



OPEN POWER FOR A BRIGHTER FUTURE.

WE EMPOWER SUSTAINABLE PROGRESS.

**INTERIM FINANCIAL REPORT
AT MARCH 31, 2021**



**OPEN POWER
FOR A BRIGHTER
FUTURE.**

**INTERIM
FINANCIAL
REPORT
AT MARCH 31,
2021**

ENEL IS OPEN POWER

VISION

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

POSITIONING

Open
Power

PURPOSE

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.

PRINCIPLES OF CONDUCT

**Open power
for a brighter
future.**

**We empower
sustainable
progress.**

- > 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 solution and do not give up when faced with obstacles or failure.
- > Recognize merit in co-workers and give feedback that can improve their contribution.

VALUES

- > Trust
- > Proactivity
- > Responsibility
- > Innovation



• ENEL IS OPEN POWER 2



REPORT ON OPERATIONS

	6
Highlights	8
Foreword	9
Enel organizational model	10
Reference scenario	12
> Developments in the main market indicators	12
> Economic and energy conditions in the first three months of 2021	13
> Electricity and natural gas markets	15
Significant events in the 1st Quarter of 2021	17
Group performance	20
Analysis of the Group's financial position and financial structure	28
Results by Business Line	34
> Thermal Generation and Trading	38
> Enel Green Power	44
> Infrastructure and Networks	50
> End-user Markets	56
> Enel X	60
> Services and Other	64
Definition of performance indicators	67
Outlook	69

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2021

	70
Condensed Consolidated Income Statement	73
Statement of Consolidated Comprehensive Income	74
Condensed Consolidated Statement of Financial Position	75
Statement of Changes in Consolidated Shareholders' Equity	76
Condensed Consolidated Statement of Cash Flows	78
Notes to the condensed consolidated financial statements at March 31, 2021	79
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	102

1

REPORT ON OPERATIONS



HIGHLIGHTS

		1st Quarter		
SDG		2021	2020	Change
	Revenue (millions of euro)	17,107	19,985	-14.4%
	Gross operating profit (millions of euro)	4,091	4,708	-13.1%
	Ordinary gross operating profit (millions of euro)	4,159	4,741	-12.3%
	Profit attributable to the owners of the Parent (millions of euro)	1,176	1,247	-5.7%
	Ordinary profit attributable to the owners of the Parent (millions of euro)	1,214	1,281	-5.2%
	Net financial debt (millions of euro)	45,884	45,415	1.0%
	Cash flows from operating activities (millions of euro)	2,549	2,053	24.2%
	Capital expenditure on property, plant and equipment and intangible assets (millions of euro)	2,035 ⁽¹⁾	1,870	8.8%
	Total net efficient installed capacity (GW)	84.4	84.0 ⁽²⁾	0.5%
7	Net efficient installed renewables capacity (GW)	45.5	45.0 ⁽²⁾	1.1%
7	Net efficient installed renewables capacity (%)	53.9%	53.6% ⁽²⁾	0.6%
7	Additional efficient installed renewables capacity (GW)	0.50	0.40	25.0%
	Net electricity generation (TWh)	53.7	51.4	4.5%
7	Net renewable electricity generation (TWh)	27.6	25.4	8.7%
9	Electricity distribution and transmission grid (km) ⁽³⁾	2,235,910	2,232,039 ⁽²⁾	0.2%
9	Electricity transported on Enel's distribution grid (TWh) ⁽³⁾	125.6	123.0	2.1%
	End users (no.)	74,478,547	73,968,421	0.7%
9	End users with active smart meters (no.) ⁽⁴⁾	44,396,969	44,026,059	0.8%
	Electricity sold by Enel (TWh)	78.8	77.7	1.4%
	Retail customers (no.)	69,310,996	70,265,165	-1.4%
	- of which free market	23,990,640	23,196,087	3.4%
11	Storage (MW)	99	123 ⁽²⁾	-19.5%
11	Charging points (no.)	111,873	85,092	31.5%
11	Demand response (MW)	6,137	2,853	-
	No. of employees	66,438	66,717	-0.4%

(1) Does not include €20 million regarding units classified as "held for sale" at March 31, 2021.

(2) At December 31, 2020.

(3) The figures for 2020 reflect a more accurate calculation of the length.

(4) To ensure a uniform comparison, the figure for 2020 has been adjusted on the basis of the new calculation method, which excludes digital meters with an active contract that are not managed remotely.

FOREWORD

The Interim Financial Report at March 31, 2021 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

C

ENEL GROUP CHAIRMAN

M. Crisostomo

HLD

Holding Function

ADMINISTRATION, FINANCE AND CONTROL

A. De Paoli

COMMUNICATIONS

R. Deambrogio

INNOVABILITY

E. Ciorra

GLOBAL PROCUREMENT

F. Di Carlo

CR

Country and Region

ITALY

C. Tamburi

IBERIA

J. Bogas Gálvez

EUROPE

S. Mori

AFRICA, ASIA AND OCEANIA

S. Bernabei

NORTH AMERICA

E. Viale

LATIN AMERICA

M. Bezzeccheri

CEO

ENEL GROUP CEO

F. Starace

PEOPLE AND ORGANIZATION

G. Stratta

LEGAL AND CORPORATE AFFAIRS

G. Fazio

AUDIT























S. Fiori

GLOBAL DIGITAL SOLUTIONS

C. Bozzoli

GBL

Global Business Line

Global Infrastructure and Networks	Global Energy and Commodity Management	Global Power Generation	Enel X
A. Cammisecra	C. Machetti	S. Bernabei	F. Venturini
			
			
			
			
			
			

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 is under way. 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.

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, including climate change issues, 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, Global Procurement, the heads of the Regions and the Business Lines.

REFERENCE SCENARIO

Developments in the main market indicators

	1st Quarter	
	2021	2020
Market indicators		
Average IPE Brent oil price (\$/bbl)	61.1	51.0
Average price of CO ₂ (€/ton)	37.4	22.8
Average price of coal (\$/t CIF ARA) ⁽¹⁾	67.4	48.9
Average price of gas (€/MWh) ⁽²⁾	18.5	9.7

(1) API#2 index.

(2) TTF index.

The prices of commodities rose sharply in the 1st Quarter of 2021, primarily due to the strong recovery of the Chinese economy and the manufacturing sector globally. Further support for prices came from a number of shocks in certain individual markets. An example of this was oil prices, which were buoyed by the production cut agreements implemented by OPEC+, which enable Brent to record an average price of \$61.1 a barrel in the quarter, up 20% compared with the same period of the previous year.

The drivers of natural gas prices, on the other hand, were colder temperatures, rising logistics costs and the supply shock generated in the Asian market. Certain benchmarks, including the Asian JKM and the Spanish PVB, reached record levels in the first two months of the year, while the TTF, the European market benchmark, indicated an average price of €18.5/MWh, a 90% increase compared with the 1st Quarter of 2020.

However, despite these rises in commodities prices, the market that has consistently surpassed its historical records has been that for CO₂, which displayed strong resilience during the 2020 crisis and whose price continues to rise.

In the 1st Quarter of this year, it continues to register positive performance, with an average price of €37.4/ton and a renewed commitment by European authorities to ambitious decarbonization plans.

Economic and energy conditions in the first three months of 2021

CHANGE IN CONSUMER PRICE INDEX (CPI)

%	1st Quarter		
	2021	2020	Change
Italy	0.58	-0.14	0.7
Spain	0.60	-0.32	0.9
Russia	5.55	3.38	2.2
Argentina	40.08	42.02	-1.9
Brazil	5.20	3.21	2.0
Chile	2.95	3.05	-0.1
Colombia	2.82	2.53	0.3
Peru	2.50	1.82	0.7

EXCHANGE RATES

	1st Quarter		
	2021	2020	Change
Euro/US dollar	1.21	1.14	6.1%
Euro/British pound	0.87	0.89	-2.2%
Euro/Swiss franc	1.09	1.07	1.9%
US dollar/Japanese yen	106.04	107.00	-0.9%
US dollar/Canadian dollar	1.27	1.34	-5.2%
US dollar/Australian dollar	1.29	1.45	-11.0%
US dollar/Russian ruble	74.44	72.29	3.0%
US dollar/Argentine peso	88.62	70.68	25.4%
US dollar/Brazilian real	5.48	5.16	6.2%
US dollar/Chilean peso	724.18	791.61	-8.5%
US dollar/Colombian peso	3,556.22	3,692.87	-3.7%
US dollar/Peruvian sol	3.66	3.50	4.6%
US dollar/Mexican peso	20.34	21.48	-5.3%
US dollar/Turkish lira	7.41	7.02	5.6%
US dollar/Indian rupee	72.90	74.08	-1.6%
US dollar/South African rand	14.96	16.46	-9.1%

Economic developments

In a global context, the 1st Quarter of 2021 was characterized by the extension of mobility restrictions, previously introduced in the 2nd Half of 2020, to limit the growing number of COVID-19 cases. However, the rapid acceleration of the vaccination process, flanked by supportive monetary and fiscal policies introduced by governments and central banks in many countries around the world, has produced a

general improvement in the short to medium term outlook for the global economy.

In the euro area, the protraction of restrictions on mobility caused output to decline in the 1st Quarter of 2021, with preliminary estimates indicating that GDP contracted by 1.7% on an annual basis, although this is a significant improvement on the figure for the previous quarter, when the contraction was 4.9%. Despite the fact that euro-area inflation is expected to increase by 1.1% on an annual basis

in the 1st Quarter of 2021, mainly driven by energy prices, a temporary increase in logistics costs for supplies, and by a rebalancing of the weights within the basket that has penalized the manufacturing sector, the European Central Bank will likely to leave its main interest rates unchanged during the year and continue to support the markets through its securities purchase program. In addition, the start of the €750 billion "Next Generation EU" recovery plan is expected to support investment and growth-oriented reforms in the euro area in the short to medium term. However, economic conditions in the coming months strongly depend on the speed with which countries vaccinate their populations and the threat of the spread of new variants of COVID-19, which could force governments to introduce further restrictions on mobility.

A milder contraction in GDP is expected for the Italian economy in the 1st Quarter of 2021 (according to preliminary figures the fall is estimated at 1.4% on an annual basis, compared with 6.6% in the previous quarter), mainly supported by a relaxation of the restrictive measures on travel and services. Similarly, inflation is also expected to have returned to positive territory, at about 0.6% on an annual basis.

In Spain, the labor market and tourism were heavily hit in 2020, and real GDP is expected to fall by an estimated 4.7% year-on-year in the 1st Quarter of 2021, but accompanied by a rise in inflation to 0.6% thanks to the impetus of energy prices and the gradual reopening of the tourism sector.

The US economy showed exceptional resilience in 2020 thanks to a significant response from the government and the Federal Reserve, with supportive monetary and fiscal policies that have already driven growth in the 1st Quarter of 2021 to an expected 0.5% on an annual basis. These policies, accompanied by an ambitious infrastructure plan estimated at over \$2 trillion (the American Jobs Plan), will power the American economy to strong growth in the following months, potentially returning GDP to pre-pandemic levels as soon as the fourth quarter of this year.

In Latin America, Brazil continued its path of economic recovery in the first two months of the year. However, estimates for mobility and retail sales foreshadow a sharp contraction in March due primarily to new restrictions introduced to stem the continued increase in COVID-19 cases. Although the vaccination campaign continues, the spread of the so-called "Brazilian variant", particularly among the younger segments of the population, is increasing pressure on an already struggling health system. Further risks are represented by the deterioration of the financial solidity of the country, which has led to a reduction in transfers to

households. To facilitate the recovery, the central bank is continuing its accommodative policy stance, but the sharp rise in inflation in this 1st Quarter (5.2% on an annual basis), and strong pressures on the Brazilian currency will prompt a revisions of the process of normalizing interest rates.

The Argentine economy recovered strongly in the 1st Quarter of the year despite the restrictions introduced in March. However, major concerns remain given the delays in finding an agreement with the International Monetary Fund for debt restructuring and the continuing increase in the price level, with inflation estimated at over 40% on an annual basis in the 1st Quarter of 2021.

In Chile, indicators of economic activity continue to be positive, with a strong recovery in services and retail trade, which are about 10% higher than their pre-pandemic level. The increase in coronavirus deaths led to a tightening of restrictions at the end of the 1st Quarter of 2021, which will impact growth in the second quarter. Inflation is expected to rise in this quarter, to around 3.0% on an annual basis, but this is not yet cause for concern for the central bank, which is continuing its strong stimulus action with rates expected to remain unchanged for all of 2021. With over 40% of the population vaccinated with at least one dose and the strong push from copper prices, the outlook remains positive for the entire year.

The Peruvian economy experienced a modest recovery at the beginning of the 1st Quarter, but the trend was quickly reversed following the imposition of restrictions in February to stem the acceleration of COVID-19 cases. Unlike last year, the restrictions do not involve the closure of the extractive and manufacturing industries, suggesting that the resulting contraction will be smaller than previously experienced.

In Colombia, the economy displayed considerable resilience in the 1st Quarter of the year. Growth was mainly driven by wholesale and retail sales. However, the expansion is expected to slow in March and April due to restrictions on mobility introduced by the government. On the price front, unexpected jumps in the prices of food and fuel for home heating will spur an acceleration in inflation, estimated at over 2.8% on an annual basis. Given the transitory nature of inflationary dynamics and the country's low growth outlook in the coming months as vaccination has proceeded more slowly than expected, the central bank is not expected to raise interest rates for the next few months, despite the strong volatility of the Colombian peso.

Electricity and natural gas markets

DEVELOPMENTS IN ELECTRICITY DEMAND

TWh	1st Quarter		
	2021	2020	Change
Italy	79	77	2.6%
Spain	63	62	1.6%
Russia	223	214	4.2%
Argentina	35	35	-
Brazil	157	153	2.6%
Chile	20	20	-
Colombia	18	18	-
Peru	13	13	-

Source: national TSOs.

