2019.

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

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

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

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

Costs

7.b Costs - *€16,084 million*

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

(1) The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).

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

volume of thermal generation. That decline reflects the decrease in the use of thermal generation plants as a result of the impairment recognized in 2019.

The decline in costs for the purchase of fuel for trading and gas for sale to end users reflects the decrease in volumes handled, mainly gas. The change also includes purchase of gas measured at fair value in accordance with IFRS 9, of which €374 million regarding the measurement of outstanding contracts on the basis of the application of the IFRIC Agenda Decision.

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

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

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

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

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

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

The overall change compared with December 31, 2019 breaks down as follows:

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

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

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

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

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

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

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

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

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

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

The figures for the 1st Quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of the condensed consolidated financial statements at March 31, 2020).

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

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

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

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

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

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

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

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

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

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

7.f Income taxes - *€801 million*

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

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

Assets

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

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

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

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

Other non-current assets include:

Millions of euro

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

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

The increase for the period was essentially attributable to:

- an increase in other non-current financial assets, essentially reflecting developments in the fair value of cash flow hedge derivatives of Enel Finance International (€1.6 billion). That change was only partly offset by exchange rate losses in Latin America;
- a decrease in deferred tax assets, due to adverse exchange rate losses, mainly in Latin America, and the impact on deferred tax assets in respect of cash flow hedge reserves of the increase in the derivative assets of Enel Finance International, noted in the previous point;
- an increase of €32 million in non-current receivables due from institutional market operators, mainly due to the increase in receivables and prepaid expenses in respect of CSEA following the purchase by e-distribuzione of energy efficiency certificates and projects falling due beyond 12 months.

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

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

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

Other current assets break down as follows:

Millions of euro

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

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

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

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

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

8.c Assets held for sale - *€12 million*

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

The balance at March 31, 2020 mainly regard the Rionegro plant in Colombia (€8 million), which in view the decisions taken by management meet the requirements of IFRS 5 for classification under this item, and plants held for sale pertaining to the Enel Produzione business unit, represented by the eastern tank farm of the Ettore Majorana site of Termini Imerese (€4 million).

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

Liabilities and shareholders' equity

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other current liabilities break down as follows:

Millions of euro

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

The change for the period is essentially due to:

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

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

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

9. Net financial position

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

Millions of euro

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

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

Other information

10. Related parties

As an operator in the field of generation, distribution, transport and sale of electricity and the sale of natural gas, Enel carries out transactions with a number of companies directly or indirectly controlled by the Italian State, the Group's controlling shareholder.

The table below summarizes the main types of transactions carried out with such counterparties.

Related party	Relationship	Nature of main transactions
Single Buyer	Fully controlled (indirectly) by the Ministry for the Economy and Finance	Purchase of electricity for the enhanced protection market
Cassa Depositi e Prestiti Group	Directly controlled by the Ministry for the Economy and Finance	Sale of electricity on the Ancillary Services Market (Terna) Sale of electricity transport services (Eni Group) Purchase of transport, dispatching and metering services (Terna) Purchase of postal services (Poste Italiane) Purchase of fuels for generation plants and natural gas storage and distribution services (Eni Group)
ESO - Energy Services Operator	Fully controlled (directly) by the Ministry for the Economy and Finance	Sale of subsidized electricity Payment of A3 component for renewable resource incentives
EMO - Energy Markets Operator	Fully controlled (indirectly) by the Ministry for the Economy and Finance	Sale of electricity on the Power Exchange (EMO) Purchase of electricity on the Power Exchange for pumping and plant planning (EMO)
Leonardo Group	Directly controlled by the Ministry for the Economy and Finance	Purchase of IT services and supply of goods

Finally, Enel also maintains relationships with the pension funds FOPEN and FONDENEL, as well as Enel Cuore, an Enel non-profit company devoted to providing social and healthcare assistance.

All transactions with related parties were carried out on normal market terms and conditions, which in some cases are determined by the Regulatory Authority for Energy, Networks and the Environment.

The following tables summarize transactions with related parties, associated companies and joint arrangements carried out in the first three months of 2020 and 2019 and outstanding at March 31, 2020 and December 31, 2019.

Millions of euro

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

Millions of euro

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

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

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

Millions of euro

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

Millions of euro

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

In November 2010, the Board of Directors of Enel SpA approved a procedure governing the approval and execution of transactions with related parties carried out by Enel SpA directly or through subsidiaries (available at https://www.enel.com/investors/governance/committees) in implementation of the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing regulations issued by CONSOB. In the 1st Quarter 2020, no transactions were carried out for which it was necessary to make the disclosures required in the rules on transactions with related parties adopted with CONSOB Resolution no. 17221 of March 12, 2010, as amended with Resolution no. 17389 of June 23, 2010.