In the first three months of 2021, electricity demand in Italy and Spain grew by 2.6% and 1.6%, respectively, compared with the same period of 2020. In both cases, the increase is mainly due to the resumption of activities in various sectors of the economy, which in March last year were at a standstill due to the lockdowns imposed by their respective governments to deal with the COVID-19 health emergency. However, demand in the services sector continues to languish in both countries, although this holds out the

prospect of room for additional recovery in growth when activity resumes.

Russian electricity demand also increased, growing by 4.2% compared with the 1st Quarter of the previous year.

As for Latin America, electricity demand is substantially unchanged in all the countries in which the Group operates. Brazil is an exception, with electricity consumption increasing by 2.6%.

ELECTRICITY PRICES

	Average baseload price Q1 2021 (€/MWh)	Change in average baseload price Q1 2021 - Q1 2020	Average peakload price Q1 2021 (€/MWh)	Change in average peakload price Q1 2021 - Q1 2020
Italy	59.2	49.6%	65.5	45.7%
Spain	45.0	29.0%	52.4	39.7%
Russia	14.3	-10.0%	16.3	-10.0%

NATURAL GAS DEMAND

Billions of m³	1st Quarter			
	2021	2020	Change	
Italy	25	24	1	4.2%
Spain	9	9	-	

NATURAL GAS DEMAND IN ITALY

Billions of m ³		1st Quarter		
	2021	2020	Change	
Distribution networks	14	13	1	7.7%
Industry	4	4	-	-
Thermal generation	6	6	-	-
Other ⁽¹⁾	1	1	-	-
Total	25	24	1	4.2%

(1) Includes other consumption and losses.

Source: Enel based on data from the Ministry for Economic Development and Snam Rete Gas.

The demand for natural gas in Italy in the first three months of 2021 amounted to 25 billion cubic meters, an increase of 4.2% compared with the same period of 2020. The increase is attributable to consumption for distribution, which posted an increase of 7.7% compared with the 1st Quarter of 2020 due to colder weather and the impact of the

protracted health emergency, which fostered an increase in remote working from home.

In Spain, consumption was in line with that recorded in the same period of 2020, despite the sharp increase in prices on the PVB hub.

SIGNIFICANT EVENTS IN THE 1ST QUARTER OF 2021

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 and involving Enel's Brindisi power plant and a number of individuals, following various postponements (initially due to irregularities in notifications and, subsequently, to the adoption of measures to combat the spread of COVID-19), the first hearing was held on March 4, 2021, during which the parties argued the admissibility of the filing by the region of Puglia and the City of Brindisi to join the proceeding as civil plaintiffs. Following the discussion, the court did not issue a ruling and adjourned the hearing to June 18, 2021 at the request of the defendants, due to the continuing health emergency.

Funac and the ICMS tax relief

With regard to Law 20416, which was promulgated on February 5, 2019, with which the state of Goiás shortened from January 27, 2015 to April 24, 2012 both the period of operation of the Funac fund (established with Law 17555 of January 20, 2012) and the tax benefit system (created with Law 19473 of November 3, 2016), subsequently repealed in full by Law 20468 of April 26, 2019, the Brazilian association of electricity distribution companies ("ABRADEE") had filed an action for a ruling on constitutionality before the Constitutional Court of Brazil with regard to both laws, which was denied on June 3, 2020 for lack of compliance with formal requirements. On June 24, 2020, ABRADEE filed an appeal against the decision. On September 21, 2020, the Supreme Court of Brazil, without entering into the merits of the case, rejected the appeal of ABRADEE for formal reasons. The appeal filed by ABRADEE on October 15, 2020 was rejected on March 8, 2021 by the

Supreme Court of Brazil and the decision became final on April 5, 2021.

Enel closes Unit I of Bocamina coal-fired plant three years ahead of date set in Chile's National Decarbonization Plan

On January 4, 2021, the Enel Group disconnected and ceased operations at Unit I of the Bocamina coal-fired power plant, which is located in the Chilean municipality of Coronel. The 128 MW Unit I was disconnected three years before the date set in Chile's National Decarbonization Plan. With this milestone, coupled with the closure of Tarapacá coal plant on December 31, 2019 and the expected closure of Enel's last coal facility in the country, Bocamina's Unit II, by May 2022, steady progress is being made towards the decarbonization of Enel's Chilean generation mix.

Moody's upgrades Enel's long-term rating to "Baa1"

On January 15, 2021, Moody's Investors Service (Moody's) announced that it had upgraded its long-term rating of Enel SpA to "Baa1" from the previous level of "Baa2". Among the rating drivers prompting the upgrade, Moody's cited:

- > low earnings volatility driven by large scale and geographical diversification;
- > stable earnings stemming from regulated networks and contracted generation, which account for 80% of the Group's EBITDA;
- > solid financial profile, with funds from operations/net debt in excess of 20%.

Enel issues hybrid bonds

On February 25, 2021, the Board of Directors of Enel SpA authorized the issue, by December 31, 2021, of one or more non-convertible subordinated hybrid bonds, including perpetual bonds, for up to a maximum of €3 billion. The bonds are to be placed exclusively with European and non-European institutional investors, including through private placements.

In execution of that resolution, on March 4, 2021 Enel issued a new perpetual hybrid bond of €2.25 billion.

Enel agrees the largest ever sustainability-linked revolving credit facility

On March 5, 2021, Enel and its Dutch subsidiary Enel Finance International NV (EFI) signed the largest ever sustainability-linked revolving credit facility in the amount of €10 billion, with a term of five years.

The facility, which will be used to meet the Group's financial requirements, is linked to a key performance indicator consisting of direct greenhouse gas emissions (i.e., Group Scope 1 CO₂ equivalent emissions from the production of electricity and heat), contributing to the achievement of the United Nations Sustainable Development Goal (SDG) 13 "Climate Action" and in line with the Group's "Sustainability-Linked Financing Framework", for which Vigeo Eiris provided a second-party opinion.

The facility replaces the previous €10 billion revolving credit line obtained by Enel and EFI in December 2017 and has a lower all-in cost than the earlier facility.

Voluntary partial public tender offer for Enel Américas' shares and American Depositary Shares

As part of the process of corporate reorganization aimed at integrating the non-conventional renewable energy business of the Enel Group in Central and South America (excluding Chile) into the listed Chilean subsidiary Enel Américas SA, on March 15, 2021, Enel SpA announced that it had launched a voluntary partial public tender offer for Enel Américas common stock and American Depositary Shares (ADSs) up to a maximum overall amount of 7,608,631,104 shares (including the shares represented by ADSs), equal to 10% of the company's outstanding share capital at that date (the Offer).

The Offer period ran from March 15 to April 13, 2021.

The Offer was conditional upon the effectiveness of the merger of EGP Américas SpA into Enel Américas SA, which occurred on April 1, 2021. The merger was subject to a number of conditions, all of which were satisfied prior to the launch of the Offer. The latter was also subject to compliance with Chilean and US regulations and other applicable regulations.

COVID-19

The 1st Quarter of 2021 was substantially characterized, like 2020, by the spread of the COVID-19 pandemic, with periods of greater spread and mortality accompanied by the imposition of drastic social isolation measures (lock-downs) and the total or partial closure of all economic, social and sports activities.

Vaccination campaigns have begun around the world, organized and implemented by governments, with specific vaccination plans for each country that define phases, priority groups and timelines. The situation differs considerably from country to country, depending on the pandemic situation, the vaccination programs implemented and, above all, the availability of vaccines.

Enel is strongly committed to assisting and supporting employees in participating in vaccination campaigns, offering constantly updated information on national vac-

cination programs to give them operational information and respond to any doubts or needs. It is a dynamic and constantly evolving service, coordinated by the Group and Country HSE Emergency Management teams.

In Italy, a protocol was signed between the Government, companies and trade unions in April that offers the possibility for companies to vaccinate their employees in the workplace on a voluntary basis, with the aim of strengthening the national vaccination campaign.

Even before the signing of the protocol, the Enel Group had indicated its willingness to take an active part in supporting the national vaccination campaign and is working to make facilities available throughout the country, where it will set up vaccination points on the basis of the recommendations issued by the authorities and in line with the national anti-COVID vaccination plan.



GROUP PERFORMANCE

Operations

SDG		2021	2020	Change
	Net electricity generation (TWh)	53.7	51.4	2.3
	of which:			
7/13	- renewables (TWh)	27.6	25.4	2.2
	Total net efficient installed capacity (GW)	84.4	84.0 ⁽¹⁾	0.4
7/13	Net efficient installed renewables capacity (GW)	45.5	45.0 ⁽¹⁾	0.5
7/13	Net efficient installed renewables capacity (%)	53.9%	53.6% ⁽¹⁾	0.6%
7/13	Net efficient additional installed renewables capacity (GW)	0.50	0.40	0.10
9	Electricity distribution and transmission grid (km) ⁽²⁾	2,235,910	2,232,039 ⁽¹⁾	3,871
9	Electricity transported on Enel's distribution grid (TWh) ⁽²⁾	125.6	123.0	2.6
	End users (no.)	74,478,547	73,968,421	510,126
9	End users with active smart meters (no.) ⁽³⁾	44,396,969	44,026,059	370,910
	Electricity sold by Enel (TWh)	78.8	77.7	1.1
	Gas sold to end users (billions of m ³)	3.7	3.7	-
	Retail customers (no.)	69,310,996	70,265,165	(954,169)
	- of which free market	23,990,640	23,196,087	794,553
11	Demand response capacity (MW)	6,137	2,853	3,284
11	Charging points (no.)	111,873	85,092	26,781
11	Storage (MW)	99	123 ⁽¹⁾	(24)

(1) At December 31, 2020.

(2) The figures for 2020 reflect a more accurate calculation of the numbers.

(3) To ensure a uniform comparison, the figure for 2020 has been adjusted on the basis of the new calculation method, which excludes digital meters with an active contract that are not managed remotely.

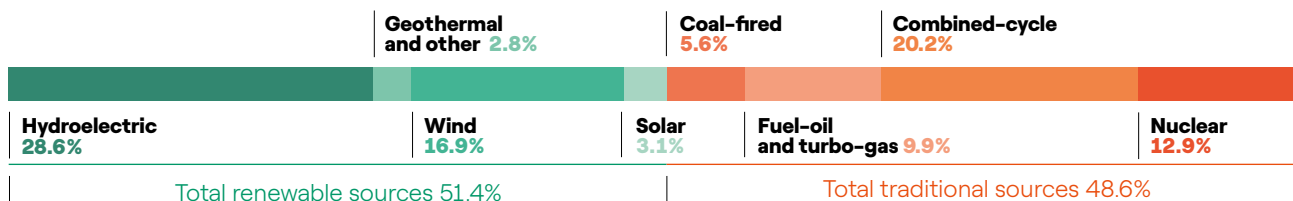
Net electricity generated by Enel in the 1st Quarter of 2021 increased by 2.3 TWh compared with the same period of 2020 (+4.5%). The decline mainly reflected an increase in

wind generation in Spain and Brazil and in solar generation in Australia.

NET ELECTRICITY GENERATION BY SOURCE (%)

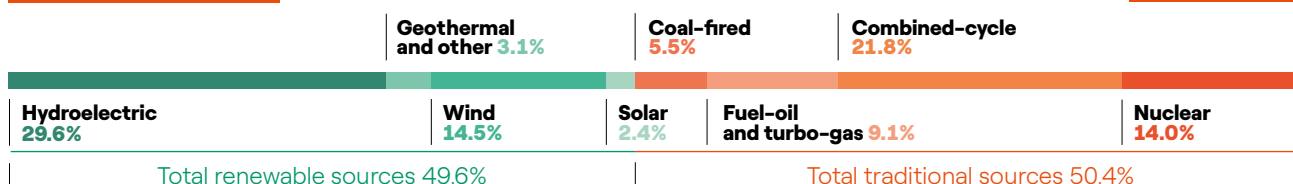
1ST QUARTER OF 2021

Total **53.7 TWh**



1ST QUARTER OF 2020

Total **51.4 TWh**



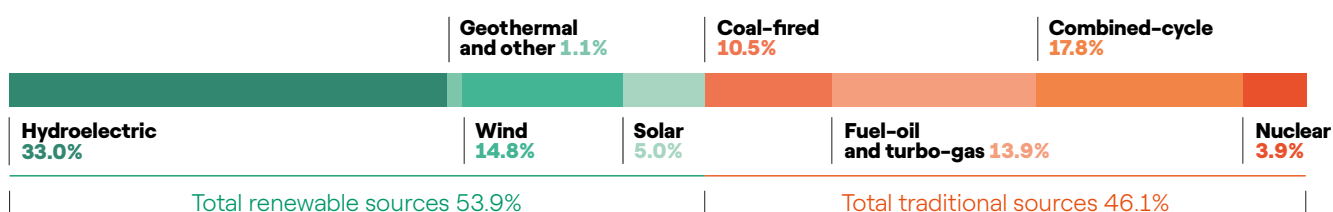
Enel's **total net efficient installed capacity** increased by 0.4 GW in the 1st Quarter of 2021, mainly reflecting additional renewables capacity installed in Brazil (0.17 GW) and Chi-

le (0.05 GW), as well as the line-by-line consolidation of a number of companies in Australia that had previously been accounted for using the equity method (0.28 GW).

NET EFFICIENT INSTALLED CAPACITY BY SOURCE (%)

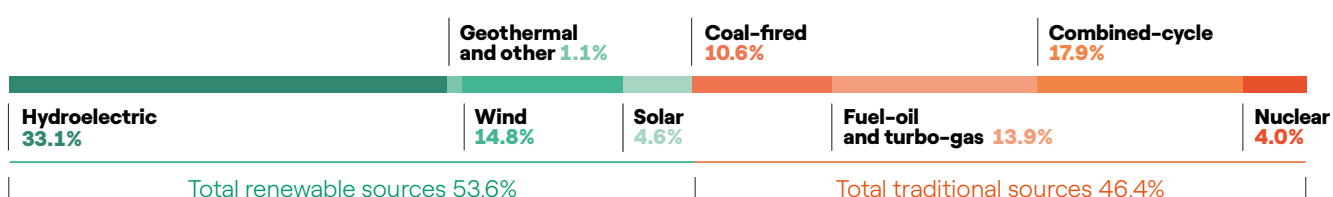
AT MARCH 31, 2021

Total **84.4 GW**



AT DECEMBER 31, 2020

Total **84.0 GW**



Electricity transported on the Enel distribution network in the 1st Quarter of 2021 amounted to 125.6 TWh, up 2.6 TWh (+2.1%) compared with the same period of 2020, mainly in Spain (+2.1 TWh) and Italy (+0.6 TWh).

The number of **Enel end users with active smart meters** showed an increase of 370,910 in the 1st Quarter of 2021, mainly in Romania and Spain, only partly offset by a decrease in Italy.

Electricity sold by Enel in the 1st Quarter of 2021 amounted to 78.8 TWh, an increase of 1.1 TWh (+1.4%) compared with the year-earlier period. Quantities sold increased in Italy (+0.5 TWh) and Latin Ame-

rica (+1.5 TWh), mainly in Argentina (+0.5 TWh) and Brazil (+0.7 TWh), partly offset by a decline in volumes in Spain (-0.8 TWh).

Gas sold by Enel in the 1st Quarter of 2021 amounted to 3.7 billion cubic meters, in line with the same period of 2020.

Enel charging points increased by 26,781 the 1st Quarter of 2021 compared with 2020.

Charging points sold to private citizens posted an increase of 21,772, mainly in North America and Italy, while public charging points increased by 5,009, mainly in Italy and Spain.

The Enel Group **workforce** at March 31, 2021 numbered

66,438, of whom about 55% were employed in companies outside of Italy. The decrease of 279 reflects the balance between new hires and terminations (-302), partially offset

by the change in the consolidation scope (+23), reflecting the acquisition of CityPoste Payment SpA in Italy and the sale of Enel Green Power Bulgaria.

No.				
	at Mar. 31, 2021	at Dec. 31, 2020	Percentage of total at Mar. 31, 2021	Percentage of total at Dec. 31, 2020
Thermal Generation and Trading	8,080	8,142	12.2%	12.2%
Enel Green Power	8,432	8,298	12.7%	12.4%
Infrastructure and Networks	34,006	34,332	51.2%	51.5%
End-user Markets	6,197	6,324	9.3%	9.5%
Enel X	3,082	2,989	4.6%	4.5%
Services	5,699	5,731	8.6%	8.6%
Other	942	901	1.4%	1.4%
Total	66,438	66,717	100.0%	100.0%

Storage decreased as a result of the disposal of the English company Tynemouth in the 1st Quarter of 2021.

Performance

Millions of euro	1st Quarter			
	2021	2020	Change	
Revenue	17,107	19,985	(2,878)	-14.4%
Costs	13,298	14,485	(1,187)	-8.2%
Net income/(expense) from commodity risk management	282	(792)	1,074	-
Gross operating profit	4,091	4,708	(617)	-13.1%
Depreciation, amortization and impairment losses	1,566	1,599	(33)	-2.1%
Operating profit	2,525	3,109	(584)	-18.8%
Financial income	2,210	1,562	648	41.5%
Financial expense	2,631	2,180	451	20.7%
Net financial expense	(421)	(618)	197	31.9%
Share of profit/(loss) of equity-accounted investments	34	(3)	37	-
Pre-tax profit	2,138	2,488	(350)	-14.1%
Income taxes	643	801	(158)	-19.7%
Profit from continuing operations	1,495	1,687	(192)	-11.4%
Profit/(Loss) from discontinued operations	-	-	-	-
Profit for the year (owners of the Parent and non-controlling interests)	1,495	1,687	(192)	-11.4%
Profit attributable to owners of the Parent	1,176	1,247	(71)	-5.7%
Profit attributable to non-controlling interests	319	440	(121)	-27.5%

Revenue

Millions of euro		1st Quarter		
	2021	2020	Change	
Sale of electricity	9,095	9,168	(73)	-0.8%
Transport of electricity	2,666	2,580	86	3.3%
Fees from network operators	225	252	(27)	-10.7%
Transfers from institutional market operators	330	437	(107)	-24.5%
Sale of gas	1,197	1,231	(34)	-2.8%
Transport of gas	237	251	(14)	-5.6%
Sale of fuels	241	209	32	15.3%
Fees for connection to electricity and gas networks	184	186	(2)	-1.1%
Revenue from construction contracts	159	185	(26)	-14.1%
Sale of commodities under contracts with physical settlement (IFRS 9)	2,007	4,753	(2,746)	-57.8%
Other revenue	766	733	33	4.5%
Total	17,107	19,985	(2,878)	-14.4%

In the 1st Quarter of 2021, revenue contracted significantly due to a decline in the volume of commodity sales using contracts with physical settlement by Enel Global Trading, a decrease in reimbursements of the costs of extra-peninsular generation in Spain as a result of the decline in costs incurred, a reduction of €44 million in revenue North America following an extreme weather event in Texas in February 2021, which led to the net negative settlement of prices with local customers who had entered into a "Proxy

Swap Power Purchase Agreement" and, finally, the depreciation of Latin American currencies against the euro (€779 million euros), in particular in Brazil, Argentina, Colombia and Peru.

The decrease in revenue commented above was offset by the recognition in Spain of an indemnity (equal to €188 million) relating to the CO₂ emission allowances assigned under the "Plan Nacional de Asignación de Derechos de Emisión" (PNA).

Costs

Millions of euro		1st Quarter		
	2021	2020	Change	
Electricity purchases	4,239	4,234	5	0.1%
Consumption of fuel for electricity generation	663	753	(90)	-12.0%
Fuel for trading and gas for sale to end users	2,800	4,108	(1,308)	-31.8%
Materials	360	540	(180)	-33.3%
Personnel expenses	1,158	742	416	56.1%
Services, leases and rentals	3,972	3,915	57	1.5%
Other operating costs	627	642	(15)	-2.3%
Capitalized costs	(521)	(449)	(72)	16.0%
Total	13,298	14,485	(1,187)	-8.2%

Gross operating profit

Millions of euro		1st Quarter		
	2021	2020	Change	
Thermal Generation and Trading	425	692	(267)	-38.6%
Enel Green Power	1,052	1,138	(86)	-7.6%
Infrastructure and Networks	1,694	1,945	(251)	-12.9%
End-user Markets	908	933	(25)	-2.7%
Enel X	41	7	34	-
Services	15	23	(8)	-34.8%
Other, eliminations and adjustments	(44)	(30)	(14)	-46.7%
Total	4,091	4,708	(617)	-13.1%

The decrease in **gross operating profit** reflects adverse exchange rate developments, mainly in Latin America (€153 million euros), especially in the Enel Green Power and Infrastructure and Networks sectors, as well as the impact of developments with:

- > Infrastructure and Networks (€251 million), essentially reflecting the recognition in the 1st Quarter of 2020 of a reduction in the liability in respect of the electricity discount benefit in Spain, net of provisions for early termination incentive plans recognized in the same period (a total of €178 million). In addition, charges of €32 million were recognized in the 1st Quarter of 2021 in Italy and Brazil for restructuring plans for the energy transition and digitalization launched by the Group in 2020;
- > Thermoelectric Generation and Trading, mainly reflecting the net positive effect recognized in the 1st Quarter of 2020 in Spain of the modification of the electricity discount benefit, as well as writedowns recognized in the 1st Quarter 2021 of fuel inventories of a number of plants

subject to impairment the previous year (€13 million);

- > Enel Green Power, and in particular Italy, in reflection of an increase in electricity purchases on the market and a decrease in revenue in North America associated with the extreme weather event in Texas mentioned earlier;
- > End-user Markets, and in particular the free market in Spain, as a result of the impact of the decrease in the liability for the electricity discount recognized in the 1st Quarter of 2020. This negative effect was partially offset by the improvement in the performance registered on the free market in Italy.

The decreases in gross operating profit reported above were only partially offset by the improvement in Enel X's gross operating profit, especially in Italy and North America, due respectively to the recognition of revenue from services associated with new commercial initiatives and an increase in revenue from demand-response activities.

Ordinary gross operating profit

Ordinary gross operating profit amounted to €4,159 million (€4,741 million in the 1st Quarter of 2020). "Ordinary

gross operating profit on low-carbon products, services and technology" equals 88.4% of the total (82.9% in the 1st Quarter of 2020).

Millions of euro	1st Quarter of 2021							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Gross operating profit/(loss)	425	1,052	1,694	908	41	15	(44)	4,091
Restructuring plans for the decarbonization and digitalization process	2	-	32	4	-	3	1	42
Impairment losses	13	-	-	-	-	-	-	13
COVID-19 costs	2	2	7	-	-	2	-	13
Ordinary gross operating profit/(loss)	442	1,054	1,733	912	41	20	(43)	4,159

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 profit/(loss)	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 profit/(loss)	695	1,139	1,958	941	8	29	(29)	4,741

Operating profit

Millions of euro	1st Quarter			
	2021	2020	Change	
Thermal Generation and Trading	202	475	(273)	-57.5%
Enel Green Power	742	826	(84)	-10.2%
Infrastructure and Networks	1,039	1,263	(224)	-17.7%
End-user Markets	623	627	(4)	-0.6%
Enel X	1	(26)	27	-
Services	(29)	(17)	(12)	-70.6%
Other, eliminations and adjustments	(53)	(39)	(14)	-35.9%
Total	2,525	3,109	(584)	-18.8%

Operating profit for of the 1st Quarter of 2021 decreased by €584 million, taking account of a decline of €33 million in depreciation, amortization and impairment losses.

Ordinary operating profit

Millions of euro	1st Quarter of 2021							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Operating profit/(loss)	202	742	1,039	623	1	(29)	(53)	2,525
Restructuring plans for the decarbonization and digitalization process	2	-	32	4	-	3	1	42
Impairment losses	13	-	5	-	-	-	-	18
COVID-19 costs	2	2	7	-	-	2	-	13
Ordinary operating profit/(loss)	219	744	1,083	627	1	(24)	(52)	2,598

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 profit/(loss)	475	826	1,263	627	(26)	(17)	(39)	3,109
Impairment loss on the Funac receivable of Enel Distribuição Goiás	-	-	-	8	-	-	-	8
Impairment losses on a number of coal-fired plants	(16)	-	-	-	-	-	-	(16)
COVID-19 costs	3	1	13	8	1	6	1	33
Ordinary operating profit/(loss)	462	827	1,276	643	(25)	(11)	(38)	3,134

Group profit

Group profit for the first three months of 2021 amounted to €1,176 million, compared with €1,247 million in the same period of the previous year. More specifically, the reduction in operating profit commented earlier was only partially offset by a reduction in net financial expense (€197 million), which benefitted from a decline in interest rates,

an improvement in the performance of equity-accounted companies (€37 million), a reduction in taxes (€158 million) and a decline in profit attributable to non-controlling interests as a result of the recognition of the 10% increase in the investment held in Enel Américas following the launch in mid-March 2021 of the partial tender offer for that company.

Group ordinary profit

Millions of euro	1st Quarter	
	2021	2020
Group profit	1,176	1,247
Restructuring plans for the decarbonization and digitalization process	24	-
Impairment losses	9	(5)
COVID-19 costs	8	22
Impairment losses on certain assets connected with the disposal of Slovenské elektrárne	(3)	17
Group ordinary profit	1,214	1,281

Group ordinary profit amounted to €1,214 million in the 1st Quarter of 2021, a decrease of €67 million (-5.2%) compared with the €1,281 million recorded in the same period of 2020.

The table above provides a reconciliation of Group profit with Group ordinary profit, indicating the non-recurring items and their respective impact on performance, net of the associated tax effects and non-controlling interests.

ANALYSIS OF THE GROUP'S FINANCIAL POSITION AND FINANCIAL STRUCTURE

Net capital employed and related funding

The following schedule shows the composition of and changes in net capital employed.

Millions of euro				
	at Mar. 31, 2021	at Dec. 31, 2020		Change
Net non-current assets:				
- property, plant and equipment and intangible assets	97,570	96,489	1,081	1.1%
- goodwill	13,783	13,779	4	-
- equity-accounted investments	848	861	(13)	-1.5%
- other net non-current assets/(liabilities)	(6,107)	(6,807)	700	-10.3%
Total net non-current assets	106,094	104,322	1,772	1.7%
Net working capital:				
- trade receivables	12,257	12,046	211	1.8%
- inventories	2,702	2,401	301	12.5%
- net receivables due from institutional market operators	(2,346)	(2,755)	409	14.8%
- other net current assets/(liabilities)	(6,832)	(6,977)	145	2.1%
- trade payables	(12,726)	(12,859)	133	1.0%
Total net working capital	(6,945)	(8,144)	1,199	14.7%
Gross capital employed	99,149	96,178	2,971	3.1%
Provisions:				
- employee benefits	(2,880)	(2,964)	84	2.8%
- provisions for risks and charges and net deferred taxes	(6,265)	(6,050)	(215)	-3.6%
Total provisions	(9,145)	(9,014)	(131)	-1.5%
Net assets held for sale	588	608	(20)	-3.3%
Net capital employed	90,592	87,772	2,820	3.2%
Total equity	44,708	42,357	2,351	5.6%
Net financial debt	45,884	45,415	469	1.0%

Net capital employed at March 31, 2021 amounted to €90,592 million and was funded by shareholders' equity attributable to the owners of the Parent and non-controlling interests in the amount of €44,708 million and net financial debt of €45,884 million. At March 31, 2021 the debt/equity ratio was 1.03 (1.07 at December 31, 2020). The increase in net capital employed mainly reflected:

- > an increase in property, plant and equipment and intangible assets (€1,081 million), mainly due to capital expenditure in the period (€1,937 million), and the inclusion of new companies in Australia and Spain in the consolidation scope (€331 million), net of depreciation and amortization for the period equal to €1,369 million;
- > a decrease in non-current liabilities net of non-current assets, mainly attributable to the reduction in financial liabilities connected with cash flow hedge derivatives of Enel Finance International;
- > an increase in net working capital due to the increase in

trade receivables and electrical system equalization receivables, as well as normal developments in the payment of dividends.