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

Key management personnel	Total at Dec. 31, 2019	Associates and joint arrangements	Overall total at Dec. 31, 2019	Total in financial statements	% of total
-	-	15	15	19,689	0.1%
-	646	250	896	13,083	6.8%
-	182	36	218	12,060	1.8%
-	8	143	151	12,414	1.2%
-	715	-	715	54,174	1.3%
-	89	-	89	3,409	2.6%
-	2,230	61	2,291	12,960	17.7%
-	26	51	77	20,202	0.4%
-	768	-	768		
-	160	-	160		
-	13	-	13		

11. Contractual commitments and guarantees

The commitments entered into by the Enel Group and the guarantees given to third parties are shown below.

Millions of euro

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

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

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

12. Contingent assets and liabilities

Compared with the consolidated financial statements at December 31, 2019, which the reader is invited to consult for more information, the following main changes have occurred in contingent assets and liabilities.

Brindisi Sud thermal generation plant - Criminal proceedings against Enel employees

With regard to the criminal proceeding before the Court of Vibo Valentia against a number of employees of Enel Produzione for the offense of illegal waste disposal in connection with alleged violations concerning the disposal of waste from the Brindisi plant, the consultant of the public prosecutor testified at the hearing of February 24, 2020. The trial has been postponed pending notification from the Court of the date of the new hearing as a result of the general postponement of all criminal and civil proceedings as part of the measures to counter the COVID-19 pandemic.

BEG litigation - Italy

With regard to the suit lodged by Enel SpA and Enelpower SpA currently pending before the Rome Court of Appeal asking the Court to ascertain the liability of BEG SpA for having evaded compliance with the arbitration ruling issued in Italy in favor of Enelpower SpA through the action taken by the subsidiary Albania BEG Ambient Shpk, the hearing set for May 7, 2020 has been postponed until February 18, 2021.

BEG litigation - The Netherlands

With regard to the suit filed by Albania BEG Ambient Shpk to render the ruling of the Albanian court enforceable in the Netherlands, on December 3, 2019, the Amsterdam Court of Appeal issued a ruling in which it quashed the trial court judgment of June 29, 2016, rejecting any claim made by Albania BEG Ambient Shpk. The Court came to this conclusion after affirming its jurisdiction over Albania BEG Ambient Shpk's subordinate claim and re-analyzing the merits of the case under Albanian law. Enel and Enelpower are therefore not liable to pay any amount to Albania BEG Ambient Shpk, which was in fact ordered by the Court of Appeal to reimburse the appellant companies for the losses incurred in illegitimate conservative seizures, to be quantified as part of a specific procedure, and the costs of the trial and appeal proceedings. On March 3, 2020, it was learned that Albania BEG Ambient Shpk had filed an appeal with the Supreme Court of the Netherlands. On April 3, 2020, Enel and Enelpower appeared before the Supreme Court and the proceeding is under way.

Arbitration proceedings in Colombia

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

Gabčíkovo dispute - Slovakia

With regard to the suits filed by Vodohospodárska Výstavba Štátny Podnik (VV) against Slovenské elektrárne (SE) for alleged unjustified enrichment (estimated at about €360 million plus interest) for the period from 2006 to 2015: (i) for 2006, 2007 and 2008, at the hearing of June 26, 2019, the Court of Bratislava denied the claims of both parties for procedural reasons. The ruling in first instance was appealed by both VV and SE and a decision is pending; (ii) for the proceedings concerning 2010 and 2013, the exchange of final briefs between the parties is under way and the hearing of the court of first instance has been set for May 12, 2020; (iii) for the proceeding concerning 2014, the hearing before the court of first instance set for March 31, 2020 was cancelled with no indication of a new date. Finally, in another proceeding before the Court of Bratislava, VV asked for SE to return the fee for the transfer from SE to VV of the technology assets of the Gabčíkovo plant as part of the privatization, with a value of about €43 million plus interest. The parties exchanged briefs. At the hearing on November 19, 2019, the Court issued a preliminary decision on the case in which it noted the lack of standing of VV. The hearing set for March 12, 2020 was postponed to May 28, 2020.

GasAtacama Chile - Chile

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

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

13. Subsequent events

Endesa arbitration ruling

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

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

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

Declaration of the officer responsible for the preparation of the Company financial reports pursuant to the provisions of Article 154-*bis*, paragraph 2, of Legislative Decree 58/1998

The officer responsible for the preparation of the Company's financial reports, Alberto De Paoli, hereby certifies, pursuant to Article 154-*bis*, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information contained in the Interim Financial Report at March 31, 2020 corresponds with that contained in the accounting documentation, books and records.

Concept design and realization
HNTO – Gruppo HDRÀ

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Disclaimer
This Report issued in Italian
has been translated into
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