"Net assets held for sale" mainly include the investment in the OpEn Fiber joint venture (€482 million) and the net assets (equal to €100 million) held in a number of companies in Africa, for which the state of progress of negotiations for their disposal meets the requirements of IFRS 5 for their classification under this item.

Total equity as at March 31, 2021 increased by €2,351 million, mainly due to the new issue of perpetual hybrid bonds, which accounted for €2,214 million. The increase in the profit for the period was partially offset by the decrease in the reserve from the translation of financial statements denominated in currencies other than the euro.

Net financial debt

The Enel Group's net financial debt and changes in the period are detailed in the table below.

Millions of euro				
	at Mar. 31, 2021	at Dec. 31, 2020		Change
Long-term debt:				
- bank borrowings	8,945	8,663	282	3.3%
- bonds	38,964	38,357	607	1.6%
- other borrowings	2,506	2,499	7	0.3%
<i>Long-term debt</i>	<i>50,415</i>	<i>49,519</i>	<i>896</i>	<i>1.8%</i>
Long-term financial assets and securities	(2,773)	(2,745)	(28)	-1.0%
Net long-term debt	47,642	46,774	868	1.9%
Short-term debt				
Bank borrowings:				
- current portion of long-term bank borrowings	1,314	1,369	(55)	-4.0%
- other short-term bank borrowings	726	711	15	2.1%
<i>Short-term bank borrowings</i>	<i>2,040</i>	<i>2,080</i>	<i>(40)</i>	<i>-1.9%</i>
Bonds (current portion)	1,480	1,412	68	4.8%
Other borrowings (current portion)	356	387	(31)	-8.0%
Commercial paper	3,329	4,854	(1,525)	-31.4%
Cash collateral on derivatives and other financing	526	370	156	42.2%
Other short-term financial borrowings ⁽¹⁾	162	415	(253)	-61.0%
<i>Other short-term debt</i>	<i>5,853</i>	<i>7,438</i>	<i>(1,585)</i>	<i>-21.3%</i>
Long-term loan assets (short-term portion)	(1,410)	(1,428)	18	1.3%
Loan assets - cash collateral	(2,725)	(3,223)	498	15.5%
Other short-term financial assets	(304)	(253)	(51)	-20.2%
Cash and cash equivalents with banks and short-term securities	(5,212)	(5,973)	761	12.7%
<i>Cash and cash equivalents and short-term financial assets</i>	<i>(9,651)</i>	<i>(10,877)</i>	<i>1,226</i>	<i>11.3%</i>
Net short-term debt	(1,758)	(1,359)	(399)	-29.4%
NET FINANCIAL DEBT	45,884	45,415	469	1.0%
Net financial debt of "Assets held for sale"	696	646	50	7.7%

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

Net financial debt amounted to €45,884 million at March 31, 2021, an increase of €469 million on December 31, 2020, due mainly to the decline in the components of "cash and cash equivalents and short-term financial assets".

At March 31, 2021, gross financial debt amounted to €58,308 million, a decrease of €729 million on December 31, 2020.

GROSS FINANCIAL DEBT

Millions of euro	at Mar. 31, 2021			at Dec. 31, 2020		
	Gross long-term debt	Gross short-term debt	Gross debt	Gross long-term debt	Gross short-term debt	Gross debt
Gross financial debt	53,565	4,743	58,308	52,687	6,350	59,037
of which:						
<i>Debt connected with achievement of SDGs</i>	<i>15,819</i>	<i>1,837</i>	<i>17,656</i>	<i>15,748</i>	<i>3,901</i>	<i>19,649</i>
Debt connected with achievement of SDGs/ Total gross debt (%)			30%			33%

More specifically, **gross long-term financial debt** (including the current portion) amounted to €53,565 million, of which €15,819 million in sustainable financing, and breaks down as follows:

- > bonds in the amount of €40,444 million, of which €7,786 million in sustainable bonds, an increase of €675 million compared with December 31, 2020 due to adverse exchange rate developments. In January 2021 a fixed-rate bond issued by the Colombian company Emgesa in an amount equivalent to €173 million matured and in March 2021 Enel SpA issued a non-convertible multi-tranche subordinated perpetual hybrid bond denominated in euros, which was not recognized as a debt instrument but rather as an equity instrument, in the total amount of €2,250 million;
- > bank borrowings in the amount of €10,259 million, of which €8,033 million in sustainable loans. These borrowings increased by €227 million compared with December 31, 2020 mainly due to the agreement of new loans, including a loan in US dollars with the equivalent value of €66 million granted to the Brazilian company Enel Distribuição Ceará;
- > other borrowings in the amount of €2,862 million, substantially unchanged compared with December 31, 2020.

Gross short-term financial debt decreased by €1,607 million compared with December 31, 2020 to €4,743 million. It mainly includes commercial paper of €3,329 million, of which €1,837 issued by Endesa connected with sustainability goals.

Cash and cash equivalents and short- and long-term financial assets totaled €12,424 million, a decrease of €1,198 million on December 31, 2020, mainly reflecting the decrease of €761 million in cash and cash equivalents with banks and short-term securities and of €498 million in cash collateral paid.

Cash flows

Cash flows from operating activities in the first three months of 2021 were a positive €2,549 million, up €496 million on the corresponding period of the previous year, largely reflecting the decrease in cash requirements connected with the change in net current assets.

Cash flows used in investing activities in the first three months of 2021 amounted to €2,184 million, compared with €1,823 million in the first three months of 2020. Investments in property, plant and equipment, intangible assets and contract assets amounted €2,055 in the 1st Quarter of 2021, an increase on the same period of the previous year.

Investments in entities and business units, net of cash and cash equivalents acquired, amounted to €208 million and mainly regard the full consolidation of the net financial debt of a number of Australian companies previously accounted for using the equity method following the change in governance arrangements, with no change in the investment held, the acquisition by Enel Green Power España of a number of companies that own wind and photovoltaic plants for about €46 million, of which €20 million paid in the 1st Quarter (another €26 million subject to the fulfilment of certain contractual conditions) and the purchase for about €19 million by Enel X Srl of CityPoste Payment SpA, an Italian company that offers consumers access to payment services through both physical and digital channels.

Disposals of entities and business units, net of cash and cash equivalents sold, amounted to €51 million, mainly in respect of the disposal of a wind farm in Bulgaria. The same item in the first three months of 2020 mainly reported 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.

Liquidity generated by other investing/disinvesting activities in the first three months of 2021 amounted to €28

million, essentially regarding smaller disinvestments, mainly in Iberia and Latin America.

Cash flows used in financing activities showed funds absorbed in the amount of €1,121 million, while in the first three months of 2020 financing activities had absorbed cash of €1,322 million. The flow in the first three months of 2021 essentially reflected:

- > the payment of dividends in the amount of €2,048 million;
- > the decrease of €1,278 million in net financial debt (the balance of repayments and new borrowing);
- > the liquidity of €2,214 million generated by the issue of

a non-convertible subordinated perpetual hybrid bond, net of transaction costs.

In the first three months of 2021, cash flows from operating activities in the amount of €2,549 million only partly funded the cash needs for investment activities totaling €2,184 million and for financing activities in the amount of €1,121 million. The difference was reflected in a decrease in cash and cash equivalents, which at March 31, 2021 amounted to €5,234 million, compared with €6,002 million at the end of 2020. This also reflected the effects of adverse developments in the exchange rates of the various local currencies against the euro in the amount of €12 million.

Capital expenditure

Millions of euro	1st Quarter			
	2021	2020	Change	
Thermal Generation and Trading	96	82	14	17.1%
Enel Green Power	842 ⁽¹⁾	750	92	12.3%
Infrastructure and Networks	910	886	24	2.7%
End-user Markets	108	93	15	16.1%
Enel X	53	49	4	8.2%
Services	22	6	16	-
Other, eliminations and adjustments	4	4	-	-
Total	2,035	1,870	165	8.8%

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

Capital expenditure amounted to €2,035 million in the first three months of 2021, with all Business Lines posting increases compared with the 1st Quarter of 2020. "Capital expenditure on low carbon products, services and technology" amounted to 95.3% on the total.

The Enel Group, guided by energy efficiency and energy transition objectives, continued to invest above all in renewables. In particular, the increase mainly involved Chile (€109 million), the United States (€74 million), Russia (€24 million), India (€31 million) and Italy (€37 million). These increases were only partially offset by lower investments in South Africa (€101 million), Mexico (€38 million), Iberia (€7

million), Canada (€7 million), Australia (€5 million) and Brazil (€46 million, net of the impact of adverse exchange rate developments of €45 million).

Investment in distribution assets also increased in order to enhance grid resilience in response to increasingly volatile weather events.

Capital expenditure increased in Iberia to improve grid quality and customer connections to the grid and in Chile and Colombia in reflection of greater investment in quality, recovery of grid losses and ICT.

Capital expenditure also increased in the retail segment, especially in Iberia for the digitalization of customer management processes, and in the generation segment in Italy to accompany the transition from coal to gas and the consequent extraordinary maintenance activities.

Enel X's investments in Latin America also increased, no-

tably in Colombia in connection with the e-BUS project in the e-City sector and for public lighting projects. Enel X Srl also increased its capital expenditure with an increase in the capitalization of ICT costs. These effects were partially offset by a decline in Enel X's investments in Spain in the e-Home business.



RESULTS BY BUSINESS LINE

The representation of performance by Business Line 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 as described above.






































With regard to disclosures for operating segments, as management reports on performance by business area, the

Group has therefore adopted the following reporting sectors:

- > primary segment: Business Line;
- > secondary segment: geographical segment.

The Business Line 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 Line and only thereafter are they broken down by country.

The following chart outlines these organizational arrangements.

Holding 							
Regions and Countries	Global Business Lines					Local Business	
	Thermal Generation	Trading	Enel Green Power	Infrastructure and Networks	Enel X	End-user Markets	Services
Italy							
Iberia							
Europe							
Africa, Asia and Oceania							
North America							
Latin America							

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, Latin America, North America, Africa, Asia and Oceania, Central/Holding).

Results by Business Line for the 1st Quarter of 2021 and 2020

1ST QUARTER OF 2021

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue from third parties	3,612	1,441	3,697	8,067	282	4	4	17,107
Revenue from transactions with other segments	2,093	514	919	189	9	404	(4,128)	-
Total revenue	5,705	1,955	4,616	8,256	291	408	(4,124)	17,107
Net income/(expense) from commodity risk management	335	2	-	(58)	-	1	2	282
Gross operating profit/(loss)	425	1,052	1,694	908	41	15	(44)	4,091
Depreciation, amortization and impairment losses	223	310	655	285	40	44	9	1,566
Operating profit/(loss)	202	742	1,039	623	1	(29)	(53)	2,525
Capital expenditure	96	842 ⁽¹⁾	910	108	53	22	4	2,035

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

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 from third parties	6,339	1,369	4,015	8,041	221	(3)	3	19,985
Revenue from transactions with other segments	2,235	450	947	320	2	398	(4,352)	-
Total revenue	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 profit/(loss)	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 profit/(loss)	475	826	1,263	627	(26)	(17)	(39)	3,109
Capital expenditure	82	750	886	93	49	6	4	1,870

(1) The revenue figures reflect a more accurate calculation of the numbers.

In addition to the above, the Group also monitors performance by Region/Country. In the table below, gross operating profit is shown for the two years under review with the

goal of providing a view of performance not only by Business Line but also by Region/Country.

GROSS OPERATING PROFIT

Millions of euro	Thermal Generation and Trading			Enel Green Power			Infrastructure and Networks			End-user Markets		
	1st Quarter			1st Quarter			1st Quarter			1st Quarter		
	2021	2020	Change	2021	2020	Change	2021	2020	Change	2021	2020	Change
Italy	109	130	(21)	329	359	(30)	876	857	19	712	619	93
Iberia	262	428	(166)	155	107	48	452	643	(191)	117	241	(124)
Latin America	43	76	(33)	429	517	(88)	343	430	(87)	54	58	(4)
Argentina	14	41	(27)	4	9	(5)	-	9	(9)	2	(2)	4
Brazil	18	13	5	54	75	(21)	175	235	(60)	24	32	(8)
Chile	(24)	(13)	(11)	158	187	(29)	33	45	(12)	9	11	(2)
Colombia	5	(2)	7	142	168	(26)	93	94	(1)	13	11	2
Peru	30	37	(7)	36	36	-	42	47	(5)	6	6	-
Panama	-	-	-	30	32	(2)	-	-	-	-	-	-
Other countries	-	-	-	5	10	(5)	-	-	-	-	-	-
Europe	27	49	(22)	46	49	(3)	24	15	9	25	15	10
Romania	(1)	-	(1)	23	28	(5)	24	15	9	25	15	10
Russia	28	49	(21)	(1)	-	(1)	-	-	-	-	-	-
Other countries	-	-	-	24	21	3	-	-	-	-	-	-
North America	(19)	6	(25)	84	116	(32)	-	-	-	-	-	-
United States and Canada	(19)	6	(25)	67	99	(32)	-	-	-	-	-	-
Mexico	-	-	-	17	17	-	-	-	-	-	-	-
Africa, Asia and Oceania	-	-	-	17	14	3	-	-	-	-	-	-
South Africa	-	-	-	15	14	1	-	-	-	-	-	-
India	-	-	-	(1)	-	(1)	-	-	-	-	-	-
Other countries	-	-	-	3	-	3	-	-	-	-	-	-
Other	3	3	-	(8)	(24)	16	(1)	-	(1)	-	-	-
Total	425	692	(267)	1,052	1,138	(86)	1,694	1,945	(251)	908	933	(25)

Enel X			Services			Other			Total		
1st Quarter			1st Quarter			1st Quarter			1st Quarter		
2021	2020	Change	2021	2020	Change	2021	2020	Change	2021	2020	Change
24	3	21	16	12	4	-	-	-	2,066	1,980	86
13	15	(2)	(2)	18	(20)	-	-	-	997	1,452	(455)
13	11	2	(17)	(23)	6	-	-	-	865	1,069	(204)
1	-	1	(1)	-	(1)	-	-	-	20	57	(37)
(1)	(2)	1	(7)	(7)	-	-	-	-	263	346	(83)
(2)	-	(2)	(9)	(16)	7	-	-	-	165	214	(49)
10	13	(3)	-	-	-	-	-	-	263	284	(21)
5	-	5	-	-	-	-	-	-	119	126	(7)
-	-	-	-	-	-	-	-	-	30	32	(2)
-	-	-	-	-	-	-	-	-	5	10	(5)
2	1	1	1	1	-	-	-	-	125	130	(5)
2	2	-	1	1	-	-	-	-	74	61	13
-	-	-	-	-	-	-	-	-	27	49	(22)
-	(1)	1	-	-	-	-	-	-	24	20	4
(2)	(15)	13	(1)	-	(1)	-	-	-	62	107	(45)
(2)	(15)	13	(1)	-	(1)	-	-	-	45	90	(45)
-	-	-	-	-	-	-	-	-	17	17	-
(1)	2	(3)	-	-	-	-	-	-	16	16	-
-	-	-	-	-	-	-	-	-	15	14	1
-	-	-	-	-	-	-	-	-	(1)	-	(1)
(1)	2	(3)	-	-	-	-	-	-	2	2	-
(8)	(10)	2	18	15	3	(44)	(30)	(14)	(40)	(46)	6
41	7	34	15	23	(8)	(44)	(30)	(14)	4,091	4,708	(617)



THERMAL GENERATION AND TRADING

Operations

NET ELECTRICITY GENERATION

Millions of kWh	1st Quarter			
	2021	2020	Change	
Coal-fired plants	3,032	2,837	195	6.9%
Fuel-oil and turbo-gas plants	5,304	4,677	627	13.4%
Combined-cycle plants	10,834	11,241	(407)	-3.6%
Nuclear plants	6,909	7,201	(292)	-4.1%
Total	26,079	25,956	123	0.5%
- of which Italy	4,528	3,742	786	21.0%
- of which Iberia	10,441	11,406	(965)	-8.5%
- of which Latin America	5,597	6,031	(434)	-7.2%
- of which Europe	5,513	4,777	736	15.4%

The increase in thermal generation is essentially attributable to an increase in generation both from fuel oil and turbo-gas plants (627 million kWh) and from coal-fired plants (195 million kWh), the latter essentially due to use for energy services of the national electrical system and technical testing of a number of plants. The increase in generation from these

sources, recorded mainly in Italy (351 million kWh) and Russia (729 million kWh), was partially offset by the decrease recorded in Spain (321 million kWh) for the same types of generation plant. Generation from other higher-emission plants declined, essentially in Spain, being replaced by generation from renewable sources.

NET EFFICIENT GENERATION CAPACITY

MW	1st Quarter			
	2021	2020 ⁽¹⁾	Change	
Coal-fired plants	8,893	8,903	(10)	-0.1%
Fuel-oil and turbo-gas plants	11,711	11,711	-	-
Combined-cycle plants	15,007	15,009	(2)	-
Nuclear plants	3,328	3,328	-	-
Total	38,939	38,951	(12)	-
- of which Italy	12,414	12,414	-	-
- of which Iberia	13,871	13,871	-	-
- of which Latin America	7,394	7,406	(12)	-0.2%
- of which Europe	5,260	5,260	-	-

(1) At December 31, 2020.

The decrease in net efficient thermal generation capacity compared with the end of 2020 reflects a decrease of 12 MW in coal-fired and combined-cycle capacity.

Performance

Millions of euro	1st Quarter			
	2021	2020	Change	
Revenue	5,705	8,574	(2,869)	-33.5%
Gross operating profit	425	692	(267)	-38.6%
Ordinary gross operating profit	442	695	(253)	-36.4%
Operating profit	202	475	(273)	-57.5%
Capital expenditure	96	82	14	17.1%

The following tables show a breakdown of performance by Region/Country in the 1st Quarter of 2021.

REVENUE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	3,896	6,669	(2,773)	-41.6%
Iberia	1,271	1,472	(201)	-13.7%
Latin America	454	402	52	12.9%
- of which Argentina	30	64	(34)	-53.1%
- of which Brazil	163	44	119	-
- of which Chile	184	168	16	9.5%
- of which Colombia	40	49	(9)	-18.4%
- of which Peru	37	77	(40)	-51.9%
North America	36	4	32	-
Europe	138	165	(27)	-16.4%
- of which Romania	-	-	-	-
- of which Russia	138	165	(27)	-16.4%
- of which other countries	-	-	-	-
Other	33	31	2	6.5%
Eliminations and adjustments	(123)	(169)	46	27.2%
Total	5,705	8,574	(2,869)	-33.5%

The following table breaks out revenue from thermal and nuclear generation for the Thermal Generation and Trading area.

REVENUE FROM THERMAL AND NUCLEAR GENERATION

Millions of euro		1st Quarter	
	2021	2020	Change
Revenue ⁽¹⁾			
Revenue from thermal generation	1,928	1,986	-2.9%
- of which: coal-fired generation	385	451	-14.6%
Revenue from nuclear generation	463	363	27.6%
Revenue from thermal generation as a percentage of total revenue	11.3%	9.9%	
- of which: revenue from coal-fired generation as a percentage of total revenue	2.3%	2.3%	
Revenue from nuclear generation as a percentage of total revenue	2.7%	1.8%	

(1) The revenue analyzed refers to that for the segment and include transactions with third parties and the intersegment transactions of each segment with the others.

GROSS OPERATING PROFIT/(LOSS)

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	109	130	(21)	-16.2%
Iberia	262	428	(166)	-38.8%
Latin America	43	76	(33)	-43.4%
- of which Argentina	14	41	(27)	-65.9%
- of which Brazil	18	13	5	38.5%
- of which Chile	(24)	(13)	(11)	-84.6%
- of which Colombia	5	(2)	7	-
- of which Peru	30	37	(7)	-18.9%
North America	(19)	6	(25)	-
Europe	27	49	(22)	-44.9%
- of which Romania	(1)	-	(1)	-
- of which Russia	28	49	(21)	-42.9%
- of which other countries	-	-	-	-
Other	3	3	-	-
Total	425	692	(267)	-38.6%

The decrease in **gross operating profit** in the 1st Quarter of 2021 is mainly attributable to:

- > a reduction of €166 million in Spain, essentially attributable to an increase of €161 million in personnel costs, essentially due to the recognition in the 1st Quarter of 2020 of the positive effects of the application of Endesa's new collective bargaining agreement (5th Endesa Collective Bargaining Agreement), which involved a change in certain social benefits;
- > a decrease of €33 million in Latin America, mainly attributable to:
 - a reduction of €27 million in Argentina, essentially attributable to a decline in fees for the remuneration of generation capacity availability and, more generally, the costs associated with operations on the electricity market in the 1st Quarter of 2021 compared with the

same period of the previous year;

- a deterioration of €11 million in Chile, mainly due to an increase in provisioning costs in the 1st Quarter of 2021, only partially offset by an increase in revenue from the sale of electricity and gas;
- > a reduction of €25 million in North America, essentially due to the deterioration in the performance of derivative contracts for the management of commodity risk (€48 million), partially offset by an increase in the margin on the sale of electricity;
- > a decrease of €22 million in Europe, essentially registered in Russia, where the margin on the sale of electricity declined, also reflecting adverse exchange rate developments;
- > a reduction of €21 million in Italy, mainly attributable to the deterioration of energy and gas margins, which lar-

gely reflected price developments, partially offset by an improvement in the performance of derivative contracts for the management of commodity risk.

The **ordinary gross operating profit** decreased by €253 million on the same period of 2020, essentially reflecting the factors discussed for gross operating profit as well

as the recognition of writedowns on the inventories of a number of coal plants in Chile and Spain (€13 million), the charges provisioned in Italy for restructuring plans for the energy transition and digitalization (€2 million) and costs incurred for sanitizing workplaces, purchasing personal protective equipment and donations in response to the COVID-19 pandemic (€2 million).

OPERATING PROFIT

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	67	86	(19)	-22.1%
Iberia	121	322	(201)	-62.4%
Latin America	8	26	(18)	-69.2%
- of which Argentina	1	23	(22)	-95.7%
- of which Brazil	16	11	5	45.5%
- of which Chile	(32)	(29)	(3)	-10.3%
- of which Colombia	1	(7)	8	-
- of which Peru	22	28	(6)	-21.4%
North America	(18)	6	(24)	-
Europe	22	33	(11)	-33.3%
- of which Romania	(1)	-	(1)	-
- of which Russia	23	33	(10)	-30.3%
- of which other countries	-	-	-	-
Other	2	2	-	-
Eliminations and adjustments	-	-	-	-
Total	202	475	(273)	-57.5%

The reduction in **operating profit** essentially reflects the factors discussed for gross operating profit, taking account of an increase of €6 million in depreciation, amortization

and impairment losses compared with the corresponding period of the previous year.

CAPITAL EXPENDITURE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	36	24	12	50.0%
Iberia	34	31	3	9.7%
Latin America	20	24	(4)	-16.7%
North America	1	-	1	-
Europe	5	3	2	66.7%
Other	-	-	-	-
Total	96	82	14	17.1%

Capital expenditure in the 1st Quarter of 2021 increased by a total of €14 million, reflecting the maintenance and ope-

ration of plants as well as the digitalization of generation operating processes.

A full-page photograph showing a worker in the foreground, wearing a white hard hat and a high-visibility orange and green safety vest, looking out over a vast, flat, snow-covered landscape. In the distance, several wind turbines are visible against a cloudy sky. The scene is captured in a cinematic style with soft lighting.

ENEL
GREEN
POWER

Operations

NET ELECTRICITY GENERATION

Millions of kWh		1st Quarter		
	2021	2020	Change	
Hydroelectric	15,337	15,224	113	0.7%
Geothermal ⁽¹⁾	1,511	1,583	(72)	-4.5%
Wind	9,097	7,419	1,678	22.6%
Solar	1,650	1,242	408	32.9%
Other sources ⁽¹⁾	12	11	1	9.1%
Total	27,607	25,479	2,128	8.4%
- of which Italy	6,010	5,338	672	12.6%
- of which Iberia	4,360	3,737	623	16.7%
- of which Latin America	11,196	11,245	(49)	-0.4%
- of which Europe	655	662	(7)	-1.1%
- of which North America	4,823	4,131	692	16.8%
- of which Africa, Asia and Oceania	563	366	197	53.8%

(1) The 2020 figures reflect a more accurate calculation of electricity generated.

In the 1st Quarter of 2021, net electricity generation increased mainly due to an increase in output, largely from wind, solar and hydroelectric sources.

The most significant changes in wind output occurred in Brazil, with an increase of 615 million kWh, in Iberia, with an increase of 457 million kWh, in the United States and Canada, with an increase of 461 million kWh compared with the same period of 2020, and in Mexico with an increase of 111 million kWh.

Solar generation also increased, largely accounted for by Australia (+156 million kWh), the United States (+102 million kWh), Brazil (+73 million kWh) and Iberia (+59 million kWh). Hydro generation increased in Italy and Iberia, by 756 million kWh and 107 million kWh respectively, although this was largely offset by a decrease in output in nearly all Latin American countries (-749 million kWh) owing to poor water conditions.

NET EFFICIENT GENERATION CAPACITY

MW	1st Quarter			
	2021	2020 ⁽¹⁾	Change	
Hydroelectric	27,826	27,820	6	-
Geothermal	882	882	-	-
Wind	12,513	12,412	101	0.8%
Solar	4,254	3,897	357	9.2%
Other sources	5	5	-	-
Total	45,480	45,016	464	1.0%
- of which Italy	13,994	13,986	8	0.1%
- of which Iberia	7,780	7,781	(1)	-
- of which Latin America	14,772	14,554	218	1.5%
- of which Europe	1,105	1,141	(36)	-3.2%
- of which Nord America	6,643	6,643	-	-
- of which Africa, Asia and Oceania	1,186	911	275	30.2%

(1) At December 31, 2020.

The increase in net efficient capacity mainly involved:

- > solar generation, reflecting an increase in installed capacity in Brazil at the São Gonçalo plant and in Chile in the Campos del Sol and Azabache plants, as well as the line-by-line consolidation of a number companies in Australia that had been accounted for using the equity

method following a change in governance arrangements, with no change in the investment held;

- > wind generation, thanks to an increase in installed capacity at the Lagoa dos Ventos plant in Brazil, partially offset by the sale of the plants owned in Bulgaria.

Performance

Millions of euro	1st Quarter			
	2021	2020	Change	
Revenue	1,955	1,819	136	7.5%
Gross operating profit	1,052	1,138	(86)	-7.6%
Ordinary gross operating profit	1,054	1,139	(85)	-7.5%
Operating profit	742	826	(84)	-10.2%
Capital expenditure	842 ⁽¹⁾	750	92	12.3%

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

The following tables show a breakdown of performance by Region/Country in the 1st Quarter of 2021.

REVENUE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	566	542	24	4.4%
Iberia	265	214	51	23.8%
Latin America	829	750	79	10.5%
- of which Argentina	7	13	(6)	-46.2%
- of which Brazil	253	150	103	68.7%
- of which Chile	288	264	24	9.1%
- of which Colombia	198	220	(22)	-10.0%
- of which Peru	35	49	(14)	-28.6%
- of which Panama	36	40	(4)	-10.0%
- of which other countries	12	14	(2)	-14.3%
North America	174	210	(36)	-17.1%
- of which United States and Canada	137	183	(46)	-25.1%
- of which Mexico	37	27	10	37.0%
Europe	83	92	(9)	-9.8%
- of which Romania	51	63	(12)	-19.0%
- of which Greece	32	25	7	28.0%
- of which Bulgaria	-	4	(4)	-
Africa, Asia and Oceania	34	25	9	36.0%
Other	63	40	23	57.5%
Eliminations and adjustments	(59)	(54)	(5)	-9.3%
Total	1,955	1,819	136	7.5%

GROSS OPERATING PROFIT

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	329	359	(30)	-8.4%
Iberia	155	107	48	44.9%
Latin America	429	517	(88)	-17.0%
- of which Argentina	4	9	(5)	-55.6%
- of which Brazil	54	75	(21)	-28.0%
- of which Chile	158	187	(29)	-15.5%
- of which Colombia	142	168	(26)	-15.5%
- of which Peru	36	36	-	-
- of which Panama	30	32	(2)	-6.3%
- of which other countries	5	10	(5)	-50.0%
Nord America	84	116	(32)	-27.6%
- of which United States and Canada	67	99	(32)	-32.3%
- of which Mexico	17	17	-	-
Europe	46	49	(3)	-6.1%
- of which Romania	23	28	(5)	-17.9%
- of which Russia	(1)	-	(1)	-
- of which Greece	25	19	6	31.6%
- of which Bulgaria	-	3	(3)	-
- of which other countries	(1)	(1)	-	-
Africa, Asia and Oceania	17	14	3	21.4%
Other	(8)	(24)	16	66.7%
Total	1,052	1,138	(86)	-7.6%

The change in **gross operating profit** in the 1st Quarter of 2021 is essentially attributable to:

- > a decrease in the gross operating profit registered in Latin America, mainly reflecting:
 - the decrease in Chile essentially attributable to a decline in the quantity of electricity generated as a result of poor water conditions;
 - a decrease in Brazil, mainly due to a decline in quantities generated, especially from hydroelectric plants, and lower prices, as well as adverse exchange rate developments;
 - a decrease in Colombia due to a decline in sales prices for electricity generated and adverse exchange rate developments;
- > a decrease in the gross operating profit registered in North America, mainly attributable to the net negative settlement of the Proxy Swap Power Purchase Agreement amounting to about €44 million following an extreme weather event in Texas, the effects of which were

only partially offset by an increase in revenue from tax partnerships;

- > a decrease in the gross operating profit registered in Italy, despite the increase in quantities generated, mainly attributable to a rise in the cost of provisioning power on the market;
- > an increase in the gross operating profit registered in Iberia, mainly attributable to the improvement in the margin on electricity, which includes the recognition of an indemnity relating to CO₂ emissions allowances assigned under the “Plan Nacional de Asignación de Derechos de Emisión” (PNA).

Ordinary gross operating profit amounted to €1,054 million (€1,139 million in the 1st Quarter of 2020), a decrease of €85 million, reflecting the development noted above and the non-recurring costs of €2 million recognized in 2021 for sanitizing workplaces, purchasing personal protective equipment and donations in response to the COVID-19 pandemic.

OPERATING PROFIT

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	261	285	(24)	-8.4%
Iberia	103	58	45	77.6%
Latin America	342	423	(81)	-19.1%
– of which Argentina	3	9	(6)	-66.7%
– of which Brazil	38	57	(19)	-33.3%
– of which Chile	119	145	(26)	-17.9%
– of which Colombia	130	154	(24)	-15.6%
– of which Peru	28	27	1	3.7%
– of which Panama	27	28	(1)	-3.6%
– of which other countries	(3)	3	(6)	-
North America	10	47	(37)	-78.7%
– of which United States and Canada	-	38	(38)	-
– of which Mexico	10	9	1	11.1%
Europe	30	33	(3)	-9.1%
– of which Romania	18	23	(5)	-21.7%
– of which Russia	(4)	(1)	(3)	-
– of which Greece	17	11	6	54.5%
– of which Bulgaria	-	2	(2)	-
– of which other countries	(1)	(2)	1	-50.0%
Africa, Asia and Oceania	6	5	1	20.0%
Other	(10)	(26)	16	-61.5%
Eliminations and adjustments	-	1	(1)	-
Total	742	826	(84)	-10.2%

The decrease in **operating profit** reflects the developments discussed for gross operating profit. Compared with the

same period of 2020, depreciation, amortization and impairment losses decreased by €2 million.

CAPITAL EXPENDITURE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	72	35	37	-
Iberia	54	61	(7)	-11.5%
Latin America	351	268	83	31.0%
North America	268	239	29	12.1%
Europe	57	32	25	78.1%
Africa, Asia and Oceania	36 ⁽¹⁾	111	(75)	-67.6%
Other	4	4	-	-
Total	842	750	92	12.3%

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

Capital expenditure in the 1st Quarter of 2021 increased by €92 million compared with the same period of the previous year. In particular, the change was attributable to:

- > an increase of €83 million in Latin America, mainly in wind (€47 million), photovoltaic (€32 million) and hydroelectric (€14 million) plants, partly offset by a decline in spending on geothermal plants (€9 million). The largest investments were mainly concentrated in Chile and Panama, partly offset by a decrease in capital expenditure in Brazil in reflection of adverse exchange rate developments;
- > an increase of €29 million in North America, mainly

reflecting a rise in spending on storage facilities in the United States;

- > an increase of €37 million in Italy, mainly on wind farms;
- > an increase of €25 million in Europe, mainly on wind farms;
- > a decline of €75 million in capital expenditure in Africa, Asia and Oceania, mainly as a result of a decrease in investments in wind farms in South Africa (€101 million) following the entry into service of a number of projects. This was partly offset by an increase in spending on wind facilities in India (€25 million);
- > a decrease of €7 million in Iberia, mainly on wind farms.



INFRASTRUCTURE AND NETWORKS

Operations

ELECTRICITY TRANSPORT

Millions of kWh	1st Quarter			
	2021	2020	Change	
Electricity transported on Enel's network ⁽¹⁾	125,557	123,001	2,556	2.1%
- of which Italy	54,842	54,248	594	1.1%
- of which Iberia	32,595	30,535	2,060	6.7%
- of which Latin America	34,028	34,230	(202)	-0.6%
- of which Europe	4,092	3,988	104	2.6%
End users with active smart meters (no.) ⁽²⁾	44,396,969	44,026,059	370,910	0.8%

(1) The figure for 2020 has been restated.

(2) To ensure a uniform comparison, the figure for 2020 has been adjusted on the basis of the new calculation method, which excludes digital meters with an active contract that are not managed remotely.

During the 1st Quarter of 2021 electricity transported on the grid increased by 2.1%, mainly due to developments in:

- > Iberia (6.7%), where the increase was essentially due to the rise in electricity transported by Edistribución Redes Digitales SL;
- > Europe (2.6%), with an increase in electricity distributed in Romania, attributable to both business and residential customers;

- > Italy (1.1%), with an increase in the demand for electricity distributed to low-voltage customers, partially offset by a reduction in demand from medium-, high- and very-high-voltage customers and other distributors.

Conversely, Latin America experienced a decrease in electricity transported (-0.6%), mainly due to Argentina and Chile.

AVERAGE FREQUENCY OF INTERRUPTIONS PER CUSTOMER

	1st Quarter			
	2021	2020 ⁽¹⁾	Change	
SAIFI (average no.)				
Italy	1.7	1.7	-	-
Iberia	1.5	1.4	0.1	7.1%
Argentina	4.6	4.4	0.2	4.5%
Brazil	5.5	5.4	0.1	1.9%
Chile	1.5	1.5	-	-
Colombia	5.2	5.6	(0.4)	-7.1%
Peru	2.5	2.6	(0.1)	-3.8%
Romania	3.4	3.4	-	-

(1) At December 31, 2020.

AVERAGE DURATION OF INTERRUPTIONS PER CUSTOMER

	1st Quarter			
	2021	2020 ⁽¹⁾	Change	
SAIDI (average minutes)				
<i>Italy</i> ⁽²⁾	43.4	42.1	1.3	3.1%
<i>Iberia</i> ⁽²⁾	79.5	77.5	2.0	2.6%
<i>Argentina</i> ⁽²⁾	829.0	839.4	(10.4)	-1.2%
<i>Brazil</i>	682.6	678.8	3.8	0.6%
<i>Chile</i>	164.0	171.2	(7.2)	-4.2%
<i>Colombia</i>	400.5	466.6	(66.1)	-14.2%
<i>Peru</i> ⁽²⁾	412.6	418.6	(6.0)	-1.4%
<i>Romania</i>	133.4	134.5	(1.1)	-0.8%

(1) At December 31, 2020.

(2) The figures at December 31, 2020 reflect a more accurate calculation of average duration.

As indicated in the tables above, the level of service quality improved in most geographical areas, although the SAIDI indicator for outages in Argentina is still high, due in par-

ticular to faults in high-voltage transmission systems not operated by the Group.

	1st Quarter			
	2021	2020 ⁽¹⁾	Change	
Grid losses (average %)				
<i>Italy</i>	4.8	4.9	(0.1)	-2.0%
<i>Iberia</i> ⁽²⁾	7.2	7.2	-	-
<i>Argentina</i>	19.3	18.9	0.4	2.1%
<i>Brazil</i>	13.5	13.4	0.1	0.7%
<i>Chile</i>	5.0	5.2	(0.2)	-3.8%
<i>Colombia</i>	7.7	7.6	0.1	1.3%
<i>Peru</i>	8.6	8.8	(0.2)	-2.3%
<i>Romania</i>	9.3	9.2	0.1	1.1%

(1) At December 31, 2020.

(2) The figures at December 31, 2020 reflect a more accurate calculation of grid losses.

Performance

Millions of euro	1st Quarter			
	2021	2020	Change	
Revenue	4,616	4,962	(346)	-7.0%
Gross operating profit	1,694	1,945	(251)	-12.9%
Ordinary gross operating profit	1,733	1,958	(225)	-11.5%
Operating profit	1,039	1,263	(224)	-17.7%
Capital expenditure	910	886	24	2.7%

The following tables show a breakdown of performance by Region/Country in the 1st Quarter of 2021.

REVENUE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	1,746	1,755	(9)	-0.5%
Iberia	612	625	(13)	-2.1%
Latin America	2,147	2,473	(326)	-13.2%
- of which Argentina	132	205	(73)	-35.6%
- of which Brazil	1,402	1,585	(183)	-11.5%
- of which Chile	287	323	(36)	-11.1%
- of which Colombia	153	156	(3)	-1.9%
- of which Peru	173	204	(31)	-15.2%
Europe	104	102	2	2.0%
Other	82	55	27	49.1%
Eliminations and adjustments	(75)	(48)	(27)	-56.3%
Total	4,616	4,962	(346)	-7.0%

GROSS OPERATING PROFIT

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	876	857	19	2.2%
Iberia	452	643	(191)	-29.7%
Latin America	343	430	(87)	-20.2%
- of which Argentina	-	9	(9)	-
- of which Brazil	175	235	(60)	-25.5%
- of which Chile	33	45	(12)	-26.7%
- of which Colombia	93	94	(1)	-1.1%
- of which Peru	42	47	(5)	-10.6%
Europe	24	15	9	60.0%
Other	(1)	-	(1)	-
Total	1,694	1,945	(251)	-12.9%

Gross operating profit decreased:

- > in Iberia, where the increase in volumes transported was more than offset by a reduction in electricity revenue due to the application of new remuneration parameters that came into force for the 2020-2025 regulatory period, as well as the effect of the signing in the 1st Quarter of 2020 of the 5th Endesa Collective Bargaining Agreement, which entailed a change in the electricity discount benefit for employees and former employees, with the consequent reversal of the provision for a total of €269 million, partially offset by the provision for voluntary early termination incentives amounting to €91 million;
- > in Latin America, especially in Brazil, due to a decline in volumes transported and adverse exchange rate developments.

The declines registered in Iberia and Latin America were

partially offset by an increase in gross operating profit in Italy, due essentially to the increase in electricity transport revenue following the increase in mandatory rates for 2021 with the Regulatory Authority for Energy, Networks and Environment (ARERA) Resolution no. 564/20, published in December 2020.

Ordinary gross operating profit amounted to €1,733 million (€1,958 million in the 1st Quarter of 2020), reflecting:

- > charges provisioned for restructuring plans for the energy transition in Brazil (€18 million);
- > charges provisioned in Italy for restructuring plans for the energy transition and digitalization (€14 million);
- > costs incurred mainly in Italy for sanitizing workplaces, personal protective equipment and donations in response to the COVID-19 pandemic (€7 million).

OPERATING PROFIT

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	589	578	11	1.9%
Iberia	262	455	(193)	-42.4%
Latin America	186	238	(52)	-21.8%
- of which Argentina	(5)	2	(7)	-
- of which Brazil	70	108	(38)	-35.2%
- of which Chile	22	34	(12)	-35.3%
- of which Colombia	71	65	6	9.2%
- of which Peru	28	29	(1)	-3.4%
Europe	3	(7)	10	-
Other	(1)	(1)	-	-
Total	1,039	1,263	(224)	-17.7%

Developments in **operating profit**, including depreciation, amortization and impairment losses of €655 million (€682 million in the 1st Quarter of 2020), were essentially attribu-

table to the factors already discussed for gross operating profit.

CAPITAL EXPENDITURE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	480	486	(6)	-1.2%
Iberia	141	95	46	48.4%
Latin America	245	264	(19)	-7.2%
Europe	43	41	2	4.9%
Other	1	-	1	-
Total	910	886	24	2.7%

Capital expenditure increased by €24 million on the year earlier period, mainly due to the increase registered in Iberia for spending on distribution lines, substations, transformers and replacement of metering equipment. This increase was partially offset by a reduction in invest-

ment in Latin America, where the decline in expenditure in Brazil, reflecting unfavorable exchange rate developments, was partly offset by an increase in Chile and Colombia, mainly on projects to improve quality, reduce grid losses and ICT spending.



END-USER MARKETS

Operations

ELECTRICITY SALES

Millions of kWh		1st Quarter		
	2021	2020	Change	
Free market	43,496	41,844	1,652	3.9%
Regulated market	35,305	35,859	(554)	-1.5%
Total	78,801	77,703	1,098	1.4%
- of which Italy	23,914	23,427	487	2.1%
- of which Iberia	20,733	21,519	(786)	-3.7%
- of which Latin America	31,884	30,378	1,506	5.0%
- of which Europe	2,270	2,379	(109)	-4.6%

The increase in electricity sold in the 1st Quarter of 2021 substantially reflects the increase in volumes sold on the free market in Italy and Latin America, partially offset by a

decline in quantities sold to business-to-business (B2B) customers in Spain.

NATURAL GAS SALES

Millions of m ³		1st Quarter		
	2021	2020	Change	
Business to business	1,939	1,982	(43)	-2.2%
Business to consumer	1,760	1,730	30	1.7%
Total⁽¹⁾	3,699	3,712	(13)	-0.4%
- of which Italy	1,987	2,062	(75)	-3.6%
- of which Iberia	1,622	1,563	59	3.8%
- of which Latin America ⁽¹⁾	40	44	(4)	-9.1%
- of which Europe ⁽¹⁾	50	43	7	16.3%

(1) The figures for 2020 reflect a more accurate calculation of volumes sold.

The decline in gas sold in the first three months of 2021 compared with the same period of the previous year is mainly attributable to a reduction in the consumption of

B2B customers in Italy, partially offset by an increase in volumes sold in Spain.

Performance

Millions of euro		1st Quarter		
	2021	2020	Change	
Revenue	8,256	8,361	(105)	-1.3%
Gross operating profit	908	933	(25)	-2.7%
Ordinary gross operating profit	912	941	(29)	-3.1%
Operating profit	623	627	(4)	-0.6%
Capital expenditure	108	93	15	16.1%

The following tables provide a breakdown of performance by Region/Country in the 1st Quarter of 2021.

REVENUE

Millions of euro		1st Quarter		
	2021	2020	Change	
Italy	4,289	4,220	69	1.6%
Iberia	3,354	3,441	(87)	-2.5%
Latin America	306	380	(74)	-19.5%
- of which Argentina	-	1	(1)	-
- of which Brazil	60	92	(32)	-34.8%
- of which Chile	17	80	(63)	-78.8%
- of which Colombia	179	194	(15)	-7.7%
- of which Peru	50	13	37	-
North America	-	-	-	-
Europe	307	320	(13)	-4.1%
Eliminations and adjustments	-	-	-	-
Total	8,256	8,361	(105)	-1.3%

GROSS OPERATING PROFIT

Millions of euro		1st Quarter		
	2021	2020	Change	
Italy	712	619	93	15.0%
Iberia	117	241	(124)	-51.5%
Latin America	54	58	(4)	-6.9%
- of which Argentina	2	(2)	4	-
- of which Brazil	24	32	(8)	-25.0%
- of which Chile	9	11	(2)	-18.2%
- of which Colombia	13	11	2	18.2%
- of which Peru	6	6	-	-
North America	-	-	-	-
Europe	25	15	10	66.7%
Total	908	933	(25)	-2.7%

Gross operating profit for the 1st Quarter of 2021 decreased, essentially as a result of:

- > a decrease of €124 million in Iberia, mainly attributable to a reduction in the volumes and sales prices of electricity on the free market and to an increase in personnel costs, which in the 1st Quarter of 2020 had benefited from the signing of the 5th Endesa Collective Bargaining Agreement and the associated change in the electricity discount benefit for employees and former employees, with the consequent reversal of the provision in the amount of €25 million;
- > a reduction of 8 million in Brazil, essentially related to adverse exchange rate developments.

These effects were partially offset by:

- > an increase of €93 million in Italy, reflecting an increase of €100 million in gross operating profit on the free market, due substantially to an increase in sales, partially offset by a decline of €7 million on the regulated market;
- > an increase of €10 million in Romania, due to an increase in unit prices and lower provisioning costs.

Ordinary gross operating profit amounted to €912 million (€941 million in the 1st Quarter of 2020), reflecting the charges provisioned for restructuring plans for the energy transition and digitalization in Italy (€3 million) and Brazil (€1 million).

OPERATING PROFIT

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	536	439	97	22.1%
Iberia	53	200	(147)	-73.5%
Latin America	9	(19)	28	-
- of which Argentina	(2)	(14)	12	-85.7%
- of which Brazil	(5)	(23)	18	-78.3%
- of which Chile	3	6	(3)	-50.0%
- of which Colombia	9	8	1	12.5%
- of which Peru	4	4	-	-
North America	-	-	-	-
Europe	25	7	18	-
Eliminations and adjustments	-	-	-	-
Total	623	627	(4)	-0.6%

Operating profit reflected the effect of depreciation, amortization and impairment losses of €285 million (€306 million in the 1st Quarter of 2020). The decline in depre-

ciation, amortization and impairment losses reflected a decrease in impairment losses on trade receivables, mainly in Latin America and Brazil in particular.

CAPITAL EXPENDITURE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	74	72	2	2.8%
Iberia	30	19	11	57.9%
Europe	4	2	2	-
Total	108	93	15	16.1%

The increase in **capital expenditure** is mainly attributable to an increase in investments in Spain for digitalization activities and the capitalization of costs relating to the acquisition of contracts with new customers.



ENEL X

Operations

	1st Quarter			
	2021	2020	Change	
Demand response capacity (MW)	6,137	2,853	3,284	-
Lighting points (thousands)	2,847	2,352	495	21.0%
Storage (MW) ⁽¹⁾	99	123	(24)	-19.5%
Charging points (no.)	111,873	85,092	26,781	31.5%

(1) The figure for 2020 is at December 31.

In the 1st Quarter of 2021 the Group further expanded charging infrastructure for electric vehicles: charging points installed with private buyers increased by 21,772, mainly

in North America and Italy, while public charging points expanded by 5,009, mainly in Italy and Spain.

Performance

Millions of euro	1st Quarter			
	2021	2020	Change	
Revenue	291	223	68	30.5%
Gross operating profit	41	7	34	-
Ordinary gross operating profit	41	8	33	-
Operating profit	1	(26)	27	-
Capital expenditure	53	49	4	8.2%

The following tables provide a breakdown of performance by Region/Country in the 1st Quarter of 2021.

REVENUE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	95	72	23	31.9%
Iberia	59	55	4	7.3%
Latin America	43	37	6	16.2%
- of which Argentina	2	1	1	-
- of which Brazil	3	3	-	-
- of which Chile	10	11	(1)	-9.1%
- of which Colombia	16	21	(5)	-23.8%
- of which Peru	12	1	11	-
North America	53	26	27	-
Europe	22	10	12	-
Africa, Asia and Oceania	12	20	(8)	-40.0%
Other	34	22	12	54.5%
Eliminations and adjustments	(27)	(19)	(8)	-42.1%
Total	291	223	68	30.5%

GROSS OPERATING PROFIT

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	24	3	21	-
Iberia	13	15	(2)	-13.3%
Latin America	13	11	2	18.2%
- of which Argentina	1	-	1	-
- of which Brazil	(1)	(2)	1	50.0%
- of which Chile	(2)	-	(2)	-
- of which Colombia	10	13	(3)	-23.1%
- of which Peru	5	-	5	-
North America	(2)	(15)	13	-86.7%
Europe	2	1	1	-
Africa, Asia and Oceania	(1)	2	(3)	-
Other	(8)	(10)	2	20.0%
Total	41	7	34	-

Gross operating profit mainly increased in Italy and North America, due respectively to the recognition of revenue from services associated with new commercial initiatives and an increase in revenue from the demand-response business.

Ordinary gross operating profit amounted to €41 million, an increase of €33 million compared with the same period of 2020. No non-recurring items were registered in the 1st Quarter of 2021.

OPERATING PROFIT

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	13	(7)	20	-
Iberia	11	6	5	83.3%
Latin America	8	9	(1)	-11.1%
- of which Argentina	1	-	1	-
- of which Brazil	(1)	(2)	1	50.0%
- of which Chile	(2)	(1)	(1)	-
- of which Colombia	7	12	(5)	-41.7%
- of which Peru	3	-	3	-
North America	(12)	(24)	12	50.0%
Europe	1	-	1	-
Africa, Asia and Oceania	(2)	1	(3)	-
Other	(18)	(11)	(7)	-63.6%
Total	1	(26)	27	-

Developments in **operating profit**, including depreciation, amortization and impairment losses of €40 million (€33 million in the first three months of 2020), essentially reflected the factors discussed for gross operating profit, an increase in depreciation and amortization recognized in

Colombia and impairment losses on trade receivables recognized in the 1st Quarter of 2021 by Enel X Srl.

CAPITAL EXPENDITURE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	13	13	-	-
Iberia	10	14	(4)	-28.6%
Latin America	5	2	3	-
North America	11	11	-	-
Europe	-	-	-	-
Africa, Asia and Oceania	1	-	1	-
Other	13	9	4	44.4%
Total	53	49	4	8.2%

Capital expenditure increased mainly in Latin America for projects connected with public electric mobility, in particular in Colombia (the e-BUS project) and at Enel X Srl as a result of an increase in the capitalization of ICT costs. The-

se effects were partially offset by a decline in spending in Spain in the e-Industries and e-Home businesses, mainly due to a change in the business model.



SERVICES AND OTHER

Performance

Millions of euro	1st Quarter			
	2021	2020	Change	
Revenue	466	454	12	2.6%
Gross operating loss	(29)	(7)	(22)	-
Ordinary gross operating loss	(23)	-	(23)	-
Operating loss	(82)	(56)	(26)	-46.4%
Capital expenditure	26	10	16	-

The tables below provide a breakdown of performance by Region/Country in the 1st Quarter of 2021.

REVENUE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	175	171	4	2.3%
Iberia	85	117	(32)	-27.4%
Latin America	7	2	5	-
Europe	5	7	(2)	-28.6%
Other	238	208	30	14.4%
Eliminations and adjustments	(44)	(51)	7	-13.7%
Total	466	454	12	2.6%

GROSS OPERATING LOSS

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	16	12	4	33.3%
Iberia	(2)	18	(20)	-
Latin America	(17)	(23)	6	26.1%
North America	(1)	-	(1)	-
Europe	1	1	-	-
Other	(26)	(15)	(11)	73.3%
Total	(29)	(7)	(22)	-

The increase in the **gross operating loss** in the first three months of 2021 is attributable to the reduction of €20 million in Iberia, mainly reflecting a reduction in revenue for the provision of services to other Group companies, only partially offset by a reduction in costs for services and personnel expenses. The reduction in gross operating profit recognized under "other" is mainly related to the increase in personnel expenses recorded by Enel SpA and Enel Iberia.

Ordinary gross operating loss increased by €23 million compared with the 1st Quarter of 2020. Non-recurring items include charges provisioned for restructuring plans for the energy transition and digitalization in the amount of €4 million and costs of €2million incurred, mainly in Italy, for sanitizing workplaces, purchases of personal protective equipment and donations in response to the COVID-19 pandemic.

OPERATING LOSS

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	(1)	(4)	3	-75.0%
Iberia	(14)	8	(22)	-
Latin America	(17)	(24)	7	29.2%
North America	(1)	(1)	-	-
Europe	1	-	1	-
Other	(50)	(35)	(15)	-42.9%
Total	(82)	(56)	(26)	-46.4%

The increase in the **operating loss** for the first three months of 2021 is broadly in line with the increase in the gross operating loss.

CAPITAL EXPENDITURE

Millions of euro	1st Quarter			
	2021	2020	Change	
Italy	8	1	7	-
Iberia	2	2	-	-
Latin America	5	2	3	-
Europe	-	-	-	-
Other	11	5	6	-
Total	26	10	16	-

The increase in **capital expenditure** in the first three months of 2021 is attributable to an increase in spending in Italy.

DEFINITION OF PERFORMANCE INDICATORS

In order to present the results of the Group and analyze its financial structure, in the Interim Financial Report at March 31, 2021, 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 interim 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. 92543/15, 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 measures in regulated information disclosed or prospectuses published as from July 3, 2016. These Guidelines, which update the previous CCSR 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 profit: an operating performance indicator, calculated as "Operating profit" plus "Depreciation, amortization and impairment losses".

Ordinary gross operating profit: it is calculated by adjusting the "Gross operating profit" 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 renewables segment related to the new "Build, Sell and Operate" business model introduced in the 4th Quarter of 2016, where the income from the disposal of projects represents an ordinary activity for the Group. Following the emergency of the COVID-19 pandemic, in the 1st Quarter of 2020, non-recurring items also include costs incurred directly in response to COVID-19 (such as costs for the sanitization of workplaces, the purchase of personal pro-

TECTIVE equipment, vaccinations and donations).

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

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 assets" included in "Other non-current financial assets";
- > "Long-term borrowings";
- > "Employee benefits";
- > "Provisions for risks and charges (non-current portion)";
- > "Deferred tax liabilities".

Net working capital: calculated as the difference between "Current assets" and "Current liabilities" with the exception of:

- > "Current portion of long-term loan assets", "Factoring receivables", "Securities", "Cash collateral" and "Other financial assets" 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 working capital", "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 liabilities" included in "Other current liabilities";

- > net of "Cash and cash equivalents";
- > net of the "Current portion of long-term loan assets", "Factoring receivables", "Cash collateral" and "Other financial assets" included in "Other current financial assets";
- > net of "Securities" and "Other financial assets" 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 3 of the notes to the condensed consolidated financial statements at March 31, 2021.

OUTLOOK

In an economic and social context that has been profoundly impacted by the COVID-19 pandemic, the Enel Group has displayed considerable resilience thanks to a business model that is integrated along the entire value chain, a sound financial structure and a high level of digitalization.

The pandemic also represented an opportunity to reprogram business activities from a green perspective and to boost investments in the ecological transition and digitalization, especially at the European level. In this context, in November 2020, the Group presented the Strategic Plan for 2021-2023, at the same time providing a vision of the business over the next ten years.

In particular, the new Strategic Plan envisages the adoption of two business models: a traditional "Ownership" model, in which digital platforms are promoters of the business to support the profitability of investments, and a "Stewardship" model, which catalyzes investments by third parties in collaboration with Enel or in the context of business-generating platforms.

Within these two business models, in 2021-2030 the Group will invest over €150 billion through the Ownership business model and an additional €10 billion through the Stewardship business model, while at the same time mobilizing some €30 billion in additional third-party investment. With these investments, it is expected that between 2020 and 2030 the Group's ordinary EBITDA will grow at a CAGR of 5-6%, with ordinary profit growing at a CAGR of 6-7%.

In 2021-2023, the Group expects to invest around €40 billion directly, of which €38 billion through the Ownership business model and around €2 billion through the

Stewardship business model, while mobilizing €8 billion in investment from third parties.

With regard to the investments planned within the framework of the Ownership business model, more than half will be primarily dedicated to increasing renewable generation capacity, which will rise to 60 GW on a consolidated basis in 2023, and about 43% will be dedicated to Infrastructure and Networks, increasing the Group's RAB to €48 billion in 2023. The remainder will be dedicated to the Customers business, with a major increase expected in value per customer.

Investments under the Stewardship model will be dedicated to renewable energy, as well as to fiber optics, e-Transport and flexibility services.

Over the period covered by the Plan, Enel will implement a simple, predictable and attractive dividend policy: shareholders will receive a fixed, guaranteed and increasing dividend per share (DPS) over the next three years, with the aim of reaching €0.43 per share by 2023.

In the remaining nine months of 2021, the following are expected:

- > an acceleration of investments in renewable energy to support industrial growth and as part of the decarbonization policies we have adopted;
- > an increase in investments to improve the quality, resilience and digitalization of distribution networks;
- > an increase in investments dedicated to the electrification of energy consumption and the maximizing value per customer, supported by the creation of global business platforms.

The guidance provided to the financial markets on the occasion of the presentation of the 2021-2023 Business Plan in November 2020 has not changed: in 2021 the Company expects ordinary EBITDA of €18.7-19.3 billion and ordinary profit of €5.4-5.6 billion.

2

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2021





Condensed Consolidated Income Statement

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

Statement of Consolidated Comprehensive Income

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

Condensed Consolidated Statement of Financial Position

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

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

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

Statement of Changes in Consolidated Shareholders' Equity

Share capital and reserves attributable to the owners of the Parent

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

Reserve from measurement of financial instruments at FVOCI	Reserve from equity-accounted investments	Actuarial reserve	Reserve from disposal of equity interests without loss of control	Reserve from acquisitions of non-controlling interests	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
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
(1)	(128)	(1,196)	(2,381)	(1,292)	18,200	28,325	14,032	42,357
-	-	-	-	-	-	-	(251)	(251)
-	-	-	-	-	(8)	(8)	-	(8)
-	-	-	-	-	-	2,214	-	2,214
-	-	-	-	-	-	2	-	2
-	-	-	-	-	59	59	60	119
-	10	-	-	-	-	-	31	31
-	-	(81)	-	327	(6)	(466)	(792)	(1,258)
4	(19)	-	-	-	1,176	1,231	271	1,502
4	(19)	-	-	-	-	55	(48)	7
-	-	-	-	-	1,176	1,176	319	1,495
3	(137)	(1,277)	(2,381)	(965)	19,421	31,357	13,351	44,708

Condensed Consolidated Statement of Cash Flows

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

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

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

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

1. Accounting policies and measurement criteria

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

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

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

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

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

Seasonality

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

2. Argentina – Hyperinflationary economy: impact of the application of IAS 29

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

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

Bearing in mind that the Enel Group acquired control of the Argentine companies on June 25, 2009, the remeasurement of the non-monetary balance sheet figures was conducted by applying the inflation indices starting from that date. In addition to being already reflected in the opening balance sheet, the accounting effects of that remeasurement also include changes during the period. More specifically, the effect of the remeasurement of non-monetary items, the components of equity and the components of the income statement recognized in the first three months of 2021 was recognized in a specific line of the income statement under financial income and expense. The associated tax effect was recognized in taxes for the period.

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

The cumulative changes in the general price indices from December 31, 2018 to March 31, 2021 are shown in the following table.

Periods	Cumulative change in general consumer price index
From July 1, 2009 to December 31, 2018	346.30%
From January 1, 2019 to December 31, 2019	54.46%
From January 1, 2020 to December 31, 2020	35.41%
From January 1, 2021 to March 31, 2021	11.76%

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

The following tables report the effects of IAS 29 on the balance at March 31, 2021 and the impact of hyperinflation on the main income statement items for the 1st Quarter of 2021, differentiating between that concerning the revaluation on the basis of the general consumer price index and that due to the application of the closing exchange rate rather than the average exchange rate for the period in accordance with the provisions of IAS 21 for hyperinflationary economies.

Millions of euro

	Cumulative hyperinflation effect at Dec. 31, 2020	Hyperinflation effect for the period	Exchange differences	Cumulative hyperinflation effect at March 31, 2021
Total assets	962	147	(129)	980
Total liabilities	192	45	(5)	232
Equity	770	102 ⁽¹⁾	(124)	748

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

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

3. Main changes in the consolidation scope

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

2020

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

2021

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

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

Other changes

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

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

Acquisition of CityPoste Payment

On March 29, 2021, Enel X Srl acquired 100% CityPoste Payment SpA, a payment institution authorized to operate by the Bank of Italy, for the provision of payment services, through the digital channel (using a proprietary platform) and the physical channel (its network of points of sale). The Group will determine the fair value of the assets acquired and the liabilities assumed within 12 months of the acquisition date.

DETERMINATION OF GOODWILL

Millions of euro	
Net assets acquired	2
Cost of the acquisition	19
<i>(of which paid in cash)</i>	<i>19</i>
Goodwill	17

Acquisitions of renewable energy companies in Spain

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

DETERMINATION OF GOODWILL

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

4. COVID-19

In line with the recommendations of ESMA, contained in the public statements¹ published in March, May, July and October 2020, and of CONSOB, contained in Warning Notices no. 6/20 of April 9, 2020, no. 8/20 of July 16, 2020 and no. 1/21 of February 16, 2021, the Group has continued to carefully monitor the evolution of the COVID-19 pandemic with regard to the main areas affected by it and in the main countries in which it operates, as already discussed in the Integrated Annual Report at December 31, 2020, in order to assess, based on our specific corporate circumstances and the availability of reliable information, the scale of the impact of COVID-19 on operations, performance and financial position of the Group at March 31, 2021. In this regard, note that the figures registered in the 1st Quarter of 2021 were not significantly affected by the COVID-19 pandemic. In particular, the changes in revenue and receivables in the period compared with the year-earlier period did not display any anomalous developments attributable to the direct and/or indirect effects of the pandemic.

Nor did non-financial assets and any impairment losses recognized (IAS 36) as well as the measurement of trade receivables (IFRS 9) experience any significant changes compared with December 31, 2020 as a result of the COVID-19 pandemic that would require further discussion.

Finally, in the 1st Quarter of 2021 vaccination campaigns started in the various countries in which the Group operates and Enel is strongly committed to assisting and supporting employees in participating in these campaigns.

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

5. Segment information

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

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

Performance by Business Line

1ST QUARTER OF 2021

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue and other income from third parties	3,612	1,441	3,697	8,067	282	4	4	17,107
Revenue and other income from transactions with other segments	2,093	514	919	189	9	404	(4,128)	-
Total revenue	5,705	1,955	4,616	8,256	291	408	(4,124)	17,107
Total costs	5,615	905	2,922	7,290	250	394	(4,078)	13,298
Net income/(expense) from commodity risk management	335	2	-	(58)	-	1	2	282
Depreciation and amortization	223	311	652	96	35	44	8	1,369
Impairment losses	2	4	10	237	10	-	1	264
Impairment gains	(2)	(5)	(7)	(48)	(5)	-	-	(67)
Operating profit/(loss)	202	742	1,039	623	1	(29)	(53)	2,525
Capital expenditure	96	842⁽¹⁾	910	108	53	22	4	2,035

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

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	6,339	1,369	4,015	8,041	221	(3)	3	19,985
Revenue and other income from transactions with other segments	2,235	450	947	320	2	398	(4,352)	-
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
Impairment gains	(21)	(3)	(5)	(40)	-	-	2	(67)
Operating profit/(loss)	475	826	1,263	627	(26)	(17)	(39)	3,109
Capital expenditure	82	750	886	93	49	6	4	1,870

(1) The revenue figures reflect a more accurate calculation of the numbers.

Financial position by Business Line

AT MARCH 31, 2021

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

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

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

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

AT DECEMBER 31, 2020

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

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

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

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

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

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

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

Revenue

6.a Revenue – €17,107 million

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

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

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

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

These effects were partially offset by:

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

spect of CO₂ emission rights granted to Endesa under "Plan Nacional de Asignación de Derechos de Emisión" (PNA);

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

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

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

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

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

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

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

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

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

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

Costs

6.b Costs – €14,864 million

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

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

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

Costs for “materials” essentially decreased due to a decline in costs for the purchase of CO₂ allowances (–€245 million), mainly reflecting the fair value measurement of contracts with physical settlement (IFRS 9).

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

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

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

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

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

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

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

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

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

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

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

6.d Net financial expense – €421 million

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

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

- > an increase of €483 million in income from derivative instruments, mainly in respect of the measurement of outstanding contracts to hedge the risk of fluctuations in exchange rates for loans denominated in foreign currencies;
- > the recognition of financial income of €70 million in Spain for default interest accrued on Endesa's right to be indemnified for the past reduction in its remuneration concerning the grant of CO₂ emissions allowances under "Plan Nacional de Asignación de Derechos de Emisión" (PNA);
- > an increase of €42 million in exchange gains.

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

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

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

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

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

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

6.f Income taxes – €643 million

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

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

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

Assets

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

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

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

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

Latin American countries, notably Brazil, and in Romania.

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

- > changes in OCI connected with cash flow hedge derivatives (€23 million);
- > the negative effects of the consolidation scope changes recorded in Australia (€32 million) associated with the consolidation of the Bungala companies, which had previously been accounted for using the equity method;
- > dividends distributed in the period in the amount of €9 million, mainly by Rusenergosbyt and to a smaller extent by a number of Spanish companies.

These effects were offset by:

- > exchange gains (€15 million);
- > the profits attributable to the Group of equity accounted companies, with the greatest contribution coming from Rusenergosbyt and Slovak Power Holding, only partially offset by the losses of other companies.

Other non-current assets include:

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

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

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

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

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

7.b Current assets – €36,293 million

Inventories amounted to €2,702 million, an increase of €301 million, most of which was recognized in Italy, essentially reflecting the increase in inventories of CO₂ emissions allowances.

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

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

Other current assets break down as follows.

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

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

- > an increase in "other current financial assets", essentially attributable to the fair value measurement of derivative financial instruments (equal to €5,544 million at March 31, 2021 and €3,471 million at December 31, 2020);
- > an increase in "tax assets" relating essentially to VAT credits (€743 million);
- > an increase in "amounts due from institutional market operators", which mainly include amounts due from the Italian electrical system of €1,032 million (€890 million at December 31, 2020) and the Spanish electrical system of €566 million (€337 million at December 31, 2020). More specifically, in Italy the increase is mainly attributable to an increase in amounts due from the Energy and Environmental Services Fund, mainly claimed by Servizio Elettrico Nazionale and essentially connected with purchase equalization mechanisms, while in Spain the increase is mainly attributable to the indemnity paid to Endesa for the CO₂ emission allowances granted under the "Plan Nacional de Asignación de Derechos de Emisión" (PNA);
- > an increase in "other short-term amounts due" mainly regards an increase in prepaid expenses, largely in respect of fees for water diversion for industrial use, items connected with personnel and insurance premiums and advances paid to third parties and sundry other receivables;
- > a decrease in "current financial assets included in debt", mainly due to the reduction of other current financial assets (€447 million), essentially related to a decrease in cash collateral paid to counterparties for transactions in derivative contracts.

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

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

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

Liabilities and equity

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

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

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

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

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

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

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

Other non-current liabilities amounted to €13,040 million (€13,255 million at December 31, 2020), a decrease of €215 million, largely reflecting the change in the fair value of financial derivatives (€390 million), mainly in respect of derivatives designated as cash flow hedges of exchange and interest rate risk, as well as the depreciation of the currencies of the Latin American countries against the euro. These factors were partially offset by an increase in liabilities connected with the outcome of the PIS/COFINS dispute in Brazil (already discussed under “non-current assets”).

7.f Current liabilities – €42,615 million

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

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

Other current liabilities break down as follows.

Millions of euro

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

The change in the period is essentially due to:

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

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

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

8. Net financial position

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

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

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

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

OTHER INFORMATION

Enel carries out transactions with a number of companies directly or indirectly controlled by the Italian State, the Group's controlling shareholder.

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

9. Related parties

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

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

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

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

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

Millions of euro

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

Millions of euro

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

Millions of euro

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

Millions of euro

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

In November 2010, the Board of Directors of Enel SpA approved (and subsequently updated) a procedure governing the authorization and execution of transactions with related parties carried out by Enel SpA directly or through subsidiaries. The procedure (available at <https://www.enel.com/investors/bylaws-rules-and-policies/transactions-with-related-parties/>) sets out rules designed to ensure the transparency and procedural and substantive propriety of

transactions with related parties. It was adopted in implementation of the provisions of Article 2391-bis of the Italian Civil Code and the implementing regulations issued by CONSOB. In the 1st Quarter of 2021, no transactions were carried out for which it was necessary to make the disclosures required in the rules on transactions with related parties adopted with CONSOB Resolution no. 17221 of March 12, 2010, as amended.

10. Contractual commitments and guarantees

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

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

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

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

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

11. Contingent assets and liabilities

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

Brindisi Sud thermal generation plant – Criminal proceedings against Enel employees

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

Bono Social – Spain

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

El Quimbo – Colombia

As regards the *acción popular* brought by a number of fish farming companies over the alleged impact that filling the Quimbo basin would have on fishing in the Betania basin downstream from Quimbo, on February 1, 2021, Emgesa was notified of the ruling of the Court of Huila, which while acknowledging that the oxygenation system implemented by the company has mitigated the risks associated with the protection of fauna in the Betania basin, imposed a series of obligations on the environmental authorities involved, as

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

Gabčíkovo dispute – Slovakia

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

Kino arbitration – Mexico

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

12. Subsequent events

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

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

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

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

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

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

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

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

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

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

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

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

Concept design and realization

HNTO

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By

Enel Communications

Disclaimer

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has been translated into
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of international readers

Enel

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Stock Capital Euro 10,166,679,946 fully paid-in

Companies Register of Rome and Tax I.D. 00811720580

